School of Management and Marketing

Multicultural Readiness Instrument (MRI): Reconceptualisation and Validation

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Author's Declaration

To the best of my knowledge and belief this thesis contains no material previously published by any other person except where due acknowledgment has been made.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.

The research presented and reported in this thesis was conducted in accordance with the National Health and Medical Research Council National Statement on Ethical Conduct in Human Research (2007) – updated March 2014. The proposed research study received human research ethics approval from the Curtin University Human Research Ethics Committee, Approval Numbers HRE2019-0799 and HRE2020-0566.

Signature: Zahra Daneshfar

Date: 31/12/2021

Abstract

Purpose – Cultural and ethnic diversity has grown within most developed countries due to increased immigration and overseas travel for study and work, which makes it necessary for individuals and organisations to be ready to accept and engage effectively with culturally diverse people and stakeholders. This study aims to (1) reconceptualise Multicultural Readiness (MR) at the individual and organisational levels as their ability to accept and engage with those from other cultures in a meaningful manner, (2) operationalise individual-level MR and organisational-level MR in the form of individual-level (IND MRI) and organisational-level Multicultural Readiness Instrument (ORG MRI), and (3) validate IND MRI and ORG MRI using a conceptual framework consisting of their antecedents and outcomes.

Design/methodology/approach – A well-established scale development methodology is used to develop the MR instruments. The pool of items was generated through an extensive literature review followed by semi-structured interviews with 21 service customers and employees working in the Australian service sector using the purposive sampling technique (study 1). In order to shortlist the items based on their relevance, the interview transcripts were subject to content analysis. The shortlisted items were subject to face and content validity assessment through engaging three expert judges from academia and three from industry (study 2). Next, for the scale purification purpose, two self-administered questionnaires with the updated items were developed to measure individual-level (IND MR) as well as organisational-level MR (ORG MR), and data was collected from 416 and 680 respondents respectively who work in the Australian services sector using an online panel (study 3). Exploratory factor analysis was used to purify the MR scale by examining the psychometric properties of all the items and the dimensions underlying the MR construct.

To validate the final MR instruments, self-administered surveys were conducted with fresh group of 414 and 366 respondents for the study at the individual and organisational levels respectively, with a profile similar to the first survey using an online panel (study 4). The questionnaires were structured with the MR scale and data was also collected for ethnocentrism (ETN), organisational culture (OC), employee performance (EP), job satisfaction (JS), organisational performance (OP), and organisational competitiveness (OCP). The

dimensionality, reliability, convergent and discriminant validity, as well as nomological and predictive validity of MR instruments were examined using well-established procedures.

Findings – The study confirmed the third-order hierarchical structure of the MR construct at both individual and organisational levels that is reflected by five dimensions including awareness, motivation, acceptance, adaptation, and communication. The validated IND MRI and ORG MRI are comprised of 50 and 39 items respectively. This research also found a significant negative relationship between ETN and IND MR. However, OC was found to have a significant positive influence on IND MR. At the organisational level, the results show that while employees' ETN has no significant effect on their perception of ORG MR, the OC was found to have a significant positive impact. Moreover, this study demonstrates empirical evidence for the influence of IND MR and ORG MR on individual-level and organisational-level outcomes. The results show significant support for the positive impact of IND MR on EP, JS, OP, and OCP. Similarly, ORG MR was found to have a significant positive impact on EP, JS, and OP. However, there was no significant relationship found between ORG MR and OCP.

Originality/value – This study contributes to the services marketing and cross-cultural consumer behaviour literature by focusing on the notion of readiness in multicultural settings and developing a new scale (MRI) to measure individual-level and organisational-level multicultural readiness.

Managerial Implications – The output of this study will help to create inclusive multicultural workplaces and develop service offerings in a way to meet the needs of culturally diverse customers. On a broader level, MR creates inclusive, peaceful, and accepting multicultural societies that are willing to embrace cultural diversity.

Keywords – Service, multicultural, readiness, intercultural service encounter.

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Acknowledgement of Country

We acknowledge that Curtin University works across hundreds of traditional lands and custodial groups in Australia, and with First Nations people around the globe. We wish to pay our deepest respects to their ancestors and members of their communities, past, present, and to their emerging leaders. Our passion and commitment to work with all Australians and peoples from across the world, including our First Nations peoples are at the core of the work we do, reflective of our institutions' values and commitment to our role as leaders in the Reconciliation space in Australia.

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List of Abbreviations

AIC	Assessment of intercultural competence
ANOVA	Analysis of variance
AVE	Average variance extracted
BASIC	Behavioural assessment scale for intercultural competence
CCA	Cross-cultural adjustment
CCAS	Cross-cultural adjustment scale
CCC	Cross-cultural competence
CCR	Cultural competence readiness
CCSS	Cross-cultural sensitivity scale
CFA	Confirmatory Factor analysis
CMV	Common method variance
COL	Collectivism
CQ	Cultural intelligence
CQS	Cultural intelligence scale
CR	Composite reliability
CRES	Cross-cultural readiness exposure scale
DMIS	Developmental model of intercultural sensitivity
E-CQ	Expanded framework of CQ
EFA	Exploratory factor analysis
IBA	Intercultural behavioural assessment
ICAPS	Intercultural adjustment potential scale
ICC	Intercultural competence
ICCI	Intercultural communication competence instrument
ICSEs	Intercultural service encounters
ICSI	Intercultural sensitivity inventory
IDI	Intercultural development inventory
IES	Intercultural effectiveness scale
IND	Individual
IND MR	Individual-level Multicultural readiness
IND MRI	Individual-level Multicultural readiness instrument
IR	Intercultural readiness
IRA	Intercultural readiness assessment

IRC	Intercultural readiness check
IS	Intercultural sensitivity
ISQ	Internal service quality
ISS	Intercultural sensitivity scale
MAS	Multicultural awareness scale
MCE	Multicultural effectiveness
M-GUDS	Miville-Guzman universality-diversity scale
M-GUDS-S	Short format of the Miville-Guzman Universality-Diversity Scale
MO	Multicultural optimism
MPQ	Multicultural personality questionnaire
MPQ-SF	Short form of the multicultural personality questionnaire
MR	Multicultural readiness
NKI-CCAS	Nathan Kline institute cultural competency assessment scale
OCQS	Firm-level cultural intelligence scale
ORC	Organisational readiness for change
ORG	Organisational
ORG MR	Organisational-level Multicultural Readiness
ORG MRI	Organisational-level Multicultural Readiness instrument
ORIC	Organisational readiness for implementing change
OS	Organisational size
POB	Positive organisational behaviour
SEM	Structural equation modelling
SST	Self-service technology
UDO	Universal-diverse orientation

List of Study Variables Abbreviation

AWR	Awareness
MOT	Motivation
ACC	Acceptance
ADT	Adaptation
COM	Communication
AA	Ability to Adapt
Ac	Acceptance of cultural diversity

Awr	Cultural Awareness – ORG level
CCom	Communication comfort
CCon	Communication confidence
CoA	Contextual awareness
Cog	Motivation to process cultural knowledge (Cognition) – ORG level
Com	Communication – ORG level
CuA	Cultural awareness
EPAdaptive	Employee adaptive performance
EPContextual	Employee contextual performance
EPTask	Employee task performance
ETN	Ethnocentrism
HR	Adaptation - Human resources practices
ICA	Intercultural communication adaptation
JS	Job satisfaction
ML	Motivation to acquire cultural knowledge
Mot	Motivation to improve cultural knowledge
MP	Motivation to process cultural knowledge (Cognition) – IND level
OCCol	Organisational Culture – collectivism
OCInd	Organisational Culture – individualism
OCP	Organisational competitiveness
OP	Organisational performance
PB	Acceptance of the benefits of cultural diversity (perceived benefits)
Policy	Adaptation - policy
Service	Adaptation - services
WA	Willingness to Adapt

Research Output from this Thesis

Conference Proceedings and Presentations

1. Daneshfar, Z., Sharma, P., and Kingshott, R. (2021). Multicultural readiness in service ecosystems. *In 2021 American Marketing Association Summer Academic Conference*, 04 - 06 Aug 2021, USA.

2. Daneshfar, Z., Sharma, P., and Kingshott, R. (2020). Multicultural Readiness Instrument (MRI): Conceptualisation and Validation. *In 2020 ANZMAC Online Doctoral Colloquium*, 30 Nov- 1 Dec 2020, Australia.

CHAPTER 1: INTRODUCTION

1.1. Overview

Chapter one starts with providing an overview of globalisation and its role in increasing multicultural marketplaces and the workforce. It then taps into the service sector and discusses its importance for economic growth, particularly in multicultural environments where stakeholders are culturally diverse. This chapter unfolds the dual nature of cultural diversity and narrates the attributes of being effective in multicultural service settings at both individual level and organisational level. To conclude, this chapter identifies the research gaps, explains the study motivation, proposes the research objectives, and defines the scope of the study. The chapter structure is presented in Figure 1.1.

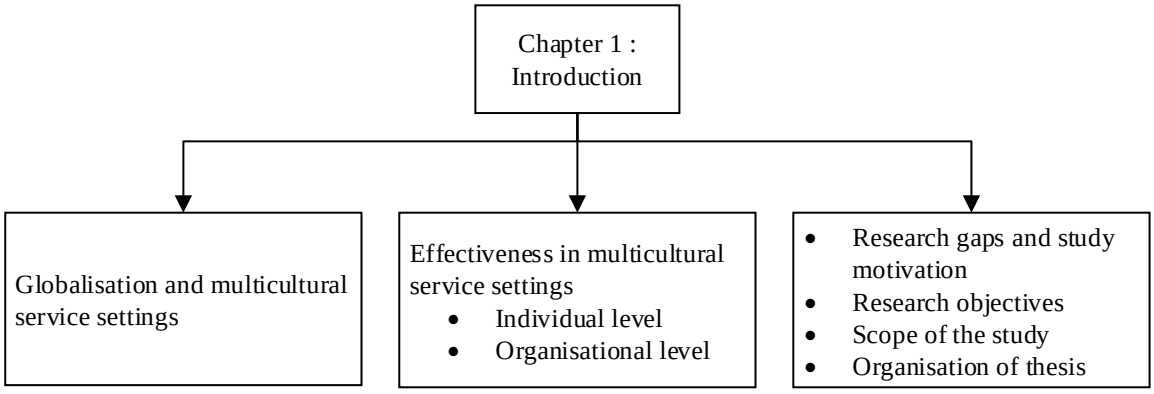


Figure 1. 1. Structure of chapter 1

1.2. Globalisation and Multicultural Service Settings

Globalisation is making the world an increasingly interconnected place, leading to a rapid rise in the number of people who live, work, or travel to countries other than the place they were born (Sharma and Wu, 2015). As reported by IOM (2020), in 2019, almost 3.5 percent of the population in the world was made up of international migrants. This indicates a fast increase in international migration particularly to countries like the United States, Australia, and Canada (IOM, 2020). As a result of globalisation, the traditional homogenous markets have been replaced by fluid multicultural marketplaces where "consumers, marketers, brands and generally ideas of multiple cultures interact continuously" (Demangeot, Broderick, and Craig, 2015, p. 118). The increasing trend of immigration also made organisations culturally diverse in terms of the workforce. Statistics show the majority of international migrants in the world

are in working age (IOM, 2020) and they shape a considerable proportion of employees in the destination country. For instance, in Australia around 32 percent of the employees is made up of immigrants (ABS, 2020; ATIC, 2019), which makes this country ranked eighth in the world in terms of diversity of the workforce (ATIC, 2019).

To be successful in culturally diverse contexts, organisations and employees have to deal effectively with their multicultural ecosystems comprised of internal and external stakeholders from different cultural backgrounds. This becomes more important when it comes to services because the service sector plays a significant role in today's economy, shaping more than 60 percent of gross domestic product (GDP) in many countries such as Australia (TWB, 2020) and it creates employment opportunities for a large group of people (ATIC, 2019; DFAT, 2017). Moreover, services are interactive in nature and the value generation in this process is highly affected by the quality of relationships among the service providers and users (Aarikka-Stenroos and Jaakkola, 2012). Hence, the rapid increase in the interactions among culturally diverse customers and employees defined as intercultural service encounters (ICSEs) (Sharma and Wu, 2015) as well as the growing cultural diversity of the workforce within the organisations attracted many services marketing researchers to identify and evaluate the attributes that contribute to the effective delivery of services in situations that involve cultural diversity.

Prior studies on ICSEs and cross-cultural interactions confirm that people from different cultures have different expectations and evaluate services differently (Sharma, Tam, and Kim, 2009; Voss, Roth, Rosenzweig, Blackmon, and Chase, 2004). For instance, according to Hofstede's cultural dimensions, individualistic consumers are more independent and self-responsible which makes them more demanding with higher service quality expectations compared to collectivistic consumers (Furrer, Liu, and Sudharshan, 2000) or customers from high uncertainty avoidance cultures expect a close relationship with the service provider as a way to decrease their level of uncertainty (Furrer et al., 2000). Similarly, in the workplace context, prior studies found that people from nations with an individualistic, uncertainty avoidance, and low power distance cultural orientation are more likely to adapt to the work environment (Erez and Gati, 2004).

The differences among individuals due to their cultural orientation make cultural diversity a double edge sword. To explain, although multicultural environments create several opportunities, such as creativity, innovation, improved decision making (Cox Jr, 1991), better

performance (Andrevski, Richard, Shaw, and Ferrier, 2014), and competitive advantage (Young, Haffejee, and Corsun, 2018), it also poses many challenges such as language barrier and communication problems, cultural gap, misunderstanding (Kelly, 2008; Tharapos, O'Connell, Dellaportas, and Basioudis, 2018), lack of cohesion among employees (Young et al., 2018), negative attitudes, bias (Loosemore and Lee, 2002; Young et al., 2018), conflict (Kelly, 2008; Tharapos et al., 2018), poor performance (Palich and Gomez-Mejia, 1999), customer dissatisfaction, and poor service evaluation (Barker and Härtel, 2004; Sharma et al., 2009). Hence, to be effective in multicultural contexts, it is important to reap the benefits of cultural diversity while decreasing its challenges. To meet this aim, service employees and organisations need to be fully prepared to effectively navigate the potential differences in individuals' expectations due to the growing cultural and ethnic diversity within the service-scape and engage in the effective delivery of services to people from diverse cultural backgrounds.

1.3. Effectiveness in Multicultural Service Settings – Individual Level

In multicultural settings, service managers are challenged by determining the attributes of the service delivery process to meet the varying expectations of different cultural groups (Pullman, Verma, and Goodale, 2001). Considering that services are interactive in nature, service firms in multicultural societies, in particular, need to recruit and train frontline employees and managers who can effectively navigate the potential differences in peoples' expectations (Sharma, Tam, and Kim, 2009). In the literature regards intercultural and cross-cultural interactions, various terminologies emerged that have the potential to be mistakenly used interchangeably for constructs such as intercultural sensitivity (IS), intercultural competence (ICC), cross-cultural competence, multicultural readiness (MR), intercultural readiness (IR), and cultural intelligence (CQ). However, closer examination of these depicts them to be conceptually distinct.

Intercultural sensitivity (IS) was introduced by Bennett (1986) in cross-cultural and international contexts to comprise elements such as knowledge and ability to distinguish, understand, and experience different cultures (Arli and Bakan, 2018; Dias, Zhu, and Samaratunge, 2017; Hammer, Bennett, and Wiseman, 2003; Sharma, Tam, and Kim, 2009), appreciate and respect the dissimilarities among cultures (Chen and Starosta, 2000), while being open-minded and flexible (Bhawuk and Brislin, 1992). In the international business context, Gertsen (1990, p. 341) defines ICC and Cross-Cultural Competence as the "ability to

function effectively in another culture". ICC is the competency to demonstrate culturally appropriate behaviour while engaging in intercultural interactions (Dias et al., 2017; Hammer et al., 2003; Sharma et al., 2009; Yarosh et al., 2018).

The concept of MR was used by Jones (1990, p. 70) to help capture "students' perception of their readiness to accept multicultural education". In another study, Landau (2004, p. 13) conceptualise MR in the employee recruitment context and defined it as the individual's "potential to function effectively and lead in multicultural organizations". Focusing on an individual's success in an international context, IR was introduced into the literature to help explain an expatriate's competency to build and keep effective relationships with others (Van Der Zee and Brinkmann, 2004). The concept of CQ depicts one's ability to act effectively in culturally diverse situations (Ang et al., 2007; Sharma et al., 2009) and it comprises four aspects, namely: metacognitive, cognitive, motivational, and behavioural intelligence (Earley and Ang, 2003; Egan and Bendick Jr, 2008; Nguyen et al., 2018).

Furthermore, to evaluate an individual's knowledge, abilities, and readiness within a culturally diverse setting, various instruments are used or developed. For instance, to measure MR, Jones (1990) borrowed items from different scales to help understand students' readiness to accept a multicultural education. In a study that focused upon recruiting employees with multicultural readiness, Landau (2004) assessed MR with other groups by asking respondents if they spend time with people from other ethnic groups or had friends from various cultural backgrounds. Wiggins et al. (2007) also examine MR at the individual level by measuring readiness for multicultural classrooms through adapting items from other studies. Intercultural Sensitivity Inventory (ICSI) measures IS by assessing individuals' awareness about how to interact in an individualistic versus collectivist culture; open-mindedness to the dissimilarities among cultures and flexibility to behave in a new way based on the norms of the new culture (Bhawuk and Brislin, 1992; Zhao, 2018).

Behavioural Assessment Scale for Intercultural Competence (BASIC), measures ICC through observing behaviours on seven dimensions comprising of respect, knowledge, interaction posture, role behaviour, empathy, interaction management, and ambiguity tolerance (Ruben and Kealey, 1979). The Assessment of Intercultural Competence (AIC) was designed to measure awareness, attitude, knowledge, skills, and proficiency in the host language (Fantini, 2000; Heinzmann et al., 2015). Multicultural Personality Questionnaire (MPQ) assesses multicultural effectiveness through measuring cultural empathy, flexibility, emotional stability,

social initiative, as well as open-mindedness (Van Der Zee and Brinkmann, 2004); Intercultural Readiness Check (IRC) (Van Der Zee and Brinkmann, 2004) measures five aspects including intercultural communication, tolerance of ambiguity, conflict management, intercultural sensitivity, intercultural relationship building, and leadership.

Cultural Intelligence Scale (CQS) measures four dimensions, namely metacognitive, cognitive, motivational, and behavioural CQ (Ang, Rockstuhl, and Tan, 2015; Ang et al., 2007); Cross-cultural Readiness Exposure Scale (CRES) assesses individual's readiness to get involved in effective cross-cultural interactions through nine sub-themes including prejudice bias, discrimination bias, stereotype bias, racism bias, ethnocentrism bias, international curiosity, intercultural communication, cultural relativism, and intercultural sensitivity (Francois, 2015). Prior studies used these constructs and measurement tools to understand the extent to which individuals are knowledgeable and competent to function effectively in situations that involve cultural diversity.

1.4. Effectiveness in Multicultural Service Settings – Organisational Level

For employees and managers in the services sector to behave in a way that is suitable for a culturally diverse setting, they need to be supported by multicultural friendly structures, policies, and practices of the organisation they work for (Cherner, Olavarria, Young, Aubry, and Marchant, 2014; Fung, Lo, Srivastava, and Andermann, 2012). Service organisations in countries like Australia with an increasing rate of immigration are no longer monocultural and due to having internal and external stakeholders from various cultural backgrounds, have become multicultural organisations (Caliskan and Isik, 2016). Becoming successful in such culturally diverse settings means that not only individuals, but organisations should also be empowered to manage the various intercultural contact and resources (Charleston, Gajewska-De Mattos, and Chapman, 2018). This has support in the literature.

The ecological model (Chae, Park, Kang, and Kim, 2019) for example, reveals that the development of multicultural organisations requires both individual and organisational cultural competence (Jun, 2016; Sue, 2001), and therefore the provision of quality services is subject to taking action at both levels (Cherner et al., 2014; Fung et al., 2012). Moreover, studies also indicate that simply aggregating individual-level data would not accurately represent their organisational-level equivalent constructs (Lima, West, Winston, and Wood, 2016). However, the majority of prior studies focused on individuals while organisational cultural competence is less studied (Cherner et al., 2014; Darnell and Kuperminc, 2006; Keršienė and

Savanevičienė, 2005; van Driel and Gabrenya, 2013), so this gap in the literature needs to be addressed.

Accordingly, more research is required to understand the important factors to manage cultural complexity and the dynamics of multicultural teams (Yitmen, 2013) and organisations. Moreover, there are many organisations that are not ready to take advantage of the growing cultural diversity of their customers and employees. This is despite the positive impact of embracing diversity can have on workplace productivity (Saxena, 2014), employee well-being (Jaiswal and Dyaram, 2018), and employee life satisfaction (Le, Jiang, and Nielsen, 2018). In fact, there are many examples of organisations' failure to constructively manage cultural diversity in their multicultural workplaces, such as the under-representation of ethnic minorities in leadership, which results in higher staff turnover, legal and compliance risks, and negative publicity.

Services organisations operating in multicultural societies can address these challenges and benefit from the opportunities offered by cultural diversity in their workplaces by creating a more productive and proficient multicultural service ecosystem. Prior studies found that the challenges posed by cultural diversity in the workplace can be overcome by improving employees' cultural knowledge and skills (Lloyd and Härtel, 2010). Hence, to improve service quality in a culturally diverse setting, service organisations need to motivate their employees to improve their understanding of different cultures, accept cultural differences and similarities, and adapt their behaviour (Sharma, Wu, and Su, 2016). Moreover, service organisations should adjust their service design based on the needs and expectations of the target market and deliver services accordingly (Pullman et al., 2001). To meet this aim and for developing customised services and strategies, organisations need to gather information about the history and preferences of various customer segments, understand differences and similarities among cultures, and utilise this information through the service design and delivery process (Pullman et al., 2001).

Existing research in this domain attempted to define cultural competence at the organisational level as organisational skills, practices, and policies to perform effectively in culturally diverse situations (Allensworth-Davies et al., 2007). Organisational cultural competence is reflected by several factors including organisational policies, structures (Cross, 1989), knowledge (knowledge about different cultural values and perspectives), skills (skills for adapting services to be relevant to the needs of culturally diverse clients) (Fung et al., 2012; Sue, 2001; Zeitlin,

2014), leadership, community and stakeholder engagement, assessment of organisational cultural competence, linguistic competence, as well as recruitment and training of employees from diverse cultural backgrounds (Delphin-Rittmon, Andres-Hyman, Flanagan, and Davidson, 2013; Fung et al., 2012).

Keršienė and Savanevičienė (2005, p. 51), introduce the concept of organisation multicultural competence as "a system of management (cultural integration strategy and human resources management system) and individuals (individual multicultural competence) and the interactions of these elements". Ang and Inkpen (2008) studied cultural intelligence at the firm level in an international business context, and thus conceptualised it as a type of organisational intelligence to be effective in better understanding situations that involve diverse cultures. In their framework, management, competitiveness, and structure are considered as the aspects of firm's cross-cultural capabilities. Elsewhere, Cultural Competence Readiness (CCR) is defined as "an organization's capacity to deliver effective community mental health services to the populations of color that they serve" (Whaley and Longoria, 2008, p. 171).

In order to assess organisational level cultural competence, there are some instruments that attempted to assess organisational-level competency such as: firm-level cultural intelligence - which is a scale to measure firm's CQ through tapping onto three dimensions that comprise managerial (individual level CQ), competitive (firm's ability to manage the risks of offshoring projects), and structural (culturally intelligent structural norms) elements (Ang and Inkpen, 2008); CCR attempts to assess organisational cultural competence readiness through four dimensions, namely: "linguistic capacity and staff development in cultural competency; organisational commitment to the implementation of culturally competent services; organisational strategies aimed at integrating cultural knowledge and client perspectives into service delivery systems; and organisational practices aimed at staff skills needed for cultural competences" (Whaley and Longoria, 2008, p. 177). Prior studies used these constructs and measurement tools to understand the extent to which organisations are capable of dealing with their culturally diverse stakeholders. However, there are few studies in this scope and most of them suffer from robust statistical analysis and they indicate contextual limitations. In the next section, the limitations of the extant literature are explained.

1.5. Motivation of the Study

Despite the growing cultural diversity, the constructs and measurement tools that tap into effective intercultural and cross-cultural interactions such as ICC and CQ, exclusively focus

on either individual-level or organisational-level capabilities and competencies. However, being inter-culturally competent, or intelligent does not necessarily indicate that individuals or organisations are fully prepared (i.e. ready) to accept and engage in a meaningful manner with other employees and customers from cultures other than their own. Hence, the level of an individual's and organisation's "readiness" for intercultural interaction is the missing aspect in previous definitions within the literature.

For instance, although the existing tools measure many attributes of culturally competent or intelligent individuals, such as cultural knowledge (Arasaratnam, 2009; Ang et al., 2007; Pruegger and Rogers, 1993; Brent D Ruben, 1976; Fantini, 2007), open-mindedness, flexibility (Bhawuk and Brislin, 1992; K. I. Van Der Zee and Van Oudenhoven, 2000, 2001), empathy, respect (Brent D Ruben, 1976), tolerance for ambiguity (Brent D Ruben, 1976), motivation (Ang et al., 2007), intercultural curiosity (Francois, 2015), and intercultural communication (Brent D Ruben, 1976; Chen and Starosta, 2000; Francois, 2015), they fail to pay careful attention to behavioural adaptation based on the culturally diverse setting.

It is important to note that "familiarity with relevant skills is not a guarantee of the ability to consistently display those skills and understanding behaviourally" (Ruben and Kealey, 1979, p. 19). In other words, "the skills to demonstrate competent behaviour are different from the actual performance of competent behaviour" (Matveev and Yamazaki Merz, 2014, p. 124) and an action-oriented approach is a necessity to become successful in multicultural environments (Van Der Zee and Van Oudenhoven, 2000). In this regard, CQS (Ang et al., 2007) evaluates an individual's behavioural adaptation. However, the behavioural CQ is only limited to the adaptation of verbal and non-verbal communication acts and it fails to address a wider range of activities that require behavioural adaptation.

Furthermore, extant literature indicates that the idea of MR was studied at both the individual and governmental levels. However, to the best of our knowledge, organisational-level MR (particularly within the service setting) is a relatively nascent field needing more scholarly attention. Moreover, although there are various definitions of MR in the literature, all of them fail to explain the notion of "readiness", as well as provide little or no theoretical foundation upon which the various conceptualisations of the construct are founded upon. Moreover, whilst there is little consensus regarding the definition of MR, those studies using this construct implement it in very narrow contextual perspectives such as education, recruitment, or government which cannot be generalized to other contexts or service settings in general.

Similarly, studies conceptualise intercultural readiness (Dodd, 2007; Van Der Zee and Brinkmann, 2004) and cross-cultural readiness (Francois, 2015) at the individual level, and cultural competence readiness at organisational level, but do not explain what "readiness" is. Hence, further studies are required to move beyond competence and understand how to make individuals and organisations ready to embrace cultural diversity and act accordingly.

In terms of operationalisation, although various instruments developed to assess individual-level intercultural competence, intelligence, or readiness, there is no consensus in the literature about which one provides us with more promising results. Moreover, none of the studies operationalise MR properly (or in a unique manner) as they all appear to borrow items from other scales that have missing potentially important dimensions underpinning this construct. Moreover, these instruments have many overlapping dimensions such as knowledge about the diversity of cultures, respect, flexibility, open-mindedness, intercultural communication, and ambiguity tolerance, while ignoring to measure other dimensions such as willingness, optimism, and adaptation. Moreover, the existing tools that evaluate organisational ICC are mainly limited to the health services context and many of them suffer from robust statistical analysis (Balcazar, Suarez-Balcazar, and Taylor-Ritzler, 2009; Schudrich, 2014).

Previous studies have also indicated contextual limitations as the measures were developed in narrow contexts. These researches by mainly focusing on cross-cultural and international business contexts, ignore the increasing trend of immigration which results in multicultural societies, and their impact within an increasingly culturally diverse service setting. Although the provision of services in international locations has been well studied, there is less literature on service delivery in multicultural markets where there is cultural diversity in one location (Pullman et al., 2001). Moreover, many prior studies in this domain are conducted in the North American and European services sector and more research is required to revisit this important topic in other geographical locations (Poulis, Poulis, and Yamin, 2013).

Furthermore, the majority of studies focusing on multicultural marketing have mainly focused on the strategies of providing services to ethnic groups and neglect the continuous interactions among both mainstream and minority populations. The effective delivery of services in culturally diverse contexts requires everyone to play their role and demonstrate culturally appropriate behaviour. This includes mainstream-minority, minority-mainstream, and minority-minority relationships. To address the shortcomings mentioned above, further studies are required to investigate a broader context and operationalise MR at the individual,

organisational, industrial, societal, governmental, and country levels which offer great potential to advance the services marketing literature within an ever-increasing array of multicultural service settings.

1.6. Research Objectives

Based on the research gaps, this study identifies various research questions (RQ) listed below:

RQ1: What are the underlying components of MR construct at both individual level and organisational level?

RQ2: What are the antecedents and outcomes of the MR construct at both individual and organisational levels?

To address these research gaps and answer to research questions, this study aims at addressing the following research objectives (RO).

RO1: Reconceptualise Multicultural Readiness (MR) at the individual and organisational level
RO2: Operationalise individual-level MR (IND MR) and organisational-level MR (ORG MR) in the form of Individual-level (IND MRI) and organisational-level Multicultural Readiness Instrument (ORG MRI).
RO3: Validate IND MRI and ORG MRI using a conceptual framework consisting of its antecedents and outcomes.

1.7. Scope of the Study

Australia is considered as the study context as by having almost fifty percent of the population "either born overseas or had at least one parent who was born overseas", it is a culturally diverse country (ABS, 2017). Moreover, the service sector plays a critical role in the Australian economy, contributing to over 60 percent of its GDP (TWB, 2020) and it provides employment opportunities for nearly 88 percent of Australians (ATIC, 2019; DFAT, 2017). Accordingly, the service sector in Australia is a huge multicultural sector and it is vital to focus on to understand the ways to reap the benefits of cultural diversity in this sector while decreasing its challenges.

1.8. Thesis Structure

The present study is comprised of nine chapters. First, the introduction chapter (the present chapter) reviews the study context, motivation of the study, and research objectives. The

second chapter provides the literature review. Chapter three focuses on reconceptualising the MR construct at both individual and organisational levels and the fourth chapter develops the conceptual framework. The research methodology is explained in the fifth chapter and chapter six discusses the interview analysis and the scale development. Scale assessment is discussed next in chapter seven, followed by the scale validation procedure explained in chapter eight. The final chapter provides discussion, implications, and research limitations.

CHAPTER 2: LITERATURE REVIEW

2.1. Overview

Migration dates back to many years ago when having lower resources compared to the population size forced some people to seek a living elsewhere (Rystad, 1992). Australia started its immigration program in 1945 during the time the dominating population was British and Irish people (SBS, 2017). Europeans were the next welcomed migrants to this country and since 1966, the arrival of non-European migrants to Australia started to increase. Around this time, the Labour Prime Minister declared the 'White Australia Policy' is dead and from the early 1970s, multiculturalism turned to an official policy in this country (SBS, 2017). Since then, Australia become the destination for many permanent and temporary migrants as well as international tourists, which made Australia a culturally diverse country.

In the rest of this chapter, the definition of culture and its impact on people's attitudes and behaviour is explained. Next, it reviews the challenges and opportunities of cultural diversity and discusses the best approaches to manage this diversity at both individual and organisational levels. It also provides an overview of the existing tools to measure individual and organisational level cultural competency, cultural intelligence, and cultural readiness. To conclude, this chapter reviews the shortcomings of the current studies in this domain and identifies the research gaps of the existing literature. Figure 2.1 demonstrates the structure of this chapter.

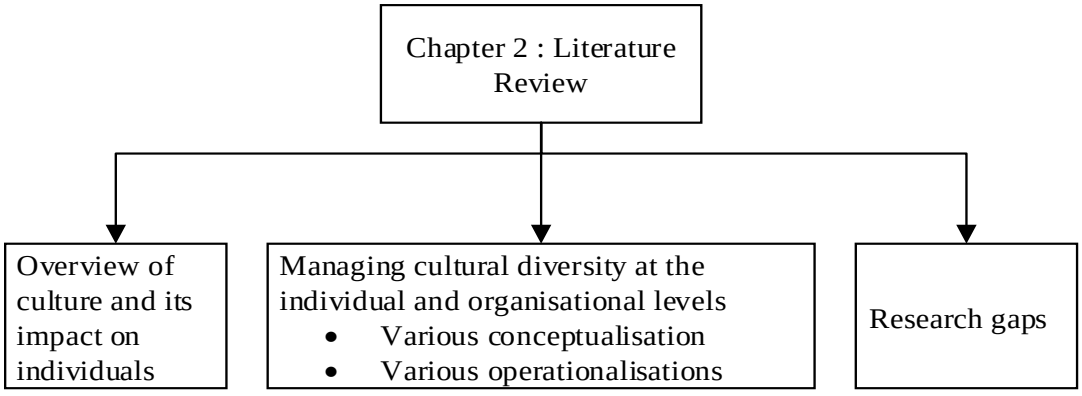


Figure 2. 1. Structure of chapter 2

2.2. Culture

"Culture is the meaning which people create, and which creates people" (Hannerz, 1992, p. 3). According to Hofstede (1994), members of one group can be differentiated from others based on their cultural differences. In the marketing domain, Sharma (2010, p. 788) describes culture as "a set of shared knowledge and implicit theories about the world including beliefs, values, attitudes, and other constructs needed to interpret and navigate various environments" . Culture profoundly affects many dimensions of human behaviour in a temporary or permanent, and direct or indirect ways (Craig and Douglas, 2006; Soares, Farhangmehr, and Shoham, 2007). This includes peoples' perception, interpretation, evaluation, communication and behavioural patterns (De Mooij and Hofstede, 2002; Kittler, Rygl, and Mackinnon, 2011).

Cultural knowledge, norms and rules are passed on from one generation to the other during child-rearing (Boyd and Richerson, 1996; Craig and Douglas, 2006; Sharma, 2010) and are reinforced by interaction with others in the family, workplace, society, and media (Erez and Gati, 2004; Sharma, 2010; Yoo and Donthu, 2005). According to Craig and Douglas (2006), culture has a dynamic nature and it is influenced by various forces such as society, technology, politic, and economy. Hence, culture needs to be viewed as a system that continuously adapts to the ecological and socio-political influences and shapes individuals' characteristics (Erez and Gati, 2004). In addition to being dynamic in nature, culture is also represented at different levels such as individual, organisational, and national. The dynamic and multi-level structure of culture is explained in the next section.

2.3. Culture, a Dynamic Multi-Level Construct

Culture is a multi-level construct and it can be studied across various levels, that is global, national, organisational, group, and individual (Erez and Gati, 2004; Leung, Bhagat, Buchan, Erez, and Gibson, 2005). The early studies on culture examined cultural dimensions at the national level (i.e. macro-level) (Hofstede, 1980) which have been the basis of many cross-cultural researches in the psychological, organisational, and marketing literature. Within the national-level culture, there is organisational-level culture (i.e. meso-level) that represents the common beliefs, values, and behaviours of the members of an organisation (Erez and Gati, 2004). At the bottom, there are individuals (micro-level) (Erez and Gati, 2004; Markus and Kitayama, 1991).

To explain, on the national level, there are several cultural typologies suggested by prior studies. For instance, Hall (1976) categorised cultures based on differences in communication patterns and introduces high-context vs. low-context cultures. People in high-context cultures look for meaning beyond verbal messages, pay attention to non-verbal behaviours during a communication, and value interpersonal interactions (Yamazaki, 2005). In low-context cultures, explicit communication is valued while non-verbal behaviour is less crucial, interpersonal relationships are shorter, and physical environments are less important (Yamazaki, 2005). However, this categorisation is criticised as being bipolar and overgeneralised without solid empirical underpinning (Kittler et al., 2011; Miike, 2006).

Hofstede (1984) introduces the most well-known national-level cultural typology consisting of five cultural dimensions namely individualism versus collectivism, long-term orientation, power distance, masculinity versus femininity, and uncertainty avoidance. To explain, in individualistic cultures "everyone is expected to look after him/herself and his/her immediate family only"; however, in collectivistic cultures people "from birth onwards are integrated into strong, cohesive in-groups" (Hofstede, 2001, p. 225). The is less inequality among people in low power distance cultures due to their social status or wealth while in high power distance cultures, there is a power hierarchy based on various elements such as one's job position, education level, social class, family, etc. (Sharma, 2010; Yoo and Donthu, 2005).

Masculine societies value success and achievements, while feminine societies value life quality and care for others (Sharma, 2010). People with long-term orientation cultures are future-focused and pragmatic while short-term oriented societies prefer immediate gratification (Hofstede, 2001). Members of the low uncertainty avoidance cultures tend to show a higher tolerance for ambiguity, are more risk-taking (Hofstede, 2001), more likely to embrace new ideas and innovative behaviours while in high uncertainty avoidance cultures, people prefer to keep the status quo (Sharma, 2010).

The national-level cultural theories have been massively used in the services marketing literature to assess the cultural orientation of individual customers and services employees. For instance, Hofstede's cultural model has been vastly used to understand customers' complaint approach (Liu and McClure, 2001), impulsive buying (Kacen and Lee, 2002), and service quality expectations (Laroche, Kalamas, and Cleveland, 2005). However, national-level cultural typologies would not capture the nuances of individuals' cognition and behaviour

(Craig and Douglas, 2006), and fail to capture individual differences and variations in experiences (Blodgett, Bakir, and Rose, 2008; Laroche et al., 2005).

As argued by Craig and Douglas (2006, p. 336), "the development of linkages across national borders imply that national culture is no longer as relevant as the unit of analysis for examining culture". Similarly, Sharma (2010) coins the national-level culture differs from individual cultural values and people coming from the same country do not necessarily share similar cultural characteristics. Hence, applying dimensions of the national culture to the individual level is an 'ecological fallacy' (Bond, 2002) as people may not possess the same cultural traits as what is attributed to the country in which they live or were born in (Bond, 2002; Sharma, 2010). Moreover, studies did not report sufficient construct validity when applying Hofstede's national-level cultural scale to the individual context (Blodgett et al., 2008; Sharma, 2010).

To explain, according to the national-level culture, Hofstede (2001) considers individualism (IND) and collectivism (COL) as the two ends of a continuum. However, when it comes to individuals, this is not the case as people show different aspects of themselves based on the situation (Sharma, 2010). To address this gap, Triandis, Leung, Villareal, and Clack (1985) go beyond the IND-COL theory and by introducing the idiocentric-allocentric concept, argue that people may have both individualism and collectivism tendencies to some extent. Within this context, Sharma (2010) introduces the ten personal cultural orientations comprised of independence, interdependence, power, social inequality, risk aversion, ambiguity intolerance, masculinity, gender equality, tradition, and prudence as the individual level cultural orientation. Accordingly, the output of studies focusing on culture, corroborates the notion that to generate a realistic understanding of the objects under study, culture should be assessed at the level of that object.

Moreover, culture is not only a multi-level construct, it is also dynamic as the cultural changes in one level influence other levels (Erez and Gati, 2004). To clarify, the cultural changes at the upper level affect the members of the lower levels through the top-down process and vice versa (Erez and Gati, 2004; Leung et al., 2005). Hence, people not only have their cultural characteristics, but they also learn by socialisation through which the cultural values of the other levels are passed to them (Leung et al., 2005). In today's world, in particular, people across the globe are interconnected through the internet, which facilitates the greater interactions between cultural entities. Moreover, tourists, migrants, and international students bring in their cultural values, norms, and behavioural pattern while engaging in intercultural

interactions. Hence, culture is not a static phenomenon and being dynamic, it changes over time. The next section described how culture can impact individuals' attitudes and behaviours.

2.4. Impact of Culture on Individuals

Culture influences individuals' attitudes and behaviour (Yoo and Donthu, 2005), consumption patterns including their aspirations, norms, cultural myths (Craig and Douglas, 2006), beliefs, perceptions (Erez and Gati, 2004; Leung et al., 2005), expectations of services (e.g. aspects of physical environment) (Donthu and Yoo, 1998) and service evaluations (Mattila, 1999; Voss et al., 2004). Laroche et al. (2005, p. 279) studied service expectation across individualistic and collectivistic cultures and found "internal (external) information sources were relatively more important in forming expectations for collectivists (individualists) than for individualists (collectivists), and 'will' ('should') expectations were more diagnostic for collectivists (individualists) than for individualists (collectivists)". Individualistic consumers are independent and self-responsible which makes them more demanding with higher service quality expectations compared to collectivistic consumers (Donthu and Yoo, 1998; Furrer et al., 2000).

For instance, in a study to understand the influence of national culture on the perception of a service recovery strategy, Mattila and Patterson (2004) found offering compensation is more effective when it comes to American consumers (representing individualistic culture) and not East Asian consumers (representing collectivistic culture). In terms of complaint behaviour, collectivistic consumers are found to engage in negative word-of-mouth or exit when dissatisfied, while individualistic consumers tend to show their objection to those who are directly involved in the service provision process (Liu and McClure, 2001). As a result, customers with collectivistic cultural orientation who tend to value respect and face, would perceive higher fairness of the complaint handling process if they are allowed to voice their objection, particularly to the manages with a higher status while customers with individualistic cultural orientation are more interested in compensation as a service recovery strategy (Hui and Au, 2001).

Studies also found uncertainty avoidance influences consumer behaviour in terms of exchange of information (Dawar, Parker, and Price, 1996), service evaluations (Voss et al., 2004), innovativeness (Yaveroglu and Donthu, 2002), country-of-origin effects (Melewar, Small, Lee, Garbarino, and Lerman, 2007), and advertising appeals (Albers-Miller and Gelb, 1996).

Customers in high uncertainty avoidance cultures have different expectations based on whether they use the service frequently or infrequently. For instance, in infrequent service situations (e.g. dental clinic), a customer with high uncertainty avoidance cultural orientation expect a close relationship with the service provider as a way to decrease their level of uncertainty (Furrer et al., 2000). Tangibles are also important for consumers in high uncertainty avoidance cultures, particularly for infrequent services, as visible signals decrease their perceived risk (Furrer et al., 2000).

Similarly, organisational members coming from diverse cultures perceive things differently. For example, based on Hofstede's cultural dimensions, people strong in uncertainty avoidance tend to avoid conflicts in the workplace and do not like to encounter unfamiliar risks (Yamazaki, 2005). Erez and Gati (2004) by reviewing the literature on cross-cultural studies propose that people from nations with individualistic, uncertainty avoidance, and low power distance cultural orientation are more likely to adapt to the work environment. Hence, considering that culture impacts service employees' working style and customers' expectations and evaluation of services, it necessary for both service employees and organisations to be aware of cultural difference and similarities and take actions accordingly. Within this context, some entities may find cultural diversity as challenging, while others acknowledge it as an opportunity for individuals, organisations, and the society as a whole.

2.5. Cultural Diversity: Opportunities and Challenges

Cultural diversity is a double edge sword. Although living and working in multicultural environments creates several opportunities for individuals and organisations, it can also cause many challenges. In terms of opportunities, cultural diversity leads to richness and variety of perspectives (Tharapos et al., 2018), creativity, innovation, improved decision-making (Cox Jr, 1991), and exchange of knowledge. Moreover, having workforces from different cultures improves the implementation of new ideas (Korzilius, Bücker, and Beerlage, 2017) while decreasing the time and cost of developing new products and services (Young et al., 2018). Cultural diversity enables employees to engage in intercultural interactions, increase their cultural sensitivity, and perform effectively in multicultural contexts (Aghazadeh, 2004; Young et al., 2018). Moreover, racially diverse organisations outperform homogenous organisations in terms of financial performance (Andrevski et al., 2014), competitive advantage (Young et al., 2018), and success in international markets (Palich and Gomez-Mejia, 1999; Tharapos et al., 2018; Yitmen, 2013).

Despite the benefits, cultural diversity poses many challenges such as language barrier and communication problems, cultural gap, misunderstanding, misinterpretation (Kelly, 2008; Tharapos et al., 2018), and lack of cohesion among employees (Young et al., 2018). Diversity of cultures can also lead to negative attitudes (Loosemore and Lee, 2002; Young et al., 2018), bias (Loosemore and Lee, 2002; Young et al., 2018), discrimination (Dietz, 2010; Young et al., 2018), marginalisation (Kelly, 2008; Tharapos et al., 2018), conflict (Kelly, 2008; Tharapos et al., 2018), poor performance (Palich and Gomez-Mejia, 1999), less engagement in voluntary behaviours of helping others (Ensher, Grant-Vallone, and Donaldson, 2001), and intergroup anxiety (Stephan and Stephan, 1985). Hence, to maximise the benefits of cultural diversity and minimise the challenges, it is important to effectively manage cultural diversity at both individual and organisational levels.

2.6. Managing Cultural Diversity at the Individual Level: Various Conceptualisations

In culturally diverse environments, service managers are challenged by determining the attributes of the service delivery process to meet the expectations of different cultural groups (Pullman et al., 2001). Considering that services are interactive in nature, service firms in multicultural societies, in particular, need to recruit and train frontline employees and managers who can effectively navigate the potential differences in peoples' expectations due to the growing cultural and ethnic diversity both within and outside the organisation (Sharma, Tam, and Kim, 2009). In the literature regards interactions among culturally-diverse people, various terminologies emerged to define individual-level attributes that contribute to effective intercultural and cross-cultural interactions, consisting of intercultural sensitivity (IS), intercultural competence (ICC), cultural intelligence (CQ), multicultural competence (MCC), multicultural readiness (MR), intercultural readiness (IR), and many more. In the following sections, a closer examination of these constructs and their conceptual definitions is provided.

2.6.1. Cross-cultural adjustment

One of the first concepts that emerge in the cross-cultural literature and international business context is the cross-cultural adjustment (CCA) construct aimed at improving expatriates' performance and satisfaction during overseas assignments. Adjustment is defined as one's psychological comfort and familiarity in a new culture (Black, 1990; Black and Gregersen, 1991). Early researches in the cross-cultural context viewed adjustment as a mono-dimensional construct focusing only on adjustment to the general culture (Ruben and Kealey, 1979). However, other scholars viewed it as a multidimensional construct comprised of adjustment to

the general culture, adjustment to work responsibilities, and adjustment to communicating with locals (Black, 1988; Black, 1990; Black and Gregersen, 1991). According to prior studies (Hammer, Gudykunst, and Wiseman, 1978; Stening and Hammer, 1992), adjustment to a culturally diverse environment is subject to managing intercultural stress (i.e. deal with anxiety), communicate effectively (i.e. initiate interaction, have meaningful dialogue), and build interpersonal relationships.

2.6.2. Intercultural sensitivity

Intercultural sensitivity (IS) describes an individual's ability to understand (Hammer, Bennett, and Wiseman, 2003), acknowledge, and respect cultural diversity (Matveev and Yamazaki Merz, 2014). From an IND-COL perspective, Bhawuk and Brislin (1992) introduce awareness of cultural orientation, open-mindedness, respect, and flexibility as the specifications of inter-culturally sensitive individuals. Similarly, Chen and Starosta (2000) describe people with IS as those holding a positive attitude towards learning about cultural similarities and differences, accept cultural diversity and respect diverse cultural values.

One of the most well-known models to explain peoples' interpretation of cultural diversity is introduced by Bennett (1986) as the "developmental model of intercultural sensitivity" (DMIS). DMIS is based on the intercultural adaptation procedure by which people go through different stages before adapting to a new culture (Hammer et al., 2003). DMIS covers both ethnocentric and ethnorelative orientations where the first consider one's culture as superior to others (denial, defence, and minimization) and the latter focuses on experiencing one's culture along with the other cultures (acceptance, adaptation, and integration) (Hammer et al., 2003).

In the denial stage, cultural difference is neglected or ignored; this can be unintentional leading to isolation or intentional leading to separation from other cultures (Paige et al., 2003). The next stage is defence when cultural diversity is recognised but there is a negative attitude towards it. Defence is demonstrated in the form of superiority (i.e. think one's own culture is better than others), denigration (i.e. consider other cultures as inferior and build negative stereotypes), and reversal (i.e. think other cultures are superior to one's own culture) (Paige et al., 2003). Minimization is the third stage when superficial cultural differences is recognised and the emphasis is on finding similarities (e.g. needs, spiritual, political view) instead of differences (Paige et al., 2003).

Acceptance is the fourth stage which means people accept and appreciate other cultures exist that are different from their own culture, but everyone is equally human (Hammer et al., 2003). Although people may accept other cultures and believe in equal humanity, they may still be some negative judgments about different cultures (Hammer et al., 2003). The fifth stage is Adaptation. Here, people expand their worldview to include insights from other cultural approaches, and they will change at the cognitive, affective and behavioural levels (Paige et al., 2003). The last stage in DMIS is integration when people associate themselves with various cultures (Hammer et al., 2003; Paige et al., 2003).

2.6.3. Cultural competence

Cross-cultural competence (CCC) and ICC first emerged in the international business context (Van Bakel, Gerritsen, and Van Oudenhoven, 2014) and it has received considerable attention in situations that involve encounters among different cultures (Fantini, 2007). ICC refers to having the knowledge, skills and attitude for effective intercultural communication (Deardorff, 2006) and the "ability to function effectively in another culture" (Gertsen, 1990, p. 341). Inter-culturally competent individuals are knowledgeable and skilful to perform effectively in situations that involve cultural diversity, have a positive attitude toward people from diverse cultures, and are motivated to engage in intercultural interactions (Arasaratnam, 2006, 2009; Dias, Zhu, and Samaratunge, 2017; Hammer et al., 2003; Sharma et al., 2009).

ICC is comprised of cognitive, affective, and conative aspects. Typically, cognitive refers to the knowledge about the new culture and communication models. Affective is about being interested in intercultural communication, holding positive attitude toward diversity of cultures, and accepting and respecting other cultures. Conative reflects the identification and application of various communication styles as wells as non-verbal communication which helps to create intercultural relationships (Behrnd and Porzelt, 2012; Gertsen, 1990). Similar to the definition of ICC, multicultural competence (MCC) is also shaped by one's cultural knowledge, awareness, and skills (King and Howard-Hamilton, 2003). Multi-culturally competent individuals are curious to acquire cultural knowledge and are comfortable with people from culturally diverse backgrounds (Keršienė and Savanevičienė, 2005).

2.6.4. Cultural intelligence

Cultural intelligence (CQ) is introduced by Earley and Ang (2003) which refers to the "capability of an individual to function effectively in situations characterised by cultural diversity" (Ang and Van Dyne, 2008, p. 3). Culturally intelligent individuals possess cultural

knowledge, are motivated to learn about new cultures, and create new cultural references (Groves, Feyerherm, and Gu, 2015). CQ is reflected by cognitive, metacognitive, motivational, and behavioural CQ (Earley and Ang, 2003).

Cognitive CQ refers to acquiring knowledge about the similarities and differences among cultures in terms of norms, practices, etc. (Tharapos et al., 2018; Young et al., 2018). Metacognitive CQ explains the awareness of the processes for acquiring cultural knowledge as well as questioning one's own cultural assumptions (Tharapos et al., 2018; Young et al., 2018). Motivational CQ is the affective part of CQ and is defined as feeling motivated in situations that involve cultural diversity (Imai and Gelfand, 2010; Tharapos et al., 2018). Behavioural CQ is the ability and skills to act in an inter-culturally appropriate way (Ang et al., 2007; Young et al., 2018) which encompasses the verbal (e.g. accent), non-verbal (e.g. body language), as well as speech acts (e.g. words) (Hyoung Koo, Byoung Kwon, and Jung, 2013; Tharapos et al., 2018).

2.6.5. Cultural readiness

Focusing on an individual's success in an international context, intercultural readiness (IR) was introduced into the literature to help explain expatriate's ability to build and keep effective working relationships with others (Van Der Zee and Brinkmann, 2004). Dodd (2007) defines IR as an expatriate's intercultural effectiveness skills assessed by cross-cultural relationship, adaptation, family adaptation and prior experiences. Moreover, "cross-cultural readiness exposure refers to one's ability to alter or adapt his/her cultural behaviour based on the cross-cultural context" (Francois, 2015, p. 2).

2.6.6. Cultural effectiveness

Multicultural effectiveness (MCE) describes psychological well-being, interest and ability in intercultural interactions, personal adjustment, and success in different cultures (Van Der Zee and Van Oudenhoven, 2000). This is similar to intercultural effectiveness which refers to the interest in other cultures, notice cultural differences and be willing to modify behaviour (Bhawuk and Brislin, 1992). Van Der Zee and Van Oudenhoven (2000) by reviewing literature found various attributes of employee' success in multicultural environments, that is curiosity, self-confidence, open-mindedness, ability to communicate with people, intercultural interaction skills, adaptability, competency in the job, family situation, interest in people from the host country, no prejudice, and emotional stability.

2.7. Managing Cultural Diversity at the Individual Level: Various Operationalisations

To understand and assess an individual's cultural knowledge, abilities, and readiness within a culturally diverse setting, various instruments are used or developed. This includes tools to measure cross-cultural adjustment (e.g. cross-cultural adaptability inventory, cross-cultural adjustment scale, intercultural adjustment potential scale); intercultural sensitivity (e.g. intercultural sensitivity inventory, intercultural sensitivity scale); intercultural competence (e.g. intercultural development inventory, intercultural communication competence instrument); cultural intelligence (e.g. cultural intelligence scale); cultural readiness (e.g. intercultural readiness check, intercultural readiness assessment); cultural effectiveness (e.g. intercultural effectiveness scale, multicultural personality questionnaire) and many more. The existing instruments are explained in the following sections.

2.7.1. Measurement of cross-cultural adjustment

There are various scales developed in the literature to measure individuals' ability to adapt effectively to different cultures. For instance, the cross-cultural adjustment scale (CCAS) was developed to measure expatriates' adjustment in a new culture by assessing their general, interaction, and work adjustment (Black, 1988; 1990). Matsumoto et al. (2001) developed the Intercultural Adjustment Potential Scale (ICAPS) to measure intercultural adjustment of Japanese sojourners and immigrants to America based on eight dimensions comprised of openness, flexibility, critical thinking, tolerance for ambiguity, empathy, emotional commitment to traditional ways of thinking, emotion regulation, and interpersonal security. Other studies using ICAPS in different cultural settings further confirmed the validity of this scale (Matsumoto et al., 2003).

2.7.2. Measurement of intercultural sensitivity

To measure IS, Bhawuk and Brislin (1992) developed a 46-items scale called Intercultural Sensitivity Inventory (ICSI) which examines an individual's awareness about interaction rules in an individualistic versus collectivist cultures, one's open-mindedness to the dissimilarities among cultures, and, flexibility to behave in a way that is accepted in the new culture. ICSI is not limited to the cognitive level and also measure one's ability to modify his/her behaviour in a new cultural setting (Bhawuk and Brislin, 1992). However, ICSI is only designed to measure one's IS once moving from one country with a collectivistic/individualistic culture to another country with an individualistic/collectivistic culture (Bhawuk and Brislin, 1992).

The Cross-Cultural Sensitivity Scale (CCSS) (Pruegger and Rogers, 1993) is a tool for measuring cross-cultural sensitivity. This is a 53-item scale that assesses one's cultural knowledge, attitudes, beliefs, and lifestyles (Matsumoto and Hwang, 2013). Intercultural Sensitivity Scale (ISS) is another tool to measure intercultural sensitivity through five dimensions that is interaction enjoyment, interaction engagement, interaction confidence, respect of cultural differences, and interaction attentiveness (Chen and Starosta, 2000). According to Chen and Starosta (2000), inter-culturally sensitive people know cultural differences and similarities and are motivated to accept and respect diversity (i.e. open-mindedness); They are confident in intercultural interactions, can manage stresses caused by cultural diversity, and are motivated to engage in situations that involve cultural diversity.

2.7.3. Measurement of cultural competence

There are several instruments developed in the intercultural and cross-cultural behaviour literature to measure individual-level ICC. For instance, Ruben (1976) developed Intercultural Behavioural Assessment (IBA) tool to evaluate one's ICC. This instrument requires an observer to rate a participant on seven dimensions that is, respect, empathy, orientation to knowledge, interaction posture, self-oriented role behaviour, interaction management, and tolerance for ambiguity (Ruben, 1976). This tool has not been extensively used in previous researches and its cross-cultural applicability is under question (Arasaratnam, 2009).

According to Ruben (1976), the ability to display respect is one of the main requirements of intercultural interactions and it is represented in different ways (such as body language, voice tone); Interaction posture refers to the ability to interact with people from different cultures in a nonjudgmental manner; Orientation to knowledge measures the extent to which people personalise their knowledge and understandings or generalise them; Displaying empathy is a facilitator for intercultural communications; Self-oriented role behaviour refers to being flexible to function in different roles, particularly in intercultural contexts; Interaction management explains differences in people's approaches towards managing their interactions with others in terms of initiating or terminating a communication or taking a turn; Tolerance for ambiguity is defined as one's comfort in new and ambiguous situations (Ruben, 1976).

Behavioural Assessment Scale for Intercultural Competence (BASIC) (Koester and Olebe, 1988; Ruben and Kealey, 1979) is a revised format of IBA and assesses one's ICC through observing behaviours on seven dimensions including respect, interaction posture, knowledge, empathy, role behaviour, interaction management, and ambiguity tolerance. Based on the

DMIS, Hammer et al. (2003) developed the Intercultural Development Inventory (IDI) to assess one's ICC through a 50-item scale with five main dimensions namely Denial/Defence, Reversal, Minimization, Acceptance/Adaptation, and Encapsulated Marginality. However, IDI is a commercial instrument and it is not openly accessible.

Assessment of Intercultural Competence (AIC) is another tool to measure ICC using 54 items and four dimensions comprised of attitude, awareness, skill, and knowledge (Fantini, 2007). To measure ICC, which performs well across cultures, Arasaratnam (2009) developed Intercultural Communication Competence Instrument (ICCI). ICCI is a 15-item three-dimensional scale comprised of cognitive, affective, and behavioural dimensions. The affective dimension assesses one's emotional connection with people from different cultures and the behavioural dimension examines engagement in inter-culturally appropriate behaviours such as intercultural interactions, changing behavioural patterns, or have friends from other cultures (Arasaratnam, 2009).

2.7.4. Measurement of cultural intelligence

Cultural Intelligence Scale (CQS) was developed to assess individual-level cultural intelligence CQ in cross-cultural situations through 20 items and four dimensions comprised of cognitive, metacognitive, motivational, and behavioural CQ (Ang et al., 2007). "CQ is a specific form of intelligence focused on capabilities to grasp, reason and behave effectively in situations characterized by cultural diversity" (Ang et al., 2007, p. 337). Van Dyne et al. (2012) identify 11 sub-dimensions of the main dimensions of CQ, including metacognitive CQ (planning, awareness, and checking), cognitive CQ (culture-general and context-specific knowledge), motivational CQ (intrinsic and extrinsic interest, and self-efficacy), and behavioural CQ (flexibility in verbal and non-verbal behaviours, and speech acts). However, despite its popularity in socio-psychological and organisational behaviour studies, Bücker, Furrer, and Lin (2015) questioned the validity of the CQ model.

2.7.5. Measurement of cultural readiness

In the international business context, Intercultural Readiness Check (IRC) was developed to measure one's intercultural readiness based on six dimensions that are intercultural sensitivity, intercultural communication (e.g. using the correct verbal and nonverbal expressions), intercultural relationship building (i.e. ability to create and retain intercultural relationships), conflict management (i.e. manage intercultural conflicts), leadership (i.e. ability stimulate intercultural interactions), and tolerance for ambiguity (Van Der Zee and Brinkmann, 2004).

In another study, Brinkman and Van Weerdenburg (2014) introduce four competencies for intercultural readiness including a) take interest in other cultures, b) adjust communication style, c) invest in relationships, and d) use cultural diversity to learn. However, these four competencies do not cover the entire gamut of intercultural experiences of employees in multicultural workplaces (Neculaesei, 2016).

Another tool developed to measure IR is the Intercultural Readiness Assessment (IRA) which is a self-report scale for assessing expatriate's effectiveness in culturally diverse settings (Dodd, 2007). IRA is comprised of 16 variables categorised under four themes including interpersonal relationship effectiveness, cultural adaptation, previous experience and family relationship (Dodd, 2007). According to Dodd (2007, p. 9), effectiveness in interpersonal relationships is assessed by motivation in intercultural relationships (e.g. "like meeting strangers"), trust, communication initiation, openness, comfort with strangers, ethnic inclusion (e.g. "avoid ethnocentrism"), communication control, and self-worth in a new culture (e.g. "feel competent and confident in new situations").

Francois (2015) develops the Cross-cultural Readiness Exposure Scale (CRES) to measure an individual's readiness for cross-cultural exposure. "Cross-cultural readiness exposure refers to one's ability to alter or adapt his/her cultural behaviour based on the cross-cultural context" (Francois, 2015, p. 2). CRES is comprised of nine dimensions that are stereotype bias, cultural relativism, intercultural communication, intercultural sensitivity, ethnocentrism bias, discrimination bias, international curiosity, racism bias, prejudice bias. To develop CRES, Francois (2015) focuses on individuals who aim to go on overseas assignments and he did not follow a rigorous statistical method to validate the proposed scale.

2.7.6. Measurement of cultural effectiveness

Intercultural Effectiveness Scale (IES) assesses the effectiveness of expatriates' performance during their overseas assignments. Hammer et al. (1978) identify 24 personal abilities that contribute to one's effective performance in a foreign culture. Through factor analysis, they found three necessary abilities for intercultural effectiveness comprised of psychological stress management, effective communication, and interpersonal relationships establishment. Another scale to measure multicultural effectiveness is the 91-item Multicultural Personality Questionnaire (MPQ) introduced by Van Der Zee and Van Oudenhoven (2000). They argue to predict individuals' success in multicultural situations, it is required to go beyond the personality (such as the Big Five framework) and consider a broader aspect of traits.

MPQ assesses one's multicultural effectiveness based on five dimensions comprised of cultural empathy, social initiative (i.e. orientation to action and extraversion), flexibility (i.e. ability to adjust), openness (i.e. open-mindedness and cultural empathy), and emotional stability (i.e. stay calm in an ambiguous and stressful situation) (Van der Zee and Van Oudenhoven, 2001). Van der Zee, Van Oudenhoven, Ponterotto, and Fietzer (2013) shorten the initial MPQ and develop a short form of the MPQ (MPQ-SF) with 40 items. Arasaratnam (2009) argues that although MPQ provides stable results across diverse cultures, it mainly focuses on adaptability and multicultural orientation and fails to address intercultural communication competence.

2.7.7. Measurement of other similar constructs

Multicultural Awareness Scale (MAS) is a 9-item scale developed to measure individual-level awareness of cultural diversity on three levels, that is implicit cultural awareness, tacit cultural awareness, and cultural interaction awareness and includes questions about one's awareness of gender roles, age roles, and religion in different cultures. Examples of the items are "I understand that age and seniority must be considered in interactions with individuals and families" or "I accept and respect that male-female roles in families may vary significantly among different cultures" (Awang Rozaimie, Anees, and Oii, 2011, p. 1186).

Miville et al. (1999, p. 291) introduce the universal-diverse orientation (UDO) construct defined as "attitude of awareness and acceptance of both the similarities and differences among people". Miville et al. (1999) develop the 45-item Miville-Guzman Universality-Diversity Scale (M-GUDS) to measure UDO using three sub-scales including sense of connection, diversity of contact, and relativistic appreciation. The short format of the Miville-Guzman Universality-Diversity Scale (M-GUDS-S) was developed by Fuertes, Miville, Mohr, Sedlacek, and Gretchen (2000) to measure an individual's UDO on three dimensions that are diversity of contact, comfort with differences, and relativistic appreciation.

Diversity of contact measures the extent to which people are interested in getting involved in cultural activities; Relativistic appreciation refers to "appreciation of both similarities and differences in people" (p. 160); and Comfort with difference assesses the extent to which people are comfortable when interacting with culturally diverse people (Fuertes et al., 2000). The summary of the measurement tools for assessing culturally appropriate behaviour at the individual level is provided in Table 2.1.

Table 2. 1. Assessing culturally appropriate behaviour at the individual level- various operationalisations

Group	Name of tool	Measured construct	Dimensions	Reference
Measures for cross-cultural adjustment	Cross-cultural adjustment scale (CCAS)	Cross-cultural adjustment	General adjustment	(Black, 1988, 1990).
			Interaction adjustment	
			Work adjustment	
	Intercultural Adjustment Potential Scale (ICAPS)	Intercultural adjustment	Emotion regulation	(Matsumoto et al., 2001)
			Critical thinking	
			Openness	
			Flexibility	
			Interpersonal security	
			Emotional commitment to traditional ways of thinking	
			Tolerance for ambiguity	
			Empathy	
Measures for intercultural sensitivity	Intercultural Sensitivity Inventory (ICSI)	Intercultural sensitivity	Cultural orientation (individualism vs collectivism)- Understanding of the different cultures	(Bhawuk and Brislin, 1992)
			Open-mindedness	
			Flexibility	
	Cross-Cultural Sensitivity Scale (CCSS)	Cross-cultural sensitivity	Cultural knowledge	(Pruegger and Rogers, 1993)
			Attitude	
			Belief	
			Lifestyle	
	Intercultural sensitivity scale (ISS)	Intercultural sensitivity	Interaction engagement	(Chen and Starosta, 2000)
			Respect of cultural differences	
			Interaction confidence	
			Interaction enjoyment	
			Interaction attentiveness	
Measures for intercultural competence	Intercultural Behavioural Assessment (IBA)	Inter-cultural competence	Respect	(Brent D Ruben, 1976)
			Empathy	
			Orientation to knowledge	
			Interaction posture	
			Self-oriented role behaviour	
			Interaction management	
			Tolerance for ambiguity	
	Intercultural Development	Intercultural competence	Denial/Defence	(Hammer et al., 2003)
			Reversal	

	Inventory (IDI)		Minimization	
			Acceptance/Adaptation	
			Encapsulated Marginality	
	Assessment of Intercultural Competence (AIC)	Intercultural competence	Attitude	(Fantini, 2007)
			Knowledge	
			Skill	
			Awareness	
	Intercultural Communication Competence Instrument (ICCI)	Intercultural competence	Cognitive	(Arasaratnam, 2009)
			Affective	
			Behavioural	
Measure for cultural intelligence	Cultural intelligence Scale (CQS)	Cultural intelligence	Metacognitive	(Ang et al., 2007)
			Cognitive	
			Motivational	
			Behavioural	
Measures for cultural readiness	Intercultural readiness check (IRC)	Intercultural readiness	Intercultural sensitivity	(Van Der Zee and Brinkmann, 2004)
			Tolerance for ambiguity	
			Intercultural relationship building	
			Intercultural communication	
			Conflict management	
			Leadership	
	Intercultural Readiness Assessment (IRA)	Intercultural Readiness	Interpersonal relationship effectiveness	(Dodd, 2007)
			Cultural adaptation	
			Family relationship	
			Previous experience	
	Cross-cultural Readiness Exposure Scale (CRES)	Cross-cultural Readiness Exposure	Stereotype bias	(Francois, 2015)
			Cultural relativism	
			Intercultural communication	
			intercultural sensitivity	
			Ethnocentrism bias	
			Discrimination bias	
			International curiosity	
			Racism bias	
			Prejudice bias	
Measures for cultural effectiveness	Intercultural Effectiveness Scale (IES)	Intercultural effectiveness	Intercultural stress management	(Hammer et al., 1978).
			Intercultural communication	
			Intercultural relationship establishment	
			Cultural empathy	

	Multicultural personality questionnaire (MPQ)	Multicultural effectiveness	Flexibility	(Van Der Zee and Van Oudenhoven, 2000, 2001)
			Open-mindedness	
			Social initiative	
			Emotional stability	
Measures for other similar constructs	Multicultural Awareness Scale (MAS)	Cultural Awareness	Implicit culture Awareness	(Awang Rozaimie et al., 2011)
			Tacit Culture Awareness	
			Cultural Interaction Awareness	
	Miville-Guzman Universality-Diversity Scale (M-GUDS)	Universal-diverse orientation (UDO)	Diversity of contact	(Miville et al., 1999); (Fuertes et al., 2000)
			Relativistic appreciation	
			Sense of connection	

2.8. Managing Cultural Diversity at the Organisational Level: Various Conceptualisations

The increasing rate of immigration led traditional mono-cultural organisations to become multicultural where employees, managers, and customers from various cultural backgrounds interact with each other (Caliskan and Isik, 2016). Hence, to become successful, not only should those individuals be inter-culturally competent, but organisations should also be empowered to manage the various intercultural contact and resources (Charleston et al., 2018). Cultural competence is a multilevel construct represented at macro-level (i.e. society), meso-level (i.e. institution), and micro-level (i.e. individual) (Fung et al., 2012). Supported by the ecological model (Chae et al., 2019) the development of multicultural organisation requires both individual and organisational cultural competence (Jun, 2016; Sue, 2001) and simply aggregating individual-level data may not accurately represent their organisational-level equivalent constructs (Lima et al., 2016). Hence, the provision of quality services is subject to taking action at both levels (Cherner et al., 2014; Fung et al., 2012).

To explain, inter-culturally competent individuals may not necessarily behave in a competent manner if organisational structures and policies are not configured in a way that positively affects their willingness to accept and engage with persons from other cultures. Therefore, for individuals to behave in a culturally appropriate way, their cultural competence should be supported through the multicultural friendly structures and policies within the service organisation (Cherner et al., 2014; Fung et al., 2012). Although cultural competence occurs at

both individual and organisational levels, the majority of prior studies focused on individuals while organisational cultural competence is less studied (Cherner et al., 2014; Darnell and Kuperminc, 2006; Keršienė and Savanevičienė, 2005; Van Driel and Gabrenya, 2013) and more research is required to understand the important factors to manage cultural complexity and the dynamics of multicultural teams (Yitmen, 2013). In the following, the definitions of cultural competence and cultural intelligence at the organisational level are provided.

2.8.1. Cultural competence

In the organisational setting, "competence is the ability of an organization to sustain coordinated deployments of assets (i.e. anything tangible or intangible that an organization could use in the pursuit of its goals) and capabilities in ways that help the organization to achieve its goals" (Keršienė and Savanevičienė, 2005, p. 47). Similarly, cultural competence is defined as organisational skills, practices, and policies to perform effectively in culturally diverse situations (Allensworth-Davies et al., 2007).

Organisational cultural competence is reflected by several factors including organisational policies, structures (Cross, 1989), knowledge (knowledge about different cultural values and perspectives), skills (skills for adapting services to be relevant to the needs of culturally diverse clients) (Fung et al., 2012; Sue, 2001; Zeitlin, 2014), leadership, community and stakeholder engagement, assessment of organisational cultural competence, linguistic competence, as well as recruitment and training of employees from diverse cultural backgrounds (Delphin-Rittmon et al., 2013; Fung et al., 2012). Keršienė and Savanevičienė (2005, p. 51) introduce the concept of organisation multicultural competence as "a system of management (cultural integration strategy and human resources management system) and individuals (individual multicultural competence) and the interactions of these elements". Elsewhere, Cultural Competence Readiness (CCR) emerged in the Community Mental Health Centres' context, defined as organisation's competency to provide effective mental health services to minorities (Whaley and Longoria, 2008).

Purnell et al. (2011) summarise the overlapping domains in organisational cultural competence as governance, education, language, and employee competence. To explain, culturally competent organisations have mission statements that support cultural diversity, recruit board members and leaders in a way to represent the cultural diversity of the community they serve, engage with ethnic communities, allocate resources to cultural competence practices, improve cultural knowledge, and provide diversity training (Purnell et al., 2011). In the health services

context, organisational cultural competence is defined as the extent to which there is a compatibility between the knowledge of a community's cultural values and beliefs and organisational services (Giger and Davidhizar, 2002; Hernandez et al., 2009). Through literature review and interviews with health professionals, Andrulis, Siddiqui, and Purtle (2011) found limited knowledge about the cultural diversity of the stakeholders, lack of budget, and poor collaboration with communities as the institutional level barriers for becoming culturally competent.

Focusing on service organisations, Siegel et al. (2000) develop a cultural competency framework comprised of six main domains. In this framework, need assessment refers to profiling the target population and gathering information about their demography, languages spoken, cultural beliefs, etc.; Information exchange means providing information from the organisation to the target population; Services allude to developing culturally competent services, which are responsive to diverse cultural needs, by involving service providers and users in the service design process; Human resource refers to hiring culturally competent staff and disseminating cultural competence materials among them; and Policies and procedures refer to reflection of cultural competence in policies and developing a plan to review cultural competence in the organisation (Adamson, Warfa, and Bhui, 2011; Siegel et al., 2000).

2.8.2. Cultural intelligence

Drawing on the concept of individual-level CQ and the resource-based view of the firm, Ang and Inkpen (2008) conceptualise CQ as a multidimensional construct comprised of three dimensions including managerial, competitive, and structural CQ. For organisations that work internationally, improving CQ requires culturally intelligent managers to be recruited and processes have to be developed in a way to enable organisations to adapt to intercultural demands (Ang and Inkpen, 2008). Lima et al. (2016) provide a similar definition for organisational CQ and believe this facilitates the management of cultural diversity within the organisations and in any situation that involves cultural diversity.

Moon (2010) introduce organisational CQ as a multidimensional construct reflected by process capability (cross-cultural integration, learning, and reconfiguration), position capability (cross-cultural managerial, competitive, and structural), and path capability (cross-cultural initiation, experience, resource fungibility) and built his arguments on the conceptualisation of individual-level CQ (Earley and Ang, 2003) and dynamic capability framework (Teece, Pisano, and Shuen, 1997). Moon (2010) defines organisational CQ as an organisational capability to

adapt its processes and paths based on the requirements of the intercultural environment. This is in line with the resource-based theory that argues organisations are created by their resources and capabilities which can determine organisational performance and competitive advantage (Barney, 1991; Moon, 2010). Similarly, David, Volpone, and Nandialath (2019) define organisational CQ as the extent to which organisations are culturally savvy when it comes to cultural knowledge, recruitment, training, and support of cultural diversity in cross-cultural situations.

2.9. Managing Cultural Diversity at the Organisational Level: Various Operationalisations

Recently, there has been burgeoning literature that touches on the process and guidelines of assessing organisational-level cultural competence. This includes evaluating firm-level CQ (Ang and Inkpen, 2008), organisational cultural competence (Delphin-Rittmon et al., 2016; Schudrich, 2014; Siegel et al., 2011), and organisational cultural competence readiness (Whaley and Longoria, 2008). In the following, the existing tools are discussed.

2.9.1. Measurement of cultural intelligence

Firm-level cultural intelligence scale (OCQS) is developed to measure a firm's CQ in the international business context (based on employee perspective) through tapping onto three dimensions that comprise managerial (individual level CQ), competitive (firm's ability to manage the risks of offshoring projects), and structural (culturally intelligent structural norms) elements (Ang and Inkpen, 2008). Managerial CQ assesses manager's confidence in communication with business partners in other cultures, stress management skills, cultural and contextual knowledge, and adaptation of verbal and nonverbal behaviour; Competitive CQ investigates firm's competitive advantage in the international markets, such as reputation as a good partner internationally, and offer incentives based on the cultural context; Structural CQ evaluates firms' understanding and knowledge of the expectation of international partners and how it is similar or different from its own, firm's capability to manage cultural diversity, develop culturally appropriate norms and processes, and sharing of strategies with international partners (Ang and Inkpen, 2008). Van Driel and Gabrenya (2013) attempted to measure organisational cultural intelligence by adapting the items of individual-level CQS and putting them in a way to reflect an organisational context.

2.9.2. Measurement of cultural competence

Nathan Kline Institute Cultural Competency Assessment Scale (NKI-CCAS) is developed to assess the cultural competence of health organisations on eleven criteria including agency's commitment to cultural competency (i.e. allocating budget, person, and procedures dedicated to cultural competency), having data to investigate service needs (i.e. collect data from service users to learn about their service needs), commitment to cultural competence, integration of cultural competence commitment in agency, staff cultural competency training, recruitment/ hiring/ retention, have interpreters, have bilingual staff, have translated forms, have translated materials, and adaptation of new services (Siegel et al., 2011).

Multicultural Council's Organisational Cultural Competence Assessment (Council, 2004) is a self-report survey to assess cultural competence of organisations based on a) organisation (e.g. inclusion of cultural competence in policies and processes, engagement with community representative and use cultural knowledge in decision making and planning, organisational support of cultural diversity); b) administration (e.g. recruitment, hiring and retention of culturally diverse employee, allocation of budget to cultural competency initiatives, respect for culturally diverse employees); c) clinical services (e.g. monitoring services to address the need of culturally diverse clients, make assessment tools free of cultural bias, translation and interpretation services, picture and posters represent cultural diversity of the clients); d) research and program evaluation (e.g. target research to projects about cultural diversity of the stakeholders); e) technical assistance/consultation (e.g. review technical and consultation activities to meet the need of culturally diverse customers); f) education/ training (e.g. students from diverse cultural background, community representatives participate in training programs, put cultural competency training as part of organisational training plan); and g) community/continuing education (e.g. representative of different cultures are encourage to participate in planning).

Aitken and Stulz (2018) develop a tool to assess culturally competent maternity services to Indigenous women by raising questions about recruitment of aboriginal employees, development of policies and guidelines focusing on culturally competent services, consider cultural competence as one of the selection criteria, providing educational sources, display artwork or flags related to Aboriginal people in the organisation, involve Aboriginal people in the development and promotion of activities, collect data from Aboriginal clients, evaluation of the services, and assessing cultural competence of maternity service providers. However,

their work is limited to maternity health for indigenous people in Australia and they did not follow a rigorous scale development procedure.

Performance measures of cultural competency was developed by Siegel, Haugland, and Chambers (2003) in the health care services context. They include several criteria to measure organisational commitment to cultural competence at the administrative level, such as include cultural competence as part of mission statement, develop cultural competency plan, allocate a person and enough budget for cultural competency initiatives, and represent cultural diversity in the governing board. Siegel et al. (2003) also measure cultural competency at the service delivery level by raising questions about language services, such as services available in different languages, availability of an interpreter and bilingual/bicultural staff, as well as the provision of service descriptions and other materials in different languages. However, they did not follow a rigorous scale development procedure and the reliability and validity of their tool need further investigation.

The Organisational Multicultural Competence Survey is a 33-item scale that measures organisational cultural competence on six dimensions including "(a) governance, policies, and procedures; (b) quality evaluation and monitoring; (c) human resource development; (d) service delivery; (e) language and communication; and (f) community relationships" (Delphin-Rittmon et al., 2016, p. 16). This scale has not been vastly used in the previous research works and the dimensionality, validity and reliability of this scale are not well studied. Allensworth-Davies et al. (2007) examine nursing assistants' perception of organisational cultural competence by adapting items from several existing scales and adding some new items to develop an 8-item scale that measures comfort in the workplace, cross-cultural communication skills, managerial role, and knowledge of dealing with conflict caused by cultural diversity.

2.9.3. Measurement of cultural readiness

Cultural Competence Readiness (CCR) attempts to assess organisational cultural competence readiness (through four dimensions, namely: "linguistic capacity and staff cultural competency; organisational commitment to the implementation of culturally competent services; organisational strategies aimed at integrating cultural knowledge and client perspectives into service delivery systems; and organisational practices aimed at staff skills needed for cultural competences" (Whaley and Longoria, 2008, p. 177). However, the psychometric properties of this tool are not assessed.

2.10. Multicultural Readiness

The concept of multicultural readiness (MR) is introduced and discussed in the literature at the individual and governmental level. At the individual level, MR was used by Jones (1990, p. 70) to help capture "students' perception of their readiness to accept multicultural education". In another study, Landau (2004) conceptualise MR in the employee recruitment context and define it as the one's capability to perform effectively in multicultural workplaces. MR is conceptualised to comprise three dimensions, namely: (1) knowledge and appeal toward one's own culture and other cultures; (2) respecting values of various cultures; and (3) appreciation of interaction complexity with diverse people (Landau, 2004). Wiggins, Follo, and Eberly (2007) examine MR to check if teacher-training programs were beneficial in terms of teachers developing favourable dispositions toward diversity of cultures.

To measure MR construct, Jones (1990) borrowed items from different scales to help understand student's readiness to accept a multicultural education. In a study that focused upon recruiting employees with multicultural readiness, Landau (2004) assessed MR with other-groups by asking respondents if they spend time with people from other ethnic groups or had friends from various cultural backgrounds. Wiggins et al. (2007) also examine MR at the individual level (teachers) by measuring readiness for multicultural classrooms through adapting items from other studies. They assess three dimensions that included whether teachers fostered readiness, constrained readiness, and their experiences.

At the governmental level, Edgington and Hutton (2000) focus on the MR of the Canadian government and explore the impact of Canada's multiculturalism on the design and delivery of public services. These authors depict MR as the degree of government's commitment to buttress multiculturalism and provide services to all residents in a fair and easy way. Edgington and Hutton (2000) measure the MR of different municipalities through various dimension that tapped into the municipalities' multicultural policies, interpreting/translating services, distribution of policies, and consultation program for ethnic minorities. The next section explains the research gaps of the existing studies in this scope.

2.11. Research Gaps

Cultural diversity offers a unique opportunity for organisations in multicultural societies to learn about the expectations of their culturally diverse customers and employees through intercultural encounters and through that manage these stakeholders more effectively.

However, there are organisations that are not ready to take advantage of the growing cultural diversity of their customers and employees. This study posits that services organisations operating in multicultural societies can address these challenges and benefit from the opportunities offered by cultural diversity in their workplaces by creating a more productive and proficient multicultural service ecosystem. However, a review of relevant literature reveals many challenges in this regard.

First, there is no consensus on the exact employee characteristics that the organisations may focus on to better understand the multicultural dynamics within and/or outside of the organisation with their stakeholders. For example, constructs such as CQ, IS and ICC only focus on the knowledge, attitudes and behaviours of individuals towards other cultures. However, these constructs do not provide a sufficient condition for ensuring individuals are fully ready for social multicultural interactions, and in particular within the context of a multicultural and ethnic service setting. As pointed by Ruben and Kealey (1979, p. 19), "familiarity with relevant skills is not a guarantee of the ability to consistently display those skills and understanding behaviourally". Similarly, Matveev and Yamazaki Merz (2014, p. 124) coins that "the skills to demonstrate competent behaviour are different from the actual performance of competent behaviour". Hence, an action-oriented approach is a necessity for success in a multicultural environment where individuals need to take initiative (Van Der Zee and Van Oudenhoven, 2000) and be confident to act and make things happen (McCall, 1994).

To explain, IS is limited to one's cultural understanding and respect for cultural diversity (Matveev and Yamazaki Merz, 2014). However, a person's understanding may not be reflected in his/her behaviour and more emphasis should be placed on behavioural adaptation (Matsumoto and Hwang, 2013). ICC involves cultural knowledge, positive attitude toward cultural diversity and understanding various verbal and nonverbal communication styles (Behrnd and Porzelt, 2012; Gertsen, 1990). However, having cultural knowledge and skills do not affirm that people would apply them in their behaviour (Dodd, 2007). For instance, linguistic competence refers to know the language and it is distinct from the linguistic performance which explains the effective use of language (Dodd, 2007). Hence, it is still not clear if culturally competent individuals are motivated to put their competency into play and perform in a culturally appropriate manner.

CQ assesses an individual's cognitive, metacognitive, motivational, and behavioural CQ (Ang et al., 2007; Young et al., 2018). However, the behavioural CQ is only limited to the adaptation

of verbal and non-verbal communication acts and it fails to address a wider range of activities that require behavioural adaptation to fit a multicultural context. Moreover, being culturally intelligent does not mean that the person is ready to engage in intercultural communication. Moreover, although there are various definitions of MR in the literature, all of them fail to explain the notion of "readiness", as well as provide little or no theoretical foundation upon which the various conceptualisations of the construct are founded upon. Moreover, whilst there is little consensus regarding the definition of MR, those studies using this construct implement it in very narrow contextual perspectives such as education, recruitment, or government which cannot be generalized to other contexts or service settings.

Moreover, although various instruments developed to assess individual-level intercultural competence, intelligence, or readiness, there is no consensus in the literature about which one provide us with more promising results. Moreover, none of the studies operationalise MR properly (or in a unique manner) as they all appear to borrow items from other scales that have missing potentially important dimensions underpinning this construct These instruments have many overlapping dimensions such knowledge about diversity of cultures, respect, flexibility, open-mindedness, intercultural communication, and ambiguity tolerance, while ignoring to measure other dimensions such as willingness, optimism, and behavioural adaptation. Moreover, most of the scales were employed in cross-cultural and international business contexts ignoring the growing cultural diversity mostly due to immigration.

Furthermore, the majority of studies in cross-cultural and intercultural communication literature has either focus on minorities and their adjustment to a new culture (e.g. expatriates on overseas assignments) or the mainstream and their acceptance of the minorities. However, effective performance and satisfaction in culturally diverse contexts require everyone to play their role and demonstrate culturally appropriate behaviour. This includes mainstream-minority, minority-mainstream, and minority-minority relationships. However, there is limited research covering all groups at the same time and more research is required to investigate the relationships among all of these groups.

For organisations to be willing and capable of engaging with persons from diverse cultural backgrounds, both their employees and the organisation as a whole need to be ready to engage with them. However, most existing constructs only relate to individuals and hence, it is not clear if the same are applicable to the organisations. In terms of empirical assessment of organisational cultural competence, there are few studies available (Aitken and Stulz, 2018;

Cherner et al., 2014; Schudrich, 2014; Truong et al., 2017) and the existing tools suffer from robust statistical analysis and many of them show limited proof of reliability and validity examination (Balcazar et al., 2009; Schudrich, 2014). Moreover, although some studies attempt to measure cultural competency at the individual level and aggregate the output to conclude the organisational level cultural competency, attributing human characteristics to an organisation is an anthropomorphic fallacy as organisations are different from a group of individuals (Marsella, Dubanoski, Hamada, and Morse, 2000; Van Driel and Gabrenya, 2013).

Moreover, extant literature indicates that the idea of MR was studied at both the individual and governmental-levels. However, to the best of our knowledge, organisational-level MR (particularly within the service setting) is a relatively nascent field needing more scholarly attention. Hence, there are no self-administered tools readily available to help organisations and employees assess and improve their level of readiness to manage interactions with people from diverse cultures and benchmark themselves with others in this regard. Hence, this research aims to address these knowledge gaps by reconceptualising 'Multicultural Readiness' (MR) at the individual and organisational levels by identifying and measuring their different facets and developing multidimensional scales to operationalise this construct. In the next chapter, this study focuses on the MR at both individual and organisational levels and attempts to identify its potential dimensions and hence, reconceptualise the MR construct.

2.12. Summary

This chapter provided the definition of culture, reviewed the dynamic nature and multi-level structure of culture, and identified the individual and organisational level challenges and opportunities of cultural diversity. Next, it discussed the ways to manage cultural diversity at both levels by tapping into many constructs that emerged in the international business and ICSEs literature. It also introduced the existing instruments that are developed to measure constructs such as IS, ICC, CQ, IR, etc. This chapter also reviewed the existing studies that deployed the MR construct at the individual and government level. Lastly, the current chapter identified the research gaps. The next chapters aims to address the existing shortcomings in the literature.

CHAPTER 3: MULTICULTURAL READINESS - RECONCETUALISATION AND CONSTRUCT DEVELOPMENT

3.1. Overview

This chapter aims to address the shortcomings of the prior studies by moving beyond the 'competence boundaries' and investigate how individuals and organisations can be fully prepared (i.e. ready) to put their competence into play and effectively embrace multiculturalism. Hence, this chapter starts by defining the concept of readiness in various contexts and builds upon the cross-cultural communication, intercultural service encounters, and readiness literature to reconceptualise the multicultural readiness (MR) construct at both individual and organisational levels. Moreover, the potential dimensions of the IND MR and ORG MR are identified. Figure 3.1 demonstrates the structure of this chapter.

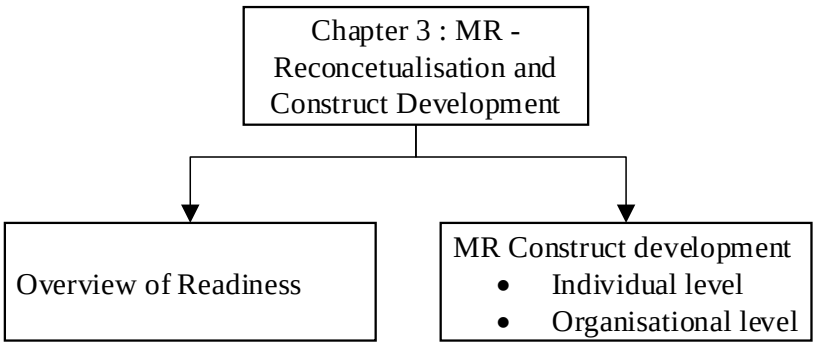


Figure 3. 1. Structure of chapter 3

3.2. Readiness

Given this study builds on the concept of "readiness" as being an integral element of how service organisations and their service employees are able to successfully navigate complex multicultural and ethnic environments (such as Australia) to achieve respective outcomes, the discussion related to multicultural readiness is preceded by defining readiness. The term "readiness" explains "the state of being fully prepared for something" (Ramaseshan, Kingshott, and Stein, 2015, p. 3) and reflects "the extent to which an individual or individuals are cognitively and emotionally inclined to accept, embrace, and adopt a particular plan to purposefully alter the status quo" (Holt, Armenakis, Feild, and Harris, 2007, p. 235). Similarly, Weiner (2009, P. 2) defines readiness as "a state of being both psychologically and

behaviourally prepared to take action" and he refers to motivation and confidence as the two key elements of readiness. The readiness theory considers motivation and optimism as the two main factors to progress toward achieving goals (Pruitt, 1997) where motivation is a driving force for moving towards a goal and optimism determines the extent to which the goal impacts behaviour (Pruitt, 1997).

The concept of readiness has been studied in various contexts. For instance, cognitive readiness is defined as one's preparedness in terms of knowledge, skills, abilities, motivation, and behaviour to perform effectively in unpredictable environments (Morrison and Fletcher, 2002). In the technology context, Parasuraman (2000) introduces technology readiness as an one's willingness to embrace and adopt technology and he has developed an index to assess this construct through measuring one's optimism, innovativeness, discomfort, and insecurity; Optimism describes the extent to which individuals hold a positive attitude towards using technology due to the benefits of it; Innovativeness examines if a person is a pioneer and leader in using technology; Discomfort assesses how comfortable a person is in using technology; and Insecurity measures the extent to which users trust technology (Parasuraman, 2000).

In the organisational context, change readiness is defined as the extent to which organisational members are prepared to take part in the organisational change process (Holt et al., 2007). The necessary elements to shape one's readiness for change are feeling the need for change and being confident to implement it (Holt et al., 2007). Measuring employees' readiness for organisational change requires to examine if "(a) they are capable of implementing a proposed change (i.e., change-specific efficacy), (b) the proposed change is appropriate for the organization (i.e., appropriateness), (c) the leaders are committed to the proposed change (i.e., management support), and (d) the proposed change is beneficial to organisational members (i.e., personal valence)" (Holt et al., 2007, p. 232). Similarly, employee empowerment readiness refers to the extent to which employees are knowledgeable and experienced in the field which enables them to perform the task successfully (Ahearne, Mathieu, and Rapp, 2005).

To assess one's readiness to pursue a goal, Ferguson (2008) identifies skills and motivation as the key factors. In terms of action readiness (i.e. ease of initiating an action), the importance of experience and its link with the behaviour is emphasised (Frijda, Kuipers, and Ter Schure, 1989; Suri, Sheppes, and Gross, 2015). When it comes to younger generations, school readiness is associated with being motivated, curious, sensitive to others, and able to communicate (Blair and Raver, 2015) and college readiness is defined as a student's preparedness to enrol in a

course and succeed (Conley, 2007). College readiness is reflected by an individual's college knowledge (i.e. contextual awareness), academic knowledge and skills (i.e. content awareness), cognitive strategies (i.e. competency that is necessary for college readiness), academic behaviour (e.g. open-mindedness, curiosity, motivation to learn more, comfort with college courses, self-monitoring skills, etc.), and ability to communicate with others including peers and academic staff (Conley, 2007).

The concept of readiness is conceptualised and measured not only at the individual level but also at the group and organisational levels (Weiner, 2009). Organisational readiness describes organisational preparedness to deal with a set of issues and can support the change (Acevedo-Polakovich, Crider, Kassab, and Gerhart, 2011; Weiner, Amick, and Lee, 2008). According to Burney Nissen (2014, p. 6), "organisational change readiness focuses on implementation or institutionalization of new practices that are related to planned or unplanned adaptations to the environment" and it is subject to understanding the importance of the change for the organisation, having the required resources, adapting processes and practices, and engaging stakeholders.

For organisations to be ready to adopt new practices, leaders and employees (i.e. motivated, trained, and adaptable), organisational climate (e.g. open to change, communication of change, etc.) and resources (human resources, training, physical resources, etc.) are the key elements (Burney Nissen, 2014; Guerrero and Kim, 2013; Lehman, Greener, and Simpson, 2002). Hence, when it comes to supporting cultural competence initiatives, organisations are expected to be ready for dealing with this change (Acevedo-Polakovich et al., 2011) and be motivated to use their resources (Hagedorn and Heideman, 2010). Similarly, in the strategic change literature, organisational readiness for moving toward a desired state is a function of organisational processes, activities, and assets (Kaplan and Norton, 2004; Ramaseshan et al., 2015).

Prior studies developed instruments to measure readiness at the organisational level. For instance, Lehman et al. (2002) develop organisational readiness for change (ORC) instrument to measure organisational readiness in adopting innovative technologies through assessing four dimensions including organisational climate, institutional resources, motivational readiness, and staff attributes. In another study Shea et al., (2014) use the theory of organisational readiness for change to conceptualise the organisational readiness for implementing change (ORIC) construct. To measure ORIC, change commitment (influenced by perceived valence in

the change), and change efficacy (effected by awareness of task demands, perceived availability of resources, and situational factors) are assessed (Garey et al., 2019; Shea et al., 2014).

Elsewhere, organisational e-readiness is measured by awareness of the benefits and importance of e-commerce, managerial commitment to implement it, and having required resources (Molla and Licker, 2005). In the technology context, Ramaseshan et al. (2015) define firm self-service technology (SST) readiness as the firm's ability to accept and combine SST with their internal procedures and emphasise on engaging stakeholders in the decision-making process. These authors develop an instrument to evaluate firm SST readiness through assessing four dimensions including "managerial acquiescence, customer alignment, employee engagement, and channel integration" (Ramaseshan et al., 2015, p. 766). Understanding the various definitions and measurements of the readiness construct in different contexts helps this study to build on the concept of "readiness" and reconceptualise the multicultural readiness construct and identify the potential dimensions of this construct at both individual and organisational levels.

3.3. Multicultural Readiness at the Individual Level (IND MR)

Drawing on the definition that depicts 'readiness' as "the state of being fully prepared for something" (Ramaseshan et al., 2015, p. 3), and building upon the cross-cultural communication, intercultural service encounters, and readiness literature, numerous sub-dimensions of intercultural development inventory (Hammer et al., 2003), cultural intelligence (Ang et al., 2007), intercultural competencies (Dias et al., 2017), and intercultural sensitivity (Arli and Bakan, 2018) were adapted to develop five underlying dimensions (i.e. awareness, motivation, acceptance, adaptation, and communication) and eleven sub-dimensions of IND MR. In the following sections, each of the dimensions and sub-dimensions of IND MR is explained.

3.3.1. Awareness (AWR)

Awareness of cultural beliefs, values, norms, and practices in different cultural settings helps individuals to understand how environments, systems, and behavioural patterns are shaped and why cultures have differences and similarities (Ang and Inkpen, 2008; Van Dyne et al., 2012). However, awareness of the subjective and objective elements of culture is not adequate for effective performance in culturally diverse settings, and individuals need to be aware of the

context in which they live and work (i.e. contextual awareness). The importance of both cultural and contextual awareness is emphasised in prior studies. For instance, in the expanded framework of CQ (E-CQ), Van Dyne et al. (2012) build on cultural anthropology literature and coined that cognitive CQ is shaped by two factors including cultural knowledge and context-specific knowledge. Moreover, in the readiness literature, the presence of both content and contextual knowledge is highlighted as necessary elements for college readiness (Conley, 2007). Hence, the present study suggests that awareness is reflected by cultural awareness and contextual awareness.

3.3.1.1. Cultural awareness

Cultural awareness refers to individuals' awareness of differences and similarities across diverse cultures (Chen and Starosta, 2000; Y. J. Kim and Van Dyne, 2012) and for this, people should know that culture has multiple layers (Erez and Gati, 2004) and it is shaped by both objective and subjective elements (Gelfand, Nishii, and Raver, 2006). Different components of culture include communication system (e.g. language, gesture, facial expression), material aspect (e.g. goods, artefacts, symbols), and intangible elements (e.g. belief, value system) (Castillo and Guo, 2011; Craig and Douglas, 2006; Soares et al., 2007). The observable components of culture such as customs, language, art, etc. describe the objective culture while values and beliefs reflect the subjective part of culture (Ang and Inkpen, 2008).

Cultural awareness is important for effective intercultural interactions (Fuertes et al., 2000), decrease of prejudice (Young et al., 2018), better task performance (Keršienė and Savanevičienė, 2005), and success in situations that involve cultural diversity (Van Der Zee and Van Oudenhoven, 2000). These are also relevant to the business context. For example, in ICSEs if the service providers are not aware of the cultural differences among themselves and their customers, there would be a miscommunication, resulting in poor service outcomes (Castillo and Guo, 2011). For instance, in counselling services where the clients are from diverse cultural backgrounds, knowing how cultures are different or similar is necessary for the effective provision of this service (Fuertes et al., 2000). This is in line with the UDO, defined as "awareness and acceptance of both similarities and differences that exist among people" (Miville et al., 1999, p. 291). Cultural awareness helps to reduce the confusion and discomfort associated with intercultural interactions (Awang Rozaimie et al., 2011; Stephan and Stephan, 1985) which is an important consideration within a services marketing context.

Awareness of the norms, beliefs, values, and social systems in other cultures is considered to be an integral part of IS (Hammer et al., 2003), ICC (Chen and Starosta, 2000; Ruben and Kealey, 1979), CQ (Ang et al., 2007; Brislin, Worthley, and Macnab, 2006), multicultural competence (King and Howard-Hamilton, 2003), IR (Van Der Zee and Brinkmann, 2004), and other similar constructs. Moreover, being knowledgeable about a field is found to be an important prerequisite to become ready for effectively engaging in that field (Ahearne et al., 2005; Conley, 2007). There are various established scales in the literature that has questions assessing an individual's cultural awareness. Examples are IES (Hammer et al., 1978), M-GUDS (Miville et al., 1999), AIC (Fantini, 2007), CQS (Van Dyne, Ang, and Koh, 2015), and ICCI (Arasaratnam, 2009). Each of these perspectives indicates that being aware of cultural similarities and differences is critically important when engaging with people (such as customers, team members, supervisors, etc.) who are from different cultural backgrounds.

3.3.1.2. Contextual awareness

Contextual awareness provides people with information about the extent of cultural diversity in a specific setting. Context-specific knowledge gives individuals the opportunity to understand the underlying patterns of intercultural interactions, resulting in more effectiveness when engaging in intercultural interactions (Ang and Inkpen, 2008), and improved adaptation in a new cultural setting (Van Dyne et al., 2012). Moreover, in the readiness literature, contextual knowledge is found to be a necessary element for one's college readiness (Conley, 2007). Existing scales (e.g. AIC scale) attempt to measure contextual awareness using questions about an individual's awareness of the extent of diversity in the host culture (Fantini, 2007). Accordingly, service employees and managers would have a better understanding of cultural diversity if they have information about the extent of cultural diversity in the country, be aware of the trend of immigration into the country, and know challenges faced by people in intercultural interactions.

3.3.2. Motivation (MOT)

Supported by the readiness theory, motivation is one of the main factors in order to progress toward achieving goals (Pruitt, 1997) and it is a critical component of cognitive readiness (Morrison and Fletcher, 2002), technology readiness (Parasuraman, 2000), readiness to pursue a goal (Ferguson, 2008), and school readiness (Blair and Raver, 2015). According to the previous studies, motivation to learn new information and cognitive components of processing the information do not perform in isolation and they are known to be interdependent (Helme

and Clarke, 2001; Pintrich and García, 1993). Individuals with high information processing motivation put more effort to gather information from different sources and vice versa (Metzger, 2014). Hence, in the present study motivation will be defined as an individual's willingness to continuously acquire and process cultural information in order to reach individual goals.

3.3.2.1. Motivation to acquire cultural knowledge

The dynamic nature of culture makes learning about cultures an ongoing process (Sue, 2001; Zeitlin, 2014) particularly in multicultural workplaces. According to Van Der Zee and Van Oudenhoven (2000), employees working in culturally diverse settings should be attracted to learn about the unknowns rather than being scared of them, stay curious and explore new areas to learn about different cultures. These authors assert that to be successful in multicultural environments, individuals should engage experiencing new cultures. The motivation to acquire cultural knowledge is also found to be one of the main elements that shape people's CQ. "Motivational CQ reflects the capability to direct attention and energy toward learning about and functioning in situations characterized by cultural differences" (Ang et al., 2007, p. 338). Curiosity to seek cultural information is a characteristic of multi-culturally competent individuals (Keršienė and Savanevičienė, 2005) and it is a requirement to be ready for cross-cultural exposure (Francois, 2015). Research also supports that inter-culturally sensitive people are motivated to interact with those from different cultural backgrounds (Chen and Starosta, 2000) which helps them to increase their knowledge about different cultures.

Many of the existing scales attempt to measure individuals' motivation to improve their cultural knowledge through different actions. Examples are engage in intercultural interactions (e.g., CQS (Van Dyne et al., 2015), ICCI (Arasaratnam, 2009), ISS (Chen and Starosta, 2000), IRC (Van Der Zee and Brinkmann, 2004)); Hear cultural stories (e.g., MPQ-SF (Van der Zee et al., 2013)); Attend multicultural events (e.g., M-GUDS (Miville et al., 1999), M-GUDS (Fuertes et al., 2000), MEQ (Narvaez and Hill, 2010)); Read cultural sources (e.g., MEQ (Narvaez and Hill, 2010)); and Attend cultural training (e.g., MEQ (Narvaez and Hill, 2010)). Hence, cultural curiosity and motivation to continuously acquire cultural information through getting involved in various activities is one of the necessary stages of becoming fully prepared to function effectively in multicultural service settings.

3.3.2.2. Motivation to process cultural knowledge (Cognition)

The motivation to process information stems from the need for cognition which "refers to an individual's tendency to engage and enjoy effortless cognitive endeavours" (Cacioppo, Petty, and Feng Kao, 1984, p. 306). According to the cognitive motivation theory, individuals' thoughts, attitudes, and actions are shaped by their available knowledge, information seeking (Savolainen, 2012), and active processing of new information (Hart and Mueller, 2014). In culturally diverse settings, people with a higher willingness to integrate and process cultural information retrieved from various sources are more likely to accept diversity and engage in attitude and behavioural change to fit a multicultural context. This notion is supported by the Elaboration Likelihood Model of persuasion that suggests high information processing motivation makes people more receptive to diverse perspectives (Metzger, 2014) and encourages them to take in and apply the message (Hampton, Brinberg, Peter, and Corus, 2009). For instance, in a political context, individuals' attention to cues and messages is subject to their motivation to process information (Westerwick, Sude, Robinson, and Knobloch-Westerwick, 2020).

Moreover, the information integration theory argues that "attitudes form and change in response to the integration of new information with existing attitudes, cognition, or thoughts" (Shin, Casidy, Yoon, and Yoon, 2016, p. 4). Hence, in situations that involve diversity, learning to integrate and process information (collected from various sources) and view the world from other's perspective is helpful to stay open-minded regarding adapting behaviour (Hoffman, 1996; Stephan and Finlay, 1999; Young et al., 2018). Individuals' motivation to process and use cultural information has been assessed by various scales. Examples are AIC (Fantini, 2007), and CQS (Van Dyne et al., 2015). Accordingly, individuals not only need to be motivated to continuously acquire cultural information, but they also need to be motivated to process this information and integrate it in the ways they think and behave.

3.3.3. Acceptance (ACC)

Acceptance is a critical stage throughout the readiness process. As defined by previous studies, readiness is explained through the extent to which individuals are willing to "accept, embrace, and adopt a particular plan" (Daniel T Holt et al., 2007, p. 235). According to the DMIS, acceptance of cultural differences is one of the stages people need to ace before moving to adaptation and integration. However, acceptance is not limited to acknowledging there are cultures that are different from one's own culture (Hammer et al., 2003; Paige et al., 2003), but

it is also reflected by accepting cultural diversity as a strength for individuals and the society (Thalhammer, Zucha, Enzenhofer, Salfinger, and Ogris, 2001). This is in line with the readiness theory that indicates acknowledgement of the benefits of a goal is a key factor to progress towards achieving that goal. Hence, this study suggests acceptance of cultural diversity and acknowledging the benefits of cultural diversity as the two sub-dimensions of acceptance.

3.3.3.1. Acceptance of cultural diversity

Building upon Bennett (1986)'s "developmental model of intercultural sensitivity" (DMIS), acceptance is one of the stages that people go through before adapting to a new culture. Acceptance of cultural diversity refers to when people accept and appreciate there are other cultures that are different from their own culture (Hammer et al., 2003; Paige et al., 2003). Acceptance of cultural diversity is a characteristic of individuals who are inter-culturally sensitive (Chen and Starosta, 2000), culturally competent (Behrnd and Porzelt, 2012; Gertsen, 1990), and multi-culturally ready (Jones, 1990). In the services context, cultural acceptance is important for effective intercultural interactions (Fuertes et al., 2000) and service providers are expected to be aware of cultural differences, accept and respect these differences, avoid judgment, and continue improving their knowledge about the population they serve (Purnell et al., 2011). Individuals' acceptance of cultural diversity is assessed through various scales. Examples are MEQ (Narvaez and Hill, 2010), ICSI (Bhawuk and Brislin, 1992), ISS (Chen and Starosta, 2000), and MPQ-SF (Van der Zee et al., 2013). Hence, service employees performing in multicultural settings need to accept different culture before being able to adjust their actions according to that context.

3.3.3.2. Acceptance of the benefits of cultural diversity (perceived benefits)

Drawing on the definitions of "readiness" in the technology context as "individual's propensity to embrace or use new technology" and the "optimism" dimension (i.e. the extent to which individuals accept to use technology due to the benefits of it) associated with the technology readiness index (Parasuraman, 2000, p. 308), this study argues that "multicultural optimism (MO)" will help individuals to become multi-culturally ready, and this will be intrinsically embedded in the MR construct. This is premised on the notion that MO represents accepting cultural diversity as a strength of a society (Thalhammer et al., 2001).

Previous studies confirm that individuals who acknowledge that cultural diversity comes with potential values are more likely to engage in effective interactions (Van Dyne et al., 2012). To explain, people who acknowledge the personal benefits of cultural diversity such as increased

employability and enhanced experience (i.e. extrinsic benefit) (Ryan and Deci, 2000; Van Dyne et al., 2012) are those who accept culturally diverse settings and can better cope with the possible challenges of it. According to Brinkman and Van Weerdenburg (2014), one of the competencies of inter-culturally ready people is that they see the complexities of cultural diversity as an opportunity and acknowledge it as a source for new ideas and learning. Similarly, Fuertes et al. (2000) refers to acceptance of the benefits of cultural diversity (i.e. relativistic appreciation) as a necessary dimension to measure one's UDO. Existing scales that assess acceptance of the benefits of cultural diversity include M-GUDS (Miville et al., 1999), ICCI (Arasaratnam, 2009)), and Multicultural Optimism scale (Leong and Ward, 2006). Accordingly, acknowledging cultural diversity as an opportunity which has many benefits helps individuals to better embrace multicultural environments and get engaged in intercultural interactions.

3.3.4. Adaptation (ADT)

Within the DMIS continuum, adaptation happens when "one's worldview is expanded to include relevant constructs from other cultural worldviews" (Hammer et al., 2003, p. 425). People at this stage are competent in effective intercultural interactions and they can change their frames of reference. This notion is also supported by the concept of readiness that not only highlights accepting and embracing of a plan as necessary requirements of readiness, but it also emphasises on adopting a plan and changing the status quo (Holt et al., 2007). The present study looks at adaptation from two perspectives including the ability to adapt, refers to one's ability to adjust own behaviour in multicultural settings as well as intercultural communication adaptation, refers to one's ability to adjust communication style to fit a multicultural setting.

3.3.4.1. Ability to adapt

Adaptation refers to the mechanism of dealing with changing situations (Leung et al., 2005). Through adaptation, people modify their behaviour to fit a multicultural setting, so that they will be more successful in achieving their goals (Bhawuk and Brislin, 1992). Similarly, Matsumoto and Hwang (2013) define adaptation as behavioural change based on the context (e.g. using chopsticks in East Asia) which involves adjusting behaviours to accomplish goals in situations that involve cultural diversity.

Psychological adjustment is a vital element of adaptation and is defined as "the general psychological well-being, self-satisfaction, contentment, comfort-with, and accommodation-to

a new environment" (Ruben and Kealey, 1979, p. 21). Interactional effectiveness is important in social adjustment while communicating with locals and understanding them (Ruben and Kealey, 1979). In defining interactional effectiveness, Ruben and Kealey (1979), channelled one's cross-cultural knowledge, skill, and competencies to real behaviour, by considering an additional aspect named "transfer of skills". Existing scales that assess adaptation include IES (Hammer et al., 1978), ICSI (Bhawuk and Brislin), and AIC scale (Fantini, 2007). Hence, service employees cannot involve in effective intercultural interactions unless they adapt their behaviour based on the needs and expectations of the culturally diverse customers. This adaptation is also necessary when they interact with their colleagues, managers, or subordinates who are from a cultural background other than their own.

3.3.4.2. Intercultural communication adaptation

Communication is a main component of culture. Members of a cultural group have their way to transmit messages to the world (encoding) and interpret the meaning of received messages (decoding) and differences between the sent and the interpreted messages may result in miscommunication across cultures (Craig and Douglas, 2006). Intercultural communication research indicates that appropriate ways of communication varies across cultures and to become competent in intercultural communications, individuals need to understand communication expectations in different cultures, be flexible, and adjust communication style based on the multicultural settings (Arasaratnam, 2009).

In the existing literature regards intercultural communication, "behavioural CQ reflects the capability to exhibit appropriate verbal and nonverbal actions when interacting with people from different cultures" (Ang et al., 2007, p. 338). In the extended model of CQ, Van Dyne et al. (2012) identify three sub-dimensions for behavioural CQ including a) verbal behaviour (e.g. accent, speaking speed, voice, degree of warmth or formality); b) nonverbal behaviour (e.g. body language (Westphal, Seivert, and Bonanno, 2010), acceptable distance when sitting next to a person, amount of eye contact, greeting norms, clothing); and c) speech acts (e.g. request, invitation, disagreement, choice of words). Hence, not only verbal language is the key element of communication, but non-verbal communication signs are also important to convey a subtle meaning during intercultural interactions (Ang and Van Dyne, 2008; Craig and Douglas, 2006).

Elsewhere, cross-cultural exposure readiness introduces intercultural communication as the ability to verbally and non-verbally interact with people from diverse cultural backgrounds (Francois, 2015). Similarly, intercultural readiness looks at an individual's ability for effective

intercultural interactions using the correct verbal and nonverbal expressions (Van Der Zee and Brinkmann, 2004). For instance, in ICSEs, service providers are encouraged to avoid using colloquialisms and slang when communicating with customers who are from a different cultural background than their own (Purnell et al., 2011). One of the well-known scales attempted to measure adaptation of verbal and non-verbal action during intercultural interactions is CQS (Van Dyne et al., 2015). Accordingly, one of the stages of getting fully prepared for ICSEs and other intercultural encounters is the ability of service employees and managers to adapt their communication style, as well as verbal and nonverbal behaviour in a way that is accepted by a different culture.

3.3.5. Communication (COM)

According to the contact theory, intercultural interaction helps to increase understanding and empathy among culturally-diverse people, shape positive intergroup attitudes, and reduce prejudice (Kim and Van Dyne, 2012; Young et al., 2018). Studies report that close contact and friendship with outgroup members create a favourable attitude toward them (Kim and Van Dyne, 2012; Van Bakel et al., 2014), and provides individuals with the opportunity to learn about different cultures (supported by social learning theory (Bandura, 1977)). Hence, for intercultural interaction to be effective, the contact between people from diverse cultural backgrounds needs to reach below the surface level (Young et al., 2018) and be more frequent (Hyoung Koo et al., 2013).

Effective intercultural communication requires people to be confident to engage in intercultural interactions and work in multicultural workplaces (Van Dyne et al., 2012). Individuals also need to feel comfortable when interacting with culturally diverse people (Dodd, 2007; Fuertes et al., 2000). Confidence and comfort in intercultural communication contribute to people's readiness to engage in deep and frequent interaction with people from a different cultural background than their own. Accordingly, this study suggests communication confidence and communication comfort as the two sub-dimensions of communication.

3.3.5.1. Communication confidence

According to Holt et al. (2007), confidence to implement a change is a necessary element to shape one's readiness for change. In multicultural environments, cognitive competence (i.e. cultural knowledge) and behavioural competence (i.e. appropriate communication) increase one's self-efficacy, which is a prerequisite of one's readiness for cross-cultural exposures (Francois, 2015). Similarly, Dodd (2007) alludes to confidence in new situations as an

important determinant of one's intercultural readiness. Success in culturally diverse settings requires people to develop social skills and build confidence in establishing and retaining contacts (Van Der Zee and Van Oudenhoven, 2000).

Confidence in intercultural communication is supported by the self-efficacy theory that explains one's belief in his/her ability to carry out an action and successfully perform a behaviour (Bandura, 1997; Love, Bahner, Jones, and Nilsson, 2007). Accordingly, communication confidence refers to one's belief in his/her capability to successfully initiate intercultural interactions, retain a meaningful dialogue, manage misunderstandings, develop interpersonal relationship, understand others' feelings, empathize with them, and work effectively in multicultural settings. Scales that attempted to measure one's ability and confidence in intercultural communication include IES (Hammer et al., 1978), ISS (Chen and Starosta, 2000), MPQ-SF (Van der Zee et al., 2013), CQS (Van Dyne et al., 2015, p. 20), and AIC (Fantini, 2007).

3.3.5.2. Communication comfort

As discussed by Parasuraman (2000) in the technology context, comfort in using technology is an important determinant of one's readiness for using technology. Similarly, Conley (2007) argues that comfort with college courses is one of the key elements to assess an individual's level of readiness for college. In the culturally diverse environments, comfort with differences describes the extent to which individuals are comfortable with intercultural communication (Fuertes et al., 2000) and multi-culturally competent individuals are known to be comfortable with people from different cultural backgrounds (Keršienė and Savanevičienė, 2005). Similarly, Dodd (2007) introduces comfort with strangers as an important element to assess an individual's intercultural readiness. Scales that attempted to measure one's comfort in intercultural communication include ISS (Chen and Starosta, 2000), MPQ-SF (Van der Zee et al., 2013), M-GUDS (Fuertes et al., 2000), IRC (Van Der Zee and Brinkmann, 2004), ICCI (Arasaratnam, 2009), and MEQ (Narvaez and Hill, 2010). Hence, comfort in intercultural interactions helps individuals to engage effectively in an ongoing intercultural communication with culturally-diverse people.

Based on the discussion presented above, this study defines IND MR as individuals' preparedness, cognitively, affectively, and behaviourally, to engage effectively with culturally-diverse people in day-to-day life and at work. The proposed dimensions and sub-dimensions of IND MR are summarised in Figure 3.2.

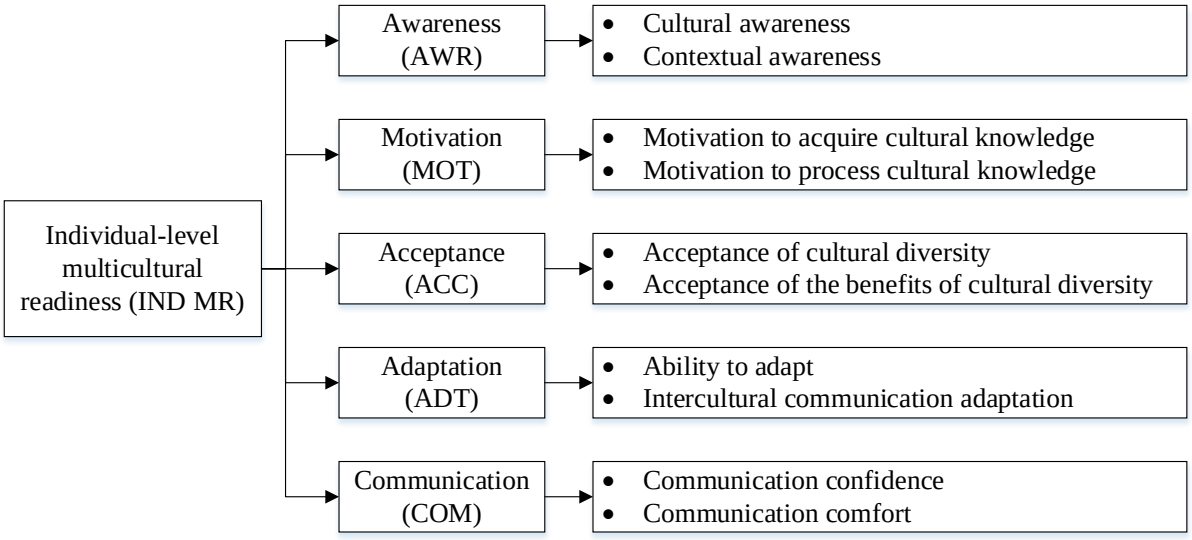


Figure 3. 2. Proposed structure of IND MR (derived from the literature)

3.4. Multicultural Readiness at the Organisational Level (ORG MR)

MR is also critically important when viewed through the lens of the organisation because these entities also deal with people from culturally diverse backgrounds and also need to be ready to engage meaningfully with them. Simply put, if "the state of being fully prepared for something" defines "readiness" (Ramaseshan et al., 2015, p. 3), individuals cannot be multi-culturally ready unless both internal and external factors work in unison. Internally, individuals should be inter-culturally competent and therefore operate from a premise of being multicultural optimistic. Externally, as reflected through the context of study, this means that the service industry and its organisations should have appropriate policies and structures, which help to support multiculturalism. Typically, this means that an individual's or organisations multicultural competency is akin to their readiness to adopt multiculturalism within the organisation. According to the "resource-based theory" (Barney, 1991), organisations have various tangible/intangible resources and abilities which help them to implement their strategies. Hence, for moving towards cultural competence, organisations need to use their resources and develop culturally supportive attitudes, policies, and practices (Ambtman, Hudson, Hartry, and Mackay-Chiddenton, 2010).

As previously indicated the concept of "readiness" has received considerable attention in the organisational behaviour and strategic change literature (Ramaseshan et al., 2015). From the organisational perspective, Eby, Adams, Russell, and Gaby (2000) depict readiness to be

associated with the beliefs and attitudes of members of an organisation regards approaching changes. Kaplan and Norton (2004) define it as organisational assets, activities, and processes that indicate how the organisation is ready to change its current state to a desired state. Based on the definition of "readiness" in an organisational context and by referring to the previous studies about the dimensions of firm-level CQ and CCR such as manager's CQ, organisational culturally intelligent structural norms, competitiveness (Ang and Inkpen, 2008), staff's cultural competency, organisational culturally competent strategies and services, and organisational culturally competent practices (Whaley and Longoria, 2008), this study will be based on a MR from the perspective of the organisational-level.

Moreover, the continuum of organisational cultural competence (Cross, 1989) suggests that agencies' level of cultural competence ranges from cultural destructiveness to cultural proficiency. In this continuum, during the cultural destructiveness, cultural incapacity, and cultural blindness stages, cultural diversity is either avoided or the benefits of it is not understood (Cross, 1989). Cultural pre-competence is the next stage in the continuum when agencies become aware of their weaknesses in performing in culturally diverse contexts and try to improve some of their services based on the expectations of their culturally diverse clients (Cross, 1989). During this stage, organisations hire employees from diverse cultures, provide cultural sensitivity training, investigate the service needs of different communities, and hire people from the minority groups for board of directors (Cross, 1989).

Cultural competence is the next stage when agencies accept and respect cultural differences, conduct cultural assessment, continuously expand their cultural knowledge, seek consultation from culturally diverse communities and adapt some of their service models (Cross, 1989). During the cultural proficiency stage, organisations are motivated to add to their cultural knowledge by conducting research and disseminate cultural materials, hire culturally proficient staff, and support cultural competence initiatives (Cross, 1989). To progress toward the continuum, accepting and valuing cultural diversity, managing the dynamics of it, improving and implementing cultural knowledge, adaptation, and cultural competence assessment are the necessary requirements (Cross, 1989).

To conceptualise MR at the organisational level, this study builds on and synthesises various dimensions that comprise the organisation's need to recruit individuals from diverse cultural backgrounds (to increase diversity), recruit individuals who are multi-culturally ready (IND MR), implement practices to increase IND MR (e.g. training programs), establish multi-

culturally friendly policies and strategies, and develop and offer services that are based on multicultural customers. The present study proposes ORG MR to be comprised of five underlying dimensions including awareness, motivation, acceptance, adaptation, and communication. In the following, each of the proposed dimensions is explained.

3.4.1. Awareness (AWR)

This research defines awareness as the extent to which organisations are aware of cultural diversity in the country they operate in and among their stakeholders. For success in culturally diverse contexts, organisations need to be aware of cultural beliefs and standards of their stakeholders (Acevedo-Polakovich et al., 2011; Purnell et al., 2011; Schuette and Siebold, 2013; Van Driel and Gabrenya, 2013). Moreover, one of the requirements of cultural adaption is organisational awareness of the cultural context in which it operates (i.e. contextual awareness) (Kim, Gibbs, and Scott, 2019; Ljubica, Dulčić, and Aust, 2016; Smith, 2008). Organisational awareness in culturally diverse contexts includes awareness of diverse communities (Darnell and Kuperminc, 2006), stakeholder characteristics (Hernandez et al., 2009; Siegel et al., 2003), understanding the impact of culture on people's behaviour, perception, needs, expectations (Moon, 2010; Sharma, Tam, and Wu, 2018; Zhang, Beatty, and Walsh, 2008), service recovery preference, and communication type (Zhang et al., 2008). It also includes maintaining a profile of the cultural diversity of the target population to assess their service needs (Barr and Wanat, 2005). Awareness of cultural diversity is assessed in OCQ scale (Ang and Inkpen, 2008) and the guideline for the development of multicultural competent service system also raised questions about cultural awareness (OMA, 2000). Accordingly, for organisations to become ready to deal effectively with their multicultural environment, they need to be aware of the cultural diversity of their existing and potential stakeholders.

3.4.2. Motivation (MOT)

Readiness comes with awareness, motivation to continuously improve knowledge, and adjustment (Acevedo-Polakovich et al., 2011). "To create knowledge, organizations have to obtain information from the environment in which they operate and then process this information to convert it into knowledge." (Van Driel and Gabrenya, 2013, p. 882). According to the cross-cultural knowledge absorption model, organisations improve their knowledge about different cultures by gathering information from available sources, processing the information, putting it into organisational strategies, and take actions based on the available knowledge (Kayes, Kayes, and Yamazaki, 2005). Accordingly, for organisations to be ready

to deal effectively with their multicultural stakeholders and environments, motivation to acquire and process cultural information are critical factors. Hence, in the present study, motivation is defined as an organisational willingness to continuously acquire and process cultural information at all organisational levels in order to reach the goals. The following section defines the two sub-dimensions of MOT.

3.4.2.1. Motivation to improve cultural knowledge

The motivation to acquire and process cultural and contextual information is known to be the characteristic of culturally intelligent firms which use the processed information to adapt activities (Ang and Inkpen, 2008; Moon, 2010) and improve performance (Van Driel and Gabrenya, 2013). Similarly, willingness to gain information about different cultures and encourage staff to improve their cultural knowledge is identified as the specifications of culturally competent organisations (Kersiene and Savaneviciene, 2009). Hence, organisations cannot be ready to deal effectively with their multicultural ecosystem as long as they are not motivated to enhance cultural knowledge at all organisational levels. To improve cultural knowledge, organisations need to invest in research, collect insights, and gather information, process the collected data, absorb the knowledge, and apply it in action (Ladd and Heminger, 2003; Schuette and Siebold, 2013). Similarly, Schuette and Siebold (2013) identify the key elements to raise organisational awareness of cultural diversity as interior view of the organisation, specialized market research, and networking.

The national cultural competency framework (MMHA, 2010) suggest organisations that work in the mental health services sector to learn about people from culturally diverse backgrounds who are either their existing or potential clients. They also recommend conducting research to collect data about client's demographics and service needs and engage external agencies who can bring in cultural knowledge. Similarly, OMI (2020) in their multicultural policy framework, suggest organisations working in Western Australia need to collect and analyse data about the demographics makeup of their employees and clients/customers who are from culturally diverse backgrounds, identify their needs, and use the information to address policies and practices.

To improve cultural knowledge, organisations not only have to be motivated to continuously collect data about the target populations' needs and cultural beliefs (Andrulis et al., 2011; Whealin and Ruzek, 2008), but they also need to be willing to improve employees' cultural knowledge and skills (Whealin and Ruzek, 2008). As pointed by Ladd and Heminger (2003),

an integral requirement of organisational knowledge abortion relies on acquiring knowledge at the individual level. Hence, organisations need to improve cultural knowledge at the whole organisational levels by providing cultural training/workshops (Purnell et al., 2011) and supporting staff to attend the training programs (Acevedo-Polakovich et al., 2011; Kersiene and Savaneviciene, 2009; Purnell et al., 2011). Organisations can also use the competencies of consulting individuals and firms to improve cultural understanding (Acevedo-Polakovich et al., 2011).

The cultural competency frameworks recommend organisations that work in culturally diverse environments to improve cultural knowledge in the organisation by providing staff with cultural competency training and disseminate information about cultural competence across the system (MMHA, 2010; OMI, 2020). Provision of cultural competency training by organisations to their staff is assessed in several instruments such as cultural competency assessment scale (Siegel et al., 2011), cultural competence readiness scale (Whaley and Longoria, 2008), and organisational cultural competency scale (Allensworth-Davies et al., 2007). OMI (2020) also emphasises the importance of mentoring programs to support the share of cultural knowledge in organisations. Accordingly, service organisations performing in multicultural settings need to pay careful attention to continuously acquire and improve cultural knowledge at all organisational levels.

3.4.2.2. Motivation to process cultural knowledge (Cognition)

In the readiness literature, organisational readiness involves acknowledging and absorbing the value of information and apply it effectively in the organisational procedures (Sen, Sinha, and Ramamurthy, 2006). Multi-culturally competent organisations collect information from various sources, integrate cultural knowledge and implement them in developing culturally responsive policies and practices (Acevedo-Polakovich et al., 2011; Cox Jr, 1991; Ljubica et al., 2016; Smith, 2008). They also continuously monitor and evaluate their practices and services in order to identify any required adjustment or modification to meet the cultural competence goals (Castillo and Guo, 2011; Chae et al., 2019; Moon, 2010; Purnell et al., 2011). This can include “rewriting job descriptions, reassessing organisational tasks, and developing new methods and procedures that emphasize cultural competence” (Castillo and Guo, 2011, p. 212). Moreover, monitoring generates insights for the organisations in terms of their current situation as well as how to adapt to changing environments, which enables them to become knowledgeable and competent (Darnell and Kuperminc, 2006; Kersiene and Savaneviciene,

2009). Hence, not only collecting and improving cultural knowledge is important, but service organisations also need to integrate this information into organisational policies, procedures, and practices.

3.4.3. Acceptance (ACC)

3.4.3.1. Acceptance of cultural diversity

Similar to individuals, organisations also have different reception of cultural diversity (Ljubica et al., 2016; Sue, 2001). Organisations that accept and value multiculturalism are more likely to adapt to their culturally diverse environment and hence less likely to experience cultural misunderstanding and conflicts (Ljubica et al., 2016). According to Ambtman et al. (2010), culturally competent organisations accept cultural differences, and adjust their service models to address the needs of the culturally diverse population. Similarly, the cultural competency frameworks recommend organisations to respect various cultures and traditions (MMHA, 2010; OMI, 2020). In organisations that accept cultural diversity, everyone, regardless of his/her cultural background is respected, all the organisational materials are provided in a culturally appropriate manner (Whaley and Longoria, 2008), and pictures and printed materials reflect the cultural diversity of the stakeholders (Balcazar et al., 2009; Purnell et al., 2011). These organisations are also aware of cultural calendars and celebrate diverse cultural events (Purnell et al., 2011). Hence, services organisations cannot fully embrace cultural diversity unless they accept that their stakeholders and target population have different cultural orientations, and to effectively perform in such a multicultural environment, they need to acknowledge this cultural diversity.

3.4.3.2. Acceptance of the benefits of cultural diversity (perceived benefits)

The theory of organisational readiness for change identifies understating the benefits of change for an organisation in terms of achieving goals as one of the critical elements of readiness for change (Lehman et al., 2002; Weiner, 2009). For instance, in the ORIC scale, the change valence dimension assesses the perceived benefits of change for an organisation (Shea et al., 2014). In the technology context, perceived benefits of implementing a system is introduced as the determinant of organisational acceptance of technology (Liao and Landry, 2000). Accordingly, in a multicultural environment, managing cultural diversity should not be considered as an additional burden for the organisations and the benefits of it for both businesses and individuals should be pointed out and acknowledged (Schuette and Siebold,

2013). Appreciating the importance of cultural diversity is identified as one of the characteristics of culturally competent systems (Cross, 1989).

Moreover, based on the synergistic approach, cultural diversity is a resource for the organisation (Kersiene and Savaneviciene, 2009) and organisations embrace it when they understand the benefits of it for the business (Schuette and Siebold, 2013). According to the multicultural policy framework (OMI, 2020), cultural diversity comes with several strong points and the economical and societal benefits of it should be recognised. For instance, having people from diverse cultural backgrounds strengthens global connections as well as international partnerships (OMI, 2020). Similarly, the cultural competency guideline for health services, pinpoints the importance of acknowledging the societal benefits of diversity (DOH, 2020). Organisations that acknowledge the benefits of cultural diversity (e.g. tapping into new markets, creativity), can better deal with intercultural issues (Aghazadeh, 2004; Schuette and Siebold, 2013) and can create positive interactions among employees (Allensworth-Davies et al., 2007).

3.4.4. Adaptation (ADT)

People from different cultures have different attitudes, expectations, and values which makes it necessary for organisations to understand these differences and adjust their policies and practices (Moon, 2010). Based on the organisational change theory (Burgelman, 1991), and the theory of strategic adaptation (Child, 1972), organisations that perform in culturally diverse settings need to adapt their practices, services and attitudes in a way to fit the requirements of a multicultural context (Guerrero and Kim, 2013). Processing the environmental information and adapting policies and practices in a culturally appropriate manner is the specification of culturally intelligent organisations (Van Driel and Gabrenya, 2013). Similarly, studies report that culturally competent organisations update policies to support cultural competence, recruit employees from diverse cultural backgrounds, adapt processes and practices, communicate with community representatives, and evaluate organisational-level cultural competence (Chrisman, 2007; Guerrero and Kim, 2013; Ljubica et al., 2016; Whealin and Ruzek, 2008). Adaptation helps organisations to perform successfully in culturally diverse settings to meet their goals (Lehman et al., 2002; Van Driel and Gabrenya, 2013).

The present study looks at adaptation from three perspectives including a) adaptation of policy, defined as organisational ability to adjust its procedures, rules, and regulations (i.e. policies) to guide organisational decisions and actions for creating a culturally inclusive environment; b)

adaptation of human resource practice defined as organisational ability to adjust its human resource activities to ensure cultural equity in attracting, motivating, evaluating, and developing employees from diverse cultural backgrounds and fostering the promotion of cultural competence in the organisation; and c) adaptation of services defined as organisational ability to adjust its services to ensure the needs of people from diverse cultural backgrounds are taken into consideration and services are understandable which can meet diverse cultural expectations.

3.4.4.1. Adaptation- Policy

Organisations performing in culturally diverse contexts need to develop policies that emphasise respect, innovation, and readiness for change and build an environment where cultural competence practices are supported (Zeitlin, 2014). According to Weiner (2009), organisations that are ready for change develop flexible organisational policies and procedures. In culturally competent organisations, policies should address cultural diversity (Darnell and Kuperminc, 2006) and ensure the decision-making bodies in the organisations are a representation of the community they serve (Acevedo-Polakovich et al., 2011). Moreover, policies should reflect the organisational interest in addressing community needs (Acevedo-Polakovich et al., 2011) by providing culturally competent services (Hernandez et al., 2009) and support the improvement of cultural competence among the organisational members (Yearwood, Hines-Martin, Dato, and Malone, 2006). It is also important to have policies in place to oppose prejudice in the organisation; for instance, behaviours that are culturally inappropriate should not be tolerated (Purnell et al., 2011).

The cultural competence assessment instrument (Balcazar et al., 2009) and the performance measure of cultural competency (Siegel et al., 2000) evaluate the inclusion of cultural competence in organisational mission and policy, and the OCQ scale assesses the "culturally appropriate governance mechanisms to ensure high offshoring performance" (Ang and Inkpen, 2008, p. 358). Similarly, the cultural competency frameworks pinpoint the importance of developing policies and procedures that reflect organisational compliance with culturally competent and non-discriminatory actions (MMHA, 2010; OMA, 2000; OMI, 2020). For instance, the national cultural competency standards emphasise on developing policies that demonstrate service organisations' commitment to deliver culturally appropriate services to meet the expectations of people from culturally diverse backgrounds (MMHA, 2010). Accordingly, services organisations performing in multicultural settings need to adjust their

procedures, rules, and regulations (i.e. policies) to guide organisational decisions and actions for creating a culturally inclusive environment and effective engagement with culturally diverse stakeholders.

3.4.4.2. Adaptation- Human resources practices

Culturally competent organisations have employees (at both lower and higher levels) who are from culturally diverse backgrounds and provide equal opportunities to everyone free of any cultural bias (Cherner et al., 2014; Darnell and Kuperminc, 2006; Hernandez et al., 2009; Purnell et al., 2011). Staff diversity received massive attention in the mental health services context where having service providers from diverse cultural backgrounds is seen as a sign of cultural responsiveness which facilitates addressing the mental health needs of customers who are racially and ethnically diverse (Whaley and Longoria, 2008). Moreover, prior studies indicate that culturally competent organisations adjust their human resource practices in a way that employees, regardless of their cultural background, contribute equally to the organisational activities, are respected and valued, and there is equal opportunity for retention, promotion and advancement (Allen, Shore, and Griffeth, 2003; Chew and Chan, 2008; Darnell and Kuperminc, 2006; Smith, 2008).

In culturally diverse settings, it is recommended that employers recruit staff who are culturally competent as this facilitates communication both within the organisation and among the organisational stakeholders (Chrisman, 2007). For example, Tung (1982) found that Japanese firms, by selecting expatriates with higher adaptability levels and training them before departure, have lower expatriate failure rates (returning early from overseas assignments). Similarly, Black (1990) demonstrate that considering adaptability as a criterion while selecting expatriates and the provision of cross-cultural training can influence expatriate success/failure rate in their overseas assignments. This is supported by the core competency theory, which states that individual-level cultural competence is a prerequisite of organisational level cultural competence (Ljubica et al., 2016; Sue, 2001).

Furthermore, organisations cannot become culturally competent if the top management is not culturally competent and do not involve in the whole process (Ljubica et al., 2016; Sue, 2001). Leaders play a critical role in terms of improving and supporting an inclusive culture in the organisation (Chrisman, 2007; Guerrero and Kim, 2013) and culturally competent organisations not only recruit staff who are from diverse cultural backgrounds, but they also represent cultural diversity at the senior and leadership level (Aggarwal, 2015; Darnell and

Kuperminc, 2006). As coined by Darnell and Kuperminc (2006), representing minorities at lower-level jobs and limiting senior-level positions to a particular cultural or racial group is against organisational cultural competence. The adaptation of organisational human resource practices to fit a multicultural setting is assessed in different scales, such as the organisational multicultural competence survey (Delphin-Rittmon et al., 2016). Hence, service organisations need to understand the cultural diversity of their internal stakeholders and adapt their human resource practices to ensure cultural equity in attracting, motivating, evaluating, and developing employees from diverse cultural backgrounds.

3.4.4.3. Adaptation- Services

People from diverse cultural backgrounds have different expectations and perceptions of services quality. For instance, in the health care setting, studies found that Asian Americans are more likely to think their doctor does not understand their values and background, or Latinos demonstrate less satisfaction with the patient-physician interactions compared to their white counterparts (Castillo and Guo, 2011). Hence, service organisations have to recognise the needs of people from diverse cultural backgrounds and develop or adapt services to address their needs (Castillo and Guo, 2011; Cherner et al., 2014).

As argued by previous studies, organisations that are culturally competent, not only adjust their policies and staffing approaches to meet the needs of their target population, but they also adjust their services and community connections accordingly (Castillo and Guo, 2011; Guerrero and Kim, 2013). These organisations are responsive to the service needs of their culturally diverse stakeholders and develop policies and service delivery procedures according to the environment they operate in (Guerrero and Kim, 2013). For instance, to provide high-quality services to customers or clients from diverse cultural backgrounds, service organisations can offer the language assistance, translation, and interpretation services (Acevedo-Polakovich et al., 2011; Andrulis et al., 2011; Hernandez et al., 2009), hire bilingual staff, and provide signage in language of the target population (Semansky, Goodkind, Sommerfeld, and Willging, 2013). Moreover, they translate the client/customer-related documents into the major languages of the target populations (Purnell et al., 2011).

Service organisations can also design new services to meet different cultural requirements. For example, education providers can design teaching materials compatible with diverse cultural preferences (Yamazaki, 2005). They can also provide extra support to ensure their services are accessible for all the target population (Hernandez et al., 2009). An example of this is in the

health services when based on cultural beliefs of some clients, religious leaders are involved in the healing process which is an adaptation of the way services are usually delivered (Acevedo-Polakovich et al., 2011). In the health services context, several standards for culturally and linguistically appropriate services (CLAS) are provided (Barr and Wanat, 2005). These standards are comprised of the provision of language assistance services, preparation of materials and signage in the language of the target population, and development of culturally appropriate services (Barr and Wanat, 2005). Hence, adaptation of services to ensure the needs of people from diverse cultural backgrounds are taken into consideration and services are understandable and can meet diverse cultural expectations is an important stage in becoming fully prepared to deal with multicultural customers and reach organisational goals.

3.4.5. Communication (COM)

Communication refers to sharing of information among organisational internal stakeholders, such as employees, as well as external stakeholders, such as customers, communities, and partners, which is a specification of culturally competent organisations (Hernandez et al., 2009). Communication within the organisation aims to inform employees about organisational policies, connect employees together, and reduce resistance to change (Husain, 2013). Hence, for a successful change process, it is important for organisations to communicate with their employees and disseminate information about the required changes in the business (Husain, 2013). Moreover, through communication, organisational members can exchange information, and build relationships (Husain, 2013). Communication is also referred to involving employees in the decision-making process and seeking their input (Fiorito, Bozeman, Young, and Meurs, 2007). Communication in not limited to organisational internal stakeholders, but it also encompassed organisational external stakeholders.

Communication with external stakeholders is explained by engaging communities, collaborating with them, and attending their events (Andrulis et al., 2011; Purnell et al., 2011). Culturally competent organisations develop their communication practices and facilitate the representation of various stakeholders in organisational decision-making processes and encourage community participation in generating inputs (Acevedo-Polakovich et al., 2011). These organisations also tend to engage the community representatives in the design and development of services (Hernandez et al., 2009). By connecting to other businesses and agencies, organisations can engage in information exchange or even cooperation within the diversity field. This would help them to understand the challenges minority groups are facing.

Hence, communication with both internal and external stakeholders is an important stage of becoming multi-culturally ready.

Based on the discussion presented above, this study defines ORG MR as service organisation's preparedness, cognitively, affectively, and operationally, to engage effectively with stakeholders from diverse cultural backgrounds. The proposed dimensions and sub-dimensions of ORG MR are summarised in Figure 3.3.

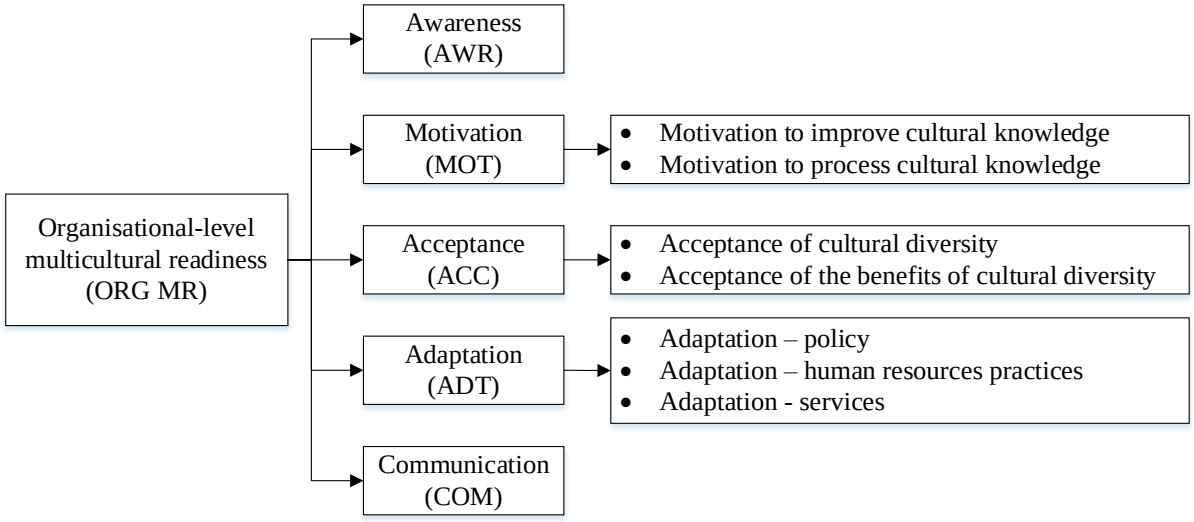


Figure 3. 3. Proposed structure of ORG MR (derived from the literature)

3.5. Summary

This chapter reviewed the definition of readiness in various contexts and by building upon the cross-cultural communication, intercultural service encounters, and readiness literature reconceptualised the multicultural readiness (MR) construct at both individual and organisational levels. This chapter also proposed AWR, MOT, ACC, ADT, and COM as the five dimensions of IND MR and ORG MR.

CHAPTER 4: THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

4.1.Overview

In order to understand how the newly developed MR construct at both individual and organisational levels (see chapter 3) behave in relation to other constructs and to further test the validity of the MR construct, this chapter aims to discuss the relationships between MR and its antecedents and outcomes. To meet this purpose, ethnocentrism and organisational culture are hypothesised to be the antecedent of the MR construct at both levels while employee performance, job satisfaction, organisational performance, and organisational competitiveness are hypothesised to be the outcome variables. In the rest of this chapter, each of the antecedent and outcome variables are defined and their potential relationships with the MR construct are explained. The structure of this chapter is presented in Figure 4.1.

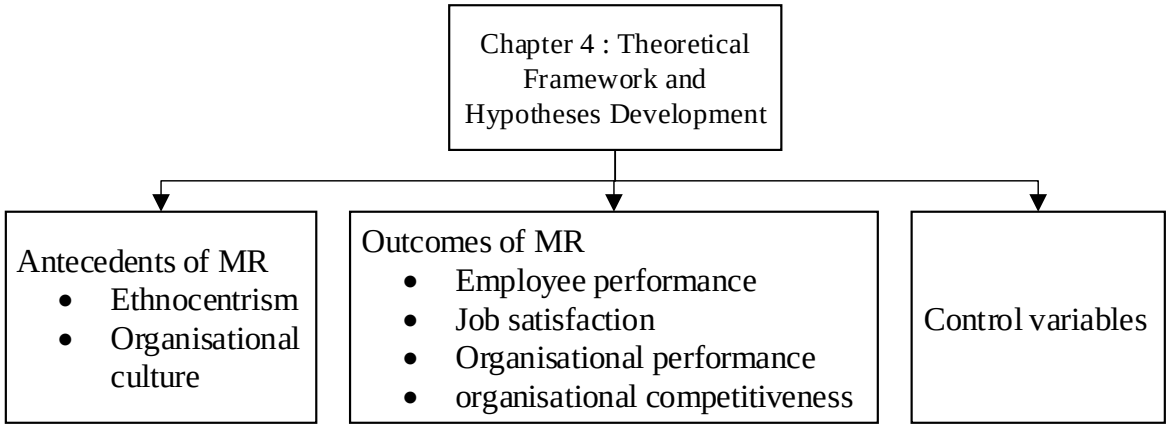


Figure 4. 1. Structure of chapter 4

4.2.Hypothesis Development: Antecedents of MR

4.2.1. Ethnocentrism

Ethnocentrism outlines the propensity to think one's own group or nation culture is better than others (Egan and Bendick Jr, 2008; Hoffman, Wallach, and Sanchez, 2009; Young, Badiah Haffejee, and David L. Corsun, 2017). Ethnocentric individuals categorise people based on their national or ethnics origin (Yoo and Donthu, 2005) and perceive their in-group as better, more honest, and superior to their outgroups (Stephan and Stephan, 1985) which result in out-

group devaluation (Pocovnicu and Vasilache, 2012; Young, Badiah Haffejee, and David L Corsun, 2017). Ethnocentrism is found to have a negative impact on an individual's ICC (Egan and Bendick Jr, 2008) and CQ (Ang et al., 2007; Harrison, 2012; Young et al., 2017) and is known to lead to one's negative perceptions about those from a different culture (Sharma, Wu, et al., 2016; Young et al., 2017). Ethnocentrism as a cultural attitude can predict if individuals behave in an inter-culturally appropriate way or not and by having a negative nature, it adversely affects the interactions of culturally diverse employees (Reichard, Dollwet, and Louw-Potgieter, 2014) and can cause conflict and misunderstanding (Matsumoto, Wallbott, and Scherer, 2005). As we conceptualise MR as a construct similar to IS, ICC, and CQ, we expect a negative relationship between MR and ethnocentrism. In other words, we propose that ethnocentric employees are likely to have lower levels of MR, hence, as follows:

***H1a**: Employee ethnocentrism has a negative influence on IND MR.*

***H1b**: Employee ethnocentrism has a negative influence on his/her perception of ORG MR.*

4.2.2. Organisational culture

Organisational culture is depicted as shared beliefs, values, and attitudes that lead to how organisational members should perceive events, and provides them with strategies and behavioural rules (Agrawal and Tyagi, 2010; Deshpande and Webster Jr, 1989; Serpa, 2016; Trefry, 2006). Similarly, organisational culture is known to be a combination of shared thoughts, emotions, beliefs, and experiences among members of an organisation which can influence organisational adaptation to a culturally diverse environment (Moon, 2010).

Organisational culture has vital role in multicultural organisations and it can intensify the benefits and challenges of culturally diverse workplaces (Trefry, 2006). Organisational culture impacts individuals through the person-organisation fit approach where "congruence between an employee's characteristics and his or her organisation's characteristics is desirable" (Robert and Wasti, 2002, p. 545). As coined by Earley and Gibson (1998), organisations can have better outcomes when there is a match between an employee and the organisation. The person-organisation fit is more important in multicultural organisations where there are workforces from different cultural backgrounds.

Organisational culture can be studied based on two independent yet highly correlated dimensions, namely individualism and collectivism (Robert and Wasti, 2002). Collectivistic organisations look at the groups, put emphasis on collective goals, decisions are made by a

group, social aspect of the job is important, and one's promotion is based on his/her contribution to the organisational success; On the other hand, individualistic organisations look at the individuals, values individual's goals, make decisions individually, and promotion is based on equity (Marcus and Le, 2013). Organisations can have a high or low-level of both dimensions at the same time (Hayton and Macchitella, 2013; Robert and Wasti, 2002).

Individualistic organisations support autonomy, promote creativity, and support the acquisition of knowledge (Hayton and Macchitella, 2013). This notion proposes that organisations with an individualistic culture motivate employees to acquire new knowledge (Leana III and Van Buren, 1999). On the other hand, collectivistic organisations promote the integration of knowledge into new products and services by facilitating share of knowledge and motivating employees to interact with each other (Hayton and Macchitella, 2013). From a human resource management perspective, individualistic organisations hire individuals mainly based on their abilities to perform the job, while collectivist organisations give more importance to the person-organisation fit (Hayton and Macchitella, 2013). Moreover, individualistic organisations train employees to improve individual's skills while collectivist organisations design training in a way to reinforce group culture and norms (Hayton and Macchitella, 2013).

Prior studies demonstrate that organisational culture is one of the antecedents of organisational readiness for change (Weiner, 2009) and organisational CQ which predicts organisational adjustment to changing environments (Moon, 2010; Yitmen, 2013) and it impacts organisational direction toward inclusiveness which can facilitate or impede reaching on-the-job diversity (Smith, 2008). On the global scale, the culture of multinational organisations should incorporate multiculturalism in a way to exploit and promote diversity (Ravazzani, 2016). Based on the organisational cultures, employees can be motivated toward behaviour and seek anxiety-free interaction with others (ODOR, 2018).

Assuming that ORG MR encompasses an organisation's multicultural oriented strategies, policies, capabilities, behavioural rules, etc., in order to meaningfully manage diversity of cultures in a way to reach goals, this research depicts organisational culture can affect ORG MR. Moreover, organisational culture is an important factor influencing employees by training them how to approach business and provide a commonality among them in terms of interpreting and assessing organisational issues (Trefry, 2006), therefore, the following hypotheses:

***H2a**: Organisational culture has a positive influence on IND MR*

***H2b**: Organisational culture has a positive influence on employee's perception of ORG MR*

4.3.Hypothesis Development: Outcomes of MR

In the intercultural and multicultural literature, the frequently studied outcomes of ICC and CQ are employee performance (Ang et al., 2007; Kortmann, 2016) and job satisfaction (Diao and Park, 2012; Lloyd and Härtel, 2010; Sharma, Tam, and Kim, 2012b; Sizoo, Plank, Iskat, and Serrie, 2005). As we conceptualise MR as a broader construct IS, ICC, and CQ within a multicultural service setting, these two variables will be considered as the outcomes of MR. However, since both employee performance and job satisfaction represent individual-level outcomes, to assess the impact of MR at the organisational level, both organisational performance and competitiveness will be assessed as the organisational-level outcomes of the MR construct. The impact of the MR construct on the outcome variables is discussed below.

4.3.1. Employee performance

Employee performance is conceptualised as the knowledge, attributes, skills, and abilities that should be aligned with role behaviour and job responsibilities (Presbitero, 2016; Suyanto and Hendri, 2018). In cultural diverse workplaces, employees should interact and build connections with colleagues and people from different cultures whereby adjusting to the new cultural context more effectively (Suyanto and Hendri, 2018). Intercultural interaction and communication with people from different cultures (e.g., colleagues, customers) are accompanied by some degree of ambiguity, thus people will need to get familiarize themselves with each other if they are to establish closer relationships and accomplish tasks more successfully.

Whilst knowledge, skills, abilities, and motivation are the well-known antecedents of job performance, previous studies indicate individuals with higher CQ, or ICC scores have better performance (Ang et al., 2007; Caligiuri, 2000; Kortmann, 2016; Mathew and Javalgi, 2018; Presbitero, 2016). In other words, successful performance in international jobs requires competent staff (Kortmann, 2016). Similarly, Dodd (2007) reports that effective task performance is interdependent with staff interpersonal skills and intercultural adaptability and J. Stewart Black and Gregersen (1991) found that cross-cultural adjustment influences jobs performance. According to Suyanto and Hendri (2018), multicultural understanding, attitude, and skills of government officials' help them to communicate better and be more flexible which

improves their performance. Similarly, intercultural sensitive people are found to be more successful in overseas assignments (Bhawuk and Brislin, 1992). Therefore, this study posits that MR influences employee performance.

***H3a**: IND MR has a positive influence on employee performance.*

Studies also found that organisations which accept and value multiculturalism are more likely to adapt to their culturally diverse environment and hence less likely to experience cultural misunderstanding and conflicts (Ljubica et al., 2016). Previous works also show that cultural barriers in the workplace adversely affect performance (Karma and Vedina, 2009). Hence, culturally intelligent and competent organisations by supporting and motivating their employees in terms of improving cultural knowledge and guiding them to be effective in culturally diverse situations, increase employees' performance and productivity (David et al., 2019; Ljubica et al., 2016). Similarly, in the readiness literature, organisational members are more likely to put more effort and be more cooperative when they perceive their organisational readiness for change as high (Weiner, 2009). Supported by the conservation of resources theory (Hobfoll, 1989) organisational acceptance of cultural diversity is a resource that helps employees reach their goals. As such, this study proposes that employees' perception of their organisational level of MR impacts employee performance. Therefore:

***H3b**: ORG MR has a positive influence on employee performance.*

4.3.2. Job satisfaction

Job satisfaction is depicted as the positive and favourable emotional state that stems from job evaluation or job experiences (Diao and Park, 2012; Kardam and Rangnekar, 2012) and demonstrates the extent to which employees like or dislike their jobs (Eslami and Gharakhani, 2012). This is predicted by individual-level, job-level, and organisational-level characteristics (Glisson and Durick, 1988). At the individual level, studies confirm that people with higher CQ or ICC scores have better job satisfaction (Diao and Park, 2012; Lloyd and Härtel, 2010; Sharma et al., 2009; Sizoo et al., 2005). Similarly, Sizoo (2007) found that employees who can interact effectively with people from diverse cultural backgrounds have higher job satisfaction.

Employees working in the services sector, not only engage in providing services to organisational external customers or clients, but they also get involved in internal service encounters and provide services to their co-workers who are known to be internal customers (Sharma, Kong, and Kingshott, 2016). Internal services are defined as "services provided by

distinctive organisational units or the people working in these departments to other units or employees within the organization" (Stauss, 1995, p. 65). Prior studies report that high internal service quality (ISQ) is a driver for employees job satisfaction (Eskildsen and Dahlgaard, 2000) and it is also a prerequisite for the provision of high-quality services to external customers (Sharma, Kong, et al., 2016). Moreover, ISQ provides a suitable environment for positive organisational behaviours (Sharma, Kong, et al., 2016).

According to the positive organisational behaviour (POB) paradigm (Youssef and Luthans, 2007), psychological resources has a positive influence on job satisfaction (Sharma, Kong, et al., 2016), and employee performance (Youssef and Luthans, 2007). Hence, employees who are multi-culturally ready are expected to be more successful in intercultural internal service encounters and as a result of this, provide better internal services to other employees (i.e. higher ISQ). Moreover, as supported by the POB paradigm (Youssef and Luthans, 2007), being optimistic about cultural diversity and demonstrate resilience in the form of adapting behaviours based on the cultural context, improves employees' job satisfaction. Hence:

H4a: *IND MR has a positive influence on employee job satisfaction.*

At the organisational-level where social interactions among members are facilitated, people have a better attitude toward their job and higher job satisfaction. This is supported by the social information processing theory which suggests employee attitude toward work is influenced by their social interactions with other organisational members (Glisson and Durick, 1988). Moreover, prior studies found that employees working in organisations that support employee wellbeing, encourage social relations and decrease stress have higher job satisfaction (Siu, 2002). In culturally diverse settings, service employee's perception of organisational cultural competence positively predicts their job satisfaction (Allensworth-Davies et al., 2007). Therefore, this study hypothesises:

H4b: *ORG MR has a positive influence on employee job satisfaction.*

4.3.3. Organisational performance

Organisational performance is defined the "the capability of an organisation to effectively achieve its goals and aims" (Rahim et al., 2015, p. 195). It also explains the value that organisations deliver to their stakeholders to satisfy their expectations (Aluko, 2003). Multicultural organisations are challenged by recruiting and managing employees from various ethnicities and lack of intercultural competence can decrease their competitiveness

domestically and internationally. Richard (2000) found that since cultural diversity may increase the costs and clash among people, it could negatively affect organisational performance and competitiveness.

Based on the resource-based view (Barney, 1991), individuals are the critical resource for organisational success and in a culturally diverse setting, culturally competent employees help the organisation to reap the benefits of cultural diversity and improve its performance and competitiveness. As proposed by Karma and Vedina (2009), organisational performance is impacted by the ability of organisational members to act in a culturally appropriate manner and be culturally intelligent. Similarly, in the international business context, Charoensukmongkol (2016) reports that an individual's CQ positively predicts firm-level performance. People who are culturally intelligent and competent, are knowledgeable and skilful to adapt their behaviour based on the cultural setting, perform effectively in a new context, and help the organisation to find new market opportunities, which can in turn positively influence organisational performance (Charoensukmongkol, 2016). Therefore:

H5a: *IND MR has a positive influence on organisational performance.*

According to Konrad, Yang, and Maurer (2016), organisations that can manage their cultural diversity ecosystem have a better performance. Studies found that organisational CQ has a positive relationship with organisational performance. To explain, organisations with higher CQ have a better understanding of cultural diversity, can better manage intercultural interactions, reduce cultural conflict among their members, and adjust activities to new norms and processes which enables them to demonstrate better performance (Ang and Inkpen, 2008; Moon, 2010).

Organisations that can manage cultural differences and value diversity of perspectives, facilitate group cohesion, creativity, and innovation, thereby higher organisational performance (Karma and Vedina, 2009). Hence, culturally competent firms by hiring employees from diverse cultural backgrounds and by respecting their perspectives and opinions, encourage innovation. Various studies indicate that companies which hire staff from various ethnicities perform better than those ignoring diversity (Castelli, 2016; Wright, Smart, and McMahan, 1995) and multicultural organisations which manage diversity and adapt their policies, procedures, and practices based on the cultural context have better performance as well as employee satisfaction (Castelli, 2016). Hence:

H5b: *ORG MR has a positive influence on organisational performance.*

4.3.4. Organisational competitiveness

Organisational competitiveness assesses how well an organisation can keep up with the competition (Vandenbosch, 1999), their adaptability to the changes, marketing mix advantages, and performance indicators (Akimova, 2000). According to the resource-based theory (Barney, 1991), organisations have various tangible/intangible resources and abilities which help them to implement their strategies; hence, firms with more precious (valuable, rare, hard to imitate) resources can build a position which is unique and leads to competitive advantage (Ang and Inkpen, 2008; Richard, 2000). We can interpret that employees who are multi-culturally ready in effect represent precious human resources of the service organisation who can help it reach higher competitiveness. It is therefore hypothesised that:

H6a: *IND MR has a positive influence on organisational competitiveness.*

Organisational competitiveness is a function of organisational capabilities and competencies (Barney, 1991; Kersiene and Savaneviciene, 2009; Moon, 2010; Teece et al., 1997) and according to prior studies, organisational CQ and cross-cultural competence make organisations capable to sustain their competitive advantages in the rapidly changing market (Moon, 2010; Søderberg and Holden, 2002) and have the opportunity to discover new markets (Schuette and Siebold, 2013). For competitive advantage, based on the resource-based view, organisations should possess resources that are valuable, inimitable, and rare (Barney, 1991; Moon, 2010). When it comes to performing in cross-cultural contexts, organisations need cultural competitive capabilities, such as knowledge about customers, suppliers, local business and the government in the new context and communicate with them. Organisations with high cultural capability manage the changing ecosystems more effectively, create better customer service, and improve teamwork which in turn can lead to competitive advantage (Moon, 2010). Moreover, culturally competent and intelligent organisations are more successful in accessing new markets (Castillo and Guo, 2011; Yitmen, 2013). Yitmen (2013) demonstrate that networking with local organisations and agencies can increase the firm's power for bargaining.

Furthermore, based on the network approach, communication with organisational networks is important to make the most out of the resources and achieve competitive advantage (Kersiene and Savaneviciene, 2009). For organisations to change successfully, they need to promote information sharing (Arena, 2004). This is premised on the view held by Matveev (2017) that an employees' effective performance in a multicultural setting not only requires skills, belief in the mission, and cultural empathy but also is influenced by organisational abilities to adapt

these skills in a cross-cultural setting. Moreover, competitiveness help organisations to stay in the market and companies must adapt to the changing environment to remain competitive (Akimova, 2000). Hence, organisations that try to adjust themselves to the multicultural environment can stay more competitive (Cox and Blake, 1991).

Cox and Blake (1991) discussed that effective management of cultural diversity leads to competitive advantage and for supporting this argument, they referred to the benefits that managed cultural diversity would bring for the organisations. These benefits include cost (i.e. in a culturally diverse setting, by managing cultural diversity, organisations can avoid the cost of poor job performance), resource acquisition (i.e. organisations with a good reputation for effective management of diversity have a higher chance to attract the best employees to their organisations), marketing (i.e. cultural sensitivity helps multinational organisations to be more successful in their marketing efforts), creativity (i.e. diversity of perspectives helps organisations be more creative), problem-solving (i.e. organisational can reach to better decisions when groups with diverse perspectives are involved in sharing their input), and system flexibility (i.e. management of cultural diversity helps organisations become more flexible in responding to changing environments) (Cox and Blake, 1991). Hence, this study proposes:

H6b: *ORG MR has a positive influence on organisational competitiveness.*

The conceptual framework which will be used to test the validity and reliability of the MR construct in relation to other variables is presented in Figure 4.2.

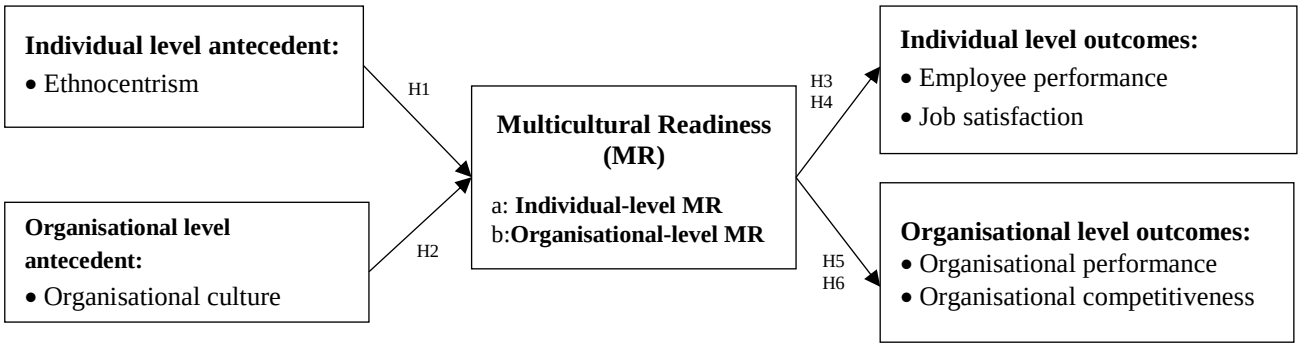


Figure 4. 2. Conceptual framework

4.4. Control Variables:

In addition to the variables included in the conceptual model, this research also controls for individual and organisational level characteristics because these may also influence the focal variables (IND MR and ORG MR). The control variable for the IND MR is gender. Prior research shows that gender has a significant impact on responses to variables such as cultural intelligence (Tharapos, O'Connell, Dellaportas, and Basioudis, 2019), cultural adjustment (Cole and McNulty, 2011; Peltokorpi and Froese, 2012), and intercultural competence (Novikova, Gridunova, Novikov, and Shlyakhta, 2020; Solhaug and Kristensen, 2020; Tompkins, Cook, Miller, and LePeau, 2017) and female respondents are reported to show a higher level of cultural understanding, acceptance, and adjustment. This is also in line with the gender socialisation theory which argues that women are raised to be more compassionate for others (Burkhardt, Nguyen, and Poincelot, 2020) and their "influence derives from their ability to foster more ethical decision-making" (Arnaboldi et al., 2021, p. 20). Hence, it is expected that in socialising with people from different cultural backgrounds, females show higher-level understanding and empathy compared to their male counterparts.

This study also uses organisational size as the control variables for ORG MR, organisational performance, and organisational competitiveness. Organisational size is determined by the number of employees working in an organisation (Mutebi, Muhwezi, Ntayi, and Munene, 2020). Prior studies report that organisational size impacts organisational actions and processes of working with others and resources (Li, Zhang, Cao, Liu, and Qu, 2019). Moreover, studies found that organisational size impacts organisational functionality, its relation with other organisations (Roehrich et al., 2020), innovativeness (Aldieri and Vinci, 2019), and competitive behaviour (Chen and Hambrick, 1995). Hence, this study controls for the impact of organisational size on employees' perception of ORG MR, as well as organisational performance and competitiveness.

4.5. Summary

This chapter developed a conceptual framework comprised of the MR construct and its proposed antecedents and outcomes in order to test the validity and reliability of the MR construct in relation to other variables. Accordingly, this chapter provided an understanding of how ethnocentrism and organisational culture can influence IND MR and ORG MR constructs. Moreover, building upon the existing literature and theories, the present chapter hypothesised

that the MR construct at both levels can positively predict employee performance, job satisfaction, organisational performance, and organisational competitiveness. Gender and organisational size were also introduced as the control variables.

CHAPTER 5: RESEARCH METHODOLOGY

5.1. Overview

This chapter explains the research methodology and it starts with elaborating the research setting, which gives justification for our choice of the study context. The chapter also explains the scale development procedure based on the most favoured paradigms for marketing constructs and unfolds the adopted process for generating a pool of items. This is comprised of a comprehensive review of the literature on intercultural service encounters and cross-cultural interactions at both individual and organisational levels, as well as undertaking semi-structured interviews. It also describes the scale purification procedure including assessment of face and content validity, collecting data through a quantitative approach, and data analysis process to make decisions for purifying the scales. To conclude, this chapter elaborates on the scale validation procedure and explains the process for testing hypotheses. Figure 5.1 demonstrates the structure of this chapter.

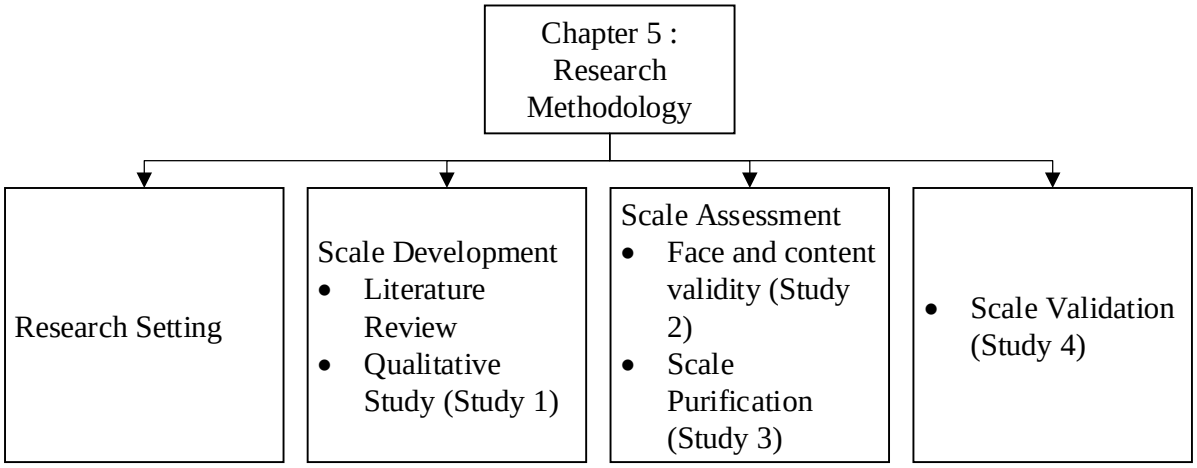


Figure 5. 1. Structure of chapter 5

5.2. Research Setting

Australia is considered as the study context as by having almost half of the population "either born overseas or had at least one parent who was born overseas", is a culturally diverse country (ABS, 2017). Moreover, the service sector plays a critical role in the Australian economy, contributing to over 60 percent of its GDP (TWB, 2020) and it provides employment opportunities for nearly 88 percent of Australians (ATIC, 2019; DFAT, 2017). Accordingly,

the service sector in Australia is a huge multicultural sector and it is important to focus on in order to understand the ways to reap the benefits of cultural diversity in this sector while decreasing its challenges.

5.3. Overview of the Scale Development Process

There are various scale development paradigms introduced in the literature. Churchill Jr (1979) proposes one of the most favoured scale development procedures for marketing constructs, which starts with using the extant literature to specify the domain and developing an appropriate conceptual definition. This is a critical time for a researcher to identify what to include in the definition and what to exclude (Churchill Jr, 1979). Other studies also emphasise the importance of clearly determining the construct that is being measured before proceeding with scale development. For this aim, existing theory and research help to identify the attributes that reflect or form the construct of interest; this also guides researchers in generating a pool of items in terms of excluding items that are irrelevant while including items that are important (Worthington and Whittaker, 2006).

The second step in scale development is generating a pool of items that captures the specified domain and reflects the construct of interest (Churchill Jr, 1979). Literature search, interview, and focus group are examples that help with creation of pool of items (Churchill Jr, 1979). To avoid error variance and improve scale quality, the item pool should be generated in a careful manner and it should include items that are worded properly (i.e. clear, readable, concise, distinct) and reflect the construct that is being measured (Worthington and Whittaker, 2006). Hence, as suggested by Churchill Jr (1979, p. 68), researchers need to edit the items by reviewing their wording, splitting the double-barrelled statements into single-idea statements, and "refining those questions which contain an obvious socially acceptable response".

After preparing the initial pool of items, it would be valuable to ask experts (i.e. people who are knowledgeable in the field) to evaluate the quality of items. This includes assessment of face validity, content validity, clarity of the items, grammar, redundancy, etc. (Worthington and Whittaker, 2006). The further refinement of the instrument would need the collection of actual data. In this step, it is suggested to avoid additional scales in the survey because it will not only increase the length of the questionnaire and make people less interested to participate, it will also make it hard to control the effect of other scales on the initial structure of the new scale and contaminates the responses to the items of interest (Worthington and Whittaker, 2006). Hence, "it is important to avoid influencing item responses during the initial phase of

scale development by limiting the use of additional measures" (Worthington and Whittaker, 2006, p. 814).

Moreover, in the selection of samples, researchers should be careful in terms of who and how many respondents to include; Participants should make sense according to the construct that is being measured and represent the target population (Watkins, 2018). The characteristics and number of samples that are included impact the generalisability of results as well as factor structure (Worthington and Whittaker, 2006). In terms of sample size, as a rule of thumb, Rouquette and Falissard (2011) suggest at least 300 responses is required for factor analysis when the aim is to understand the factor structure. In another guideline, Velicer and Fava (1998) proposed at least three respondents per item (3:1) while others suggest a minimum of five or 10 participants for each item (5:1; 10:1) (Watkins, 2018). However, there is a consensus in the literature that for generating consistent outcomes, larger sample sizes would be better (Worthington and Whittaker, 2006).

After having the data collected, to purify the measure, Churchill suggests performing the computation based on the measurement model. He asserts "if all the items in a measure are drawn from the domain of a single construct, responses to those items should be highly inter-correlated. Low inter-item correlations, in contrast, indicate that some items are not drawn from the appropriate domain and are producing error and unreliability" (Churchill Jr, 1979, p. 68). Hence, computing coefficient alpha is suggested to assess internal consistency between a group of items and assessing the instrument's quality. In this case, the larger coefficient alpha shows a better correlation of items with the true scores. If there is a large enough number of items in the pool, Churchill's guideline suggests eliminating the items with low alpha and items that cause a drop in the item-to-total correlations (Churchill Jr, 1979).

The scale purification stage continues by executing factor analysis. A category of factor analysis techniques that is related to multivariate statistical methods (Watkins, 2018) is Exploratory Factor Analysis (EFA). EFA helps to examine the underlying dimensions of a construct (Churchill Jr, 1979). Using EFA in scale purification is a dynamic process that requires examination of items, inductive reasoning, and researchers' patience to subtly implement required adjustments and revisions in order to reach the most meaningful outputs (Worthington and Whittaker, 2006). By EFA results, the number of factors of a construct, items related to each factor, as well as correlations among factors can be found.

After refining the initial scale, to proceed with the assessment of scale reliability and validity, collecting a new data set is suggested (Churchill Jr, 1979). According to Churchill Jr (1979), although it is necessary for constructs to meet the requirement of face validity, content validity, and internal consistency, this does not guarantee to construct validity. Within this context, both the convergent validity and discriminant validity needs to be tested. Convergent validity evaluates the degree to which a construct has a strong correlation with other methods that measure the same construct (Churchill Jr, 1979). "Discriminant measure validation is shown by predictably low correlations between the measure of interest and other measures that are supposedly not measuring the same variable or concept" (Heeler and Ray, 1972, p. 362). Assessing nomological and predictive validity concludes the scale development procedure.

5.4. Domain Definition

In the scale development process, a critical step is to clearly determine the domain of the target construct and its theoretical context (Clark and Watson, 1995). To define IND MR and ORG MR, this study followed the C-OAR-SE theory developed by Rossiter (2002). He suggests when conceptually defining marketing constructs, three points need to be addressed, that is "(1) the object, including its constituents or components, (2) the attribute, including its components, and (3) the rater entity" (Rossiter, 2002, p. 308). Based on this guideline and building upon the literature (see chapters 2 and 3), the IND MR and ORG MR are defined as follows:

IND MR is defined as individuals' preparedness, cognitively, affectively, and behaviourally, to engage effectively with people from cultural backgrounds other than their own in day-to-day life and at work. In the proposed definition for IND MR, the object is 'engage effectively with people from cultural backgrounds other than their own', the attribute is 'preparedness- cognitively, affectively, and behaviourally' and the rater entity is 'individuals'.

Similarly, ORG MR is defined as service organisation's preparedness, cognitively, affectively, and operationally, to engage effectively with stakeholders from diverse cultural backgrounds as perceived by employees. Based on the proposed definition for ORG MR, the object is 'engage effectively with stakeholders from diverse cultural backgrounds', the attribute is 'preparedness- cognitively, affectively, and operationally' and the rater entity is a 'service employees' perception of their organisation'.

5.5. Initial Pool of Items

The creation of a comprehensive pool of items that can reflect the target construct is very important as no data analytics techniques can later on rectify the shortcomings of this stage (Clark and Watson, 1995). Scale developers should start with a large pool of items that represent different angles of the new construct and write enough number of items to cover the concept of the construct of interest (Clark and Watson, 1995). They should also be careful about writing good items that are simple, straightforward, and easy to read for the target population while avoiding complex and double-barrelled items, colloquialism, as well as trendy expression that may be interpreted differently across people (Churchill Jr, 1979; Clark and Watson, 1995).

In order to generate a pool of items that reflect MR at the individual level and organisational level, this study uses a multi-source approach. It started by reviewing the literature on services, ICSEs, as well as intercultural, multicultural and cross-cultural interactions. Next, 21 semi-structured interviews were conducted with customers of services and employees who work in an organisation that provides services in Australia. The review of literature and analysis of the semi-structured interviews leaded to the creation of a pool of items. Based on the literature review (see chapter 2 and 3) supplemented with 21 semi-structured interviews, a pool of 99 items reflecting IND MR and an initial pool of 66 items reflecting ORG MR was generated. In the next section, the process of conducting semi-structure interviews is explained.

5.6. Qualitative Study: Semi-Structured Interviews (Study 1)

5.6.1. Sample selection

To explore the definition of MR at both individual and organisational levels, identify items to measure MR, and generate a pool of items, through a qualitative approach, 21 semi-structured interviews were conducted with customers and employees in the services industry that involve intercultural service encounters in Australia. Having complex and open-ended questions, the semi-structured interview technique is followed to understand participants' attitudes and responses (Saunders, Lewis, and Thornhill, 2009). By the completion of 21 interviews, saturation was reached as there were no additional insights provided; hence no further interview was required (Guest, Bunce, and Johnson, 2006; Saunders et al., 2009).

For the aim of this study, the purposive or judgemental sampling technique was followed to select information-rich participants with experience in receiving or providing services in

Australia. Australia is chosen as the context of the qualitative study since it is a culturally diverse country, which is also reflected in its multicultural workplaces. To select interviewees, the target group was divided into two main categories including customers who receive services, and employees who provide services. In order to comprehensively explore the topic from different perspectives, subgroups were selected comprising of people who were born in Australia (both Caucasians and non-Caucasians) as well as immigrants who were born outside Australia (both Caucasians and non-Caucasians). Not only in terms of race and country of birth, people in different age groups, gender category, educational levels, and job roles were targeted.

5.6.2. Data collection process

Once the samples were selected, they were approached by an email through which the aim of the study was explained to them. Upon their approval to participate, a schedule was fixed. The interviews were conducted on a one-to-one basis, meeting each participant face-to-face either at Curtin University or at a place preferred by them. Participation in the interviews was voluntary and confidential. A qualitative interview guide (see Appendix 1) was provided to explore respondents' experience with cultural diversity and their opinion on MR at both individual level and organisational level. During the interviews, a major focus was on understanding the differences between intercultural competence and MR in the context of the services and exploring the way to fill this gap. Based on the flow of the conversation and context, the order of questions was changed and some of the questions were omitted or added (Saunders et al., 2009). Respondents signed a consent form for their participation in the interview. Having their consent, all of the interviews were audio-recorded and notes were taken when required. Each interview took around 60 minutes on average and they were all in English. The data was transcribed after the completion of each interview.

5.6.3. Data analysis process

To analyse the transcripts of interviews, this study followed the content analysis approach. This is a method in qualitative research useful to analyse textual data obtained from interviews, focus groups, open-ended questions, observations, etc., that not only enables the qualitative analysis, but also allows researchers to quantify the data (Grbich, 2012). In content analysis process, the first phase is getting familiarised with data which means, after having the interviews transcribed, the researcher needs to read the transcripts several times to understand the arguments (Vaismoradi, Turunen, and Bondas, 2013). The next phase is breaking the text into small units of content and identifying codes (Hsieh and Shannon, 2005; Vaismoradi et al.,

2013). Code is a label, which exactly describes the units of content (Erlingsson and Brysiewicz, 2017). After defining the codes, based on their similarities and differences in content and context, they are grouped under different categories or subcategories (Erlingsson and Brysiewicz, 2017; Hsieh and Shannon, 2005; Vaismoradi et al., 2013). The last phase is to define the themes based on the underlying meaning that a group of categories express (i.e. latent content) (Erlingsson and Brysiewicz, 2017). This study utilises Excel to facilitate the content analysis process.

5.7. Scale Assessment (Study 2 and 3)

The scale assessment process is comprised of two phases. During the first phase, the face and content validity of the scale items are checked through engaging expert judges to read the items and rate the extent to which they are representative of the relevant dimension. The second phase involves a quantitative approach to collect data using an online survey and purify the scale based on the analysis output. In the following section, the face and content validity assessment (Study 2) as well as the scale purification process (Study 3) are discussed.

5.7.1. Face and content validity assessment (study 2)

The comprehensive review of literature accompanied by analysing the interview transcripts resulted in conceptualising the new constructs (i.e. IND MR, ORG MR), identifying their underlying dimensions, and generating a pool of items that can potentially reflect each of these dimensions. The proposed 99 items for IND MR and the 66 items for ORG MR were subject to face and content validity assessment. At this stage, it is recommended to ask experts (i.e. people who are knowledgeable in the field) to evaluate the quality of items in terms of face and content validity, clarity, grammar, etc. (Sharma, 2010; Worthington and Whittaker, 2006) and use their judgment as a guide to decide whether to keep or drop an item for further analysis (Hardesty and Bearden, 2004).

Content validity explains the extent to which the initial items of a measure reflect the construct's theoretical domain. Hence, content validity would not be established if similar items are generated that do not reflect the full scope of the construct (Hardesty and Bearden, 2004). "In order for the criterion of content validity to be met by the initial pool of items, these items need to be face valid. Face validity has been defined as reflecting the extent to which a measure reflects what it is intended to measure" (Hardesty and Bearden, 2004, p. 99). In the

remainder of this section, the process of selecting, recruiting, and collecting data from expert judges as well as the guideline used for assessing face and content validity is explained.

5.7.1.1.Data collection process

Expert judges were selected based on their knowledge and experience of living and working in multicultural environments. To recruit expert judges, an invitation was emailed to them, explaining the aim of the research and asking their help to review and rate the questionnaire items. For each of the surveys, six judges, including three from academia and three from industry, accepted to participate. The surveys were administered via Qualtrics, which is an online data collection platform. Expert judges were not only given the information about the research and confidentiality of their responses, but they were also provided with the list of proposed dimensions and their conceptual definitions. They were asked to read the conceptual definition of each dimension and rate each item for the extent to which it represents its relevant dimension on a 3-point scale (i.e. 1= not all representative, 2= somewhat representative, and 3= completely representative).

5.7.1.2.Data analysis process

The data collected from the expert judges were assessed in terms of face and content validity. For evaluating face validity, this research followed one of the most favoured procedures in marketing researches (Hardesty and Bearden, 2004) that suggests keeping items that are rated as somewhat or completely representative by at least 80% of the judges (Zaichkowsky, 1985, 1994). To evaluate content validity, the sum-score rule was followed and this study found items with sum-score lower than 12 since "these were not considered at least somewhat representative on an average" by all the six judges (Sharma, 2010, p. 792). Excel was used for analysis purposes.

5.7.2. Scale assessment through a quantitative approach (study 3)

Once the initial pool of items was refined based on the assessment of face and content validity, the next step is to collect data through a quantitative approach with the aim to assess the dimensionality of the scale and refine, reword, or remove the problematic items (i.e. scale purification). This is in line with the procedure suggested in scale development literature (Churchill Jr, 1979). In the following, the process of conducting a pilot study is explained, and sampling design, data collection, as well as data analysis processes are discussed. Lastly, the scale-purification decisions based on statistical and judgmental rules are illustrated.

5.7.2.1.Pilot study

Based on the refined version of the newly developed questionnaire, pilot studies for IND MRI and ORG MRI were conducted. As emphasized by Rattray and Jones (2007), conducting pilot studies is necessary before launching the main data collection as it would give the researcher an idea about the quality of data and clarity of the questions. To ensure the quality of data, the selected samples who participated in the pilot test met the criteria of the main study sample. This research administered the surveys via Qualtrics and used an online panel for data collection purposes. Before filling in the survey, respondents were given information about the research and confidentiality of their responses. These pilot studies collected 60 responses for IND MRI and 60 responses for ORG MRI.

5.7.2.2.Sampling design

One of the main parts of a research plan is defining the sampling design, which is a process with six steps. That is (1) define the population of the study and sample unit, (2) determine the sampling frame, (3) choose the sampling method, (4) select the adequate sample size, (5) place the sample units, and (6) collect data (Churchill and Iacobucci, 2002). To explain, the study population encompasses the total units of analysis or study subjects (Birks and Malhotra, 2006). However, identifying the exact population and investigating their responses is not practical when it comes to large-scale studies particularly in social science. Hence, selecting samples who are representative of the population is important for generalisability and factor structure (Worthington and Whittaker, 2006).

Since the present study aims to develop two instruments to measure IND MR and ORG MR, the Australian services sector is selected as the target population and the sample unit is comprised of employees who work in an organisation that provides services within Australia. A sampling frame is the list of units which is helpful to identify where the majority of samples who matched the target population characteristics can be found (DiGaetano, 2013). The sampling frame for this study is considered to be the list of employees who meet the sample unit characteristics and are registered with the data collection panel.

In terms of sampling method, this research follows purposive sampling, which is a category of non-probability sampling techniques (Saunderst al., 2009). As the current research is a behavioural study with a large population size (Bryman, 2008) and it is important to locate knowledgeable samples who meet the required characteristics, the purposive sampling

technique is a good choice. In terms of samples size (i.e. the number of usable responses) at least 300 responses is required for factor analysis when the aim is understanding the factor structure (Rouquette and Falissard, 2011).

In the present study, the sample size for the individual-level and organisational-level studies are 416 and 680 respectively, which is enough to execute factor analysis. In order to place the sample units and collect data, this study used a panel survey. After developing the surveys in Qualtrics, the links were shared with the market research company who sent the links to the potential respondents. Table 5.1 demonstrates the sampling design for study 3.

Table 5. 1. Sampling design (Study 3)

Steps	Comments
(1) Population of the study and sample unit	The Australian services sector is the target population and the sample unit is comprised of employees who work in an organisation that provides services within Australia
(2) Sampling frame	List of employees who meet the sample unit characteristics and are registered with a data collection panel
(3) Sampling method	Purposive sampling technique
(4) Sample size	IND MRI: 416 ORG MRI: 680
(5 and 6) Sample placement and data collection	Collecting data through a data collection panel Qualtrics is used for developing the online surveys

5.7.2.3.Data collection process

Participation in either of the two studies was voluntary and respondents could quit the survey at any point without any consequences. At the beginning of the surveys, participants were briefed about study purpose and were assured all the responses would be aggregated and no identifying information is revealed. They were also informed that the research has Curtin University Ethics approval and the collected data would be kept and used in a secured and confidential manner. There was also a link to the participant information statement, which provided participants with detailed information about the study and data management processes.

In terms of the survey design, there were four sections in both of the instruments. In the first section of each survey, participants were asked to respond to items related to MR. In the second and third parts respectively, questions about frequency of contact with people from diverse cultural backgrounds and the degree of cultural distance in their organisation, work unit and among customers or clients were raised. Demographic questions were presented at the end of

the survey to avoid boredom (Rattray and Jones, 2007). In this phase, to control the effect of other scales on the initial structure of the new scale, the use of additional measures was limited (Worthington and Whittaker, 2006). This is quite common in the first phase of the data collection when the researcher attempts to administer the initial pool of items and better understand the structure of the target construct (Clark and Watson, 1995). Table 5.2 presents a summary of the surveys design for study 3.

Table 5. 2. Surveys design (Study 3)

Survey Sections	Measurement item	Number of items
Start	Aim of the study, links to the participant information statement and consent form, anonymity and confidentiality of the responses, ethics approval number	-
Section 1	Questions related to IND MR[a]	99
	Questions related to ORG MR[b]	66
Section 2	Frequency of contact with people from diverse cultural backgrounds	4
Section 3	The extent of cultural distance at the organisation	5
	The extent of cultural distance at the work unit	5
	The extent of cultural distance among customers or clients	5
Section 4	Demographics questions	15

[a] These questions were included in the individual-level study; [b] These questions were included in the organisational-level study

5.7.2.4.Measures

MR at the individual level and organisational level was evaluated by the items developed during the previous stages of the current study and they were measured on a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). The frequency of contact with people from diverse cultural backgrounds was measured on a 7-point Likert scale ranging from 1 (never) to 7 (every time). To understand the extent of cultural distance at the organisation, work unit, and among the organisation's clients or customers, this study adapted the 5-item scale from Sharma, Tam, and Kim (2012) and measured them on a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). In terms of demographics, respondents were asked about the sector and industry where they were employed in, as well as their occupation and length of work experience. The study also asked questions about respondents' gender, age, education, country of birth, ancestry, length of stay in Australia, and length of stay outside their country of birth.

5.7.2.5.Data cleaning and preparation

For retrieving the usable data from the data set, various attempts were made. First, all the questions in the online survey were mandatory to answer and all the incomplete responses were dropped. Hence, missing values were not a problem in this study. Second, the standard deviation of responses was measured to identify the flat-liners. Hence, responses with zero standard deviation were identified as flat-liners and eliminated because those responses were completed in a disengaged manner. The survey completion time per respondent was also measured and the ones who had completed the survey in less than three minutes were dropped (i.e. hasty completion). This demonstrates they did not read the questions carefully and just submitted an answer. Lastly, multivariate outliers were identified by measuring Mahalanobis distance ($p < .001$). "This statistical technique evaluates the distance between each case and the centroid (i.e., the intersection of the means of the studied variables" (Blais-Rochette and Miranda, 2016, p. 32). For data analysis in SPSS 26, the usable data were coded from 1 to 7 for scale (e.g. 1= strongly disagree, 7= strongly agree), and numbers starting from 1 for categorical variables.

5.7.2.6.Common method variance

As the Common Method Variance (CMV) can affect the nomological and discriminant validities as well as the strength of relationship among constructs (Podsakoff, MacKenzie, and Podsakoff, 2012), this study considered remedies to decrease CMV. For this aim, participation was kept voluntary with the freedom to leave it at any time. In order to reduce the social desirability bias, it was mentioned that the responses would be anonymous and they would be treated in a confidential manner. From the statistical perspective, the data were assessed for CMV using Harman's single-factor test (Podsakoff and Organ, 1986) and exploratory factor analysis was executed with Principal Axis Factoring method, single-factor extraction, and unrotated solution. In order to accept that CMV is not an issue, the total variance explained by the single factor is expected to be less than 50% (Podsakoff et al., 2012).

5.7.2.7.Scale purification

The scale development process usually starts by having a large number of items and during the scale purification stage, a researcher can decide whether to delete some of the items or retain them (Worthington and Whittaker, 2006). Scale purification decisions follow both statistical and judgmental procedures to assess the reliability and validity at the item level, among items (e.g. correlation among items), factor level, among factors (e.g. is there a significant difference

between the conceptual definition of different factors), and between item and factor (e.g. is an item related to a certain factor) (Wieland et al., 2017). In the following, the steps followed in this study to assess reliability, validity, and dimensionality of the initial scales and the decisions made to purify the scales are discussed.

Exploratory Factor analysis – For assessing the psychometric properties of the new scales (i.e. IND MRI and ORG MRI) and identify their factors structures, this study executed factor analysis. A category of factor analysis techniques is Exploratory Factor Analysis (EFA), which helps to examine the underlying dimensions of a construct, determine the number of factors and identify items related to each factor (Churchill Jr, 1979; Worthington and Whittaker, 2006). Using EFA to refine the scale is a dynamic process that requires examination of items, inductive reasoning, and researchers' patience to subtly implement required adjustments and revisions in order to reach the most meaningful outputs (Worthington and Whittaker, 2006).

There are various methods available to do EFA and researchers need to select the techniques that best suit their study objectives. The two popular types of factor-extraction methods are "principal-components analysis (PCA) and common-factors analysis (FA)…The purpose of PCA is to reduce the number of items while retaining as much of the original item variance as possible. The purpose of FA is to understand the latent factors or constructs that account for the shared variance among items." (Worthington and Whittaker, 2006, p. 818). For scale development purposes, FA methods (e.g. principle-axis factoring, maximum-likelihood) is considered to be a better choice than PCA (Watkins, 2018). Among the FA methods, using the principle-axis is more recommended (Gorsuch, 1997). Accordingly, in the present study, the principle-axis factoring was chosen as the factor extraction method which helps to explain the factor structure of the proposed constructs (Raajpoot, Koh, and Jackson, 2010) and understand their underlying latent factors (Worthington and Whittaker, 2006).

Moreover, in a multidimensional space, rotation of factors is sometimes necessary as the "unrotated factor solution is typically biased towards the first general factor that confounds many variables and does not replicate well" (Budaev, 2010, p. 476). Orthogonal and oblique are the two basic types of FA rotation methods; Orthogonal rotations (e.g. Varimax) are good when there is no correlation between the underlying factors of a set of items while oblique rotations (e.g. Promax, Oblimin) are suggested when factors are expected to be correlated (Budaev, 2010; Worthington and Whittaker, 2006).

Since in social sciences, factors are correlated most of the time (Watkins, 2018), using oblique rotations are usually more recommended (Budaev, 2010). In this case, using orthogonal rotations leads to overestimating the factor loadings and making inaccurate decisions for retaining or rejecting some items (Worthington and Whittaker, 2006). Hence, by assuming there would be correlations among the latent factors, this study executed EFA using Promax rotation in SPSS 26.

Reliability - "Reliability refers to the repeatability, stability or internal consistency of a questionnaire" (Rattray and Jones, 2007, p. 237). By repeatability, it means a participant should score the survey consistently at different times or conditions (Esopo et al., 2018) which is testable through the test-retest method (Drost, 2011). Internal consistency refers to the extent to which items under a scale cover a similar concept (Esopo et al., 2018) which is evaluated through various methods, such as split-half, inter-rater score, and Cronbach Alpha (α) (Drost, 2011). In the present study, the internal consistency of each factor was evaluated by measuring coefficient alpha (α) (Churchill Jr, 1979; Cronbach, 1951). Values of α should exceed 0.8 for an established scale; however, values above 0.7 is also acceptable for a developing questionnaire (Rattray and Jones, 2007).

After measuring coefficient alpha, in case of having a large enough number of items in the pool, Churchill's guideline suggests eliminating items with low α and items which drop item-to-total correlations (Churchill Jr, 1979). Hence, 'Cronbach's Alpha if Item deleted' was checked to identify the items that their elimination would improve the scale. The process of computing α and item elimination is continued to the point a satisfactory value is reached. Moreover, to assess the reliability between items and factors (Wieland et al., 2017), 'corrected item-total correlation' was evaluated. The items with Corrected item-total correlation below 0.4 demonstrate poor correlations with the total score and are candidates to be dropped (Kim, 2014; Sharma, 2010; Sharma, Sivakumaran, and Marshall, 2014).

Judgmental and statistical inferences were also used to assess whether items under a subscale cover a similar concept. For this aim, judgmentally, the phrasing of items within and across the factors was reviewed (Wieland et al., 2017) and statistically, the inter-item correlation was computed (Churchill Jr, 1979). Inter-item correlation (r) demonstrates the extent to which items aiming to reflect a similar concept are associated with each other (Rattray and Jones, 2007; Rucinski and Salmon, 1990). Low inter-item correlations demonstrate a reliability issue. Hence it is suggested to remove items with extremely poor item-to-item correlation (i.e. $r < 0.20$)

(Walsh and Beatty, 2007). On the other hand, it is also not desirable to keep items that are highly inter-correlated (r >0.80) because they are too similar (de Souza et al., 2020; Rattray and Jones, 2007) and at least one of them is redundant (Clark and Watson, 1995).

Validity - Validity determines the extent to which a test measures what it has to measure (Heale and Twycross, 2015). According to Drost (2011), there are different types of validity. Content validity assesses whether the instrument covers the whole domain of the construct of interest (Heale and Twycross, 2015). This study assessed the face and content validity in prior stages by engaging expert judges from industry and academia. Convergent validity assesses the extent to which variables that are theoretically similar to each other are indeed correlated empirically. After having the EFA executed, researchers can assess convergent validity by evaluating the items factor loadings. To interpret the output and make a decision about an item to be retained or not, there are different thresholds suggested for acceptable factor loading.

Some guidelines advise to retain items with factor loading >0.32 (Worthington and Whittaker, 2006), >0.35 (Clark and Watson, 1995), or >0.4 (Sharma, 2015; Zheng et al., 2015), and the stricter guidelines recommend to retain items with factor loading >0.5 (Dan, Wei, and Zhao, 2014), or >0.6 (Sharma, 2010). The rest of the items with poor factor loading are an issue for convergent validity and are candidates for elimination. However, in the preliminary analysis, it is advised not to simply drop items due to their weak correlation with the core construct; Instead, scale developers are encouraged to carefully investigate the items with low factor loading and understand the underlying reasons (such as inadequate theory, ambiguous item wording, unsuitable sample, etc.) and try addressing the issues before deciding to drop the item(s) (Clark and Watson, 1995).

Discriminant validity analyses the degree to which variables that are theoretically different from each other are indeed uncorrelated empirically. After having the EFA executed, researchers can assess discriminant validity by evaluating the items cross-factor loadings. In terms of identifying significant cross-factor loadings Sharma (2010), omitted items with cross-factor loadings >0.40 while Worthington and Whittaker (2006) suggest dropping items that the difference between the item's highest factor loadings is <0.15. Similar to the previous step, researchers are encouraged to "use caution when using cross-loadings as a criterion for item deletion until establishing the final factor solution because an item with a relatively high cross-loading could be retained if the factor on which it is cross-loaded is deleted or collapsed into another existing factor." (Worthington and Whittaker, 2006, p. 823). The other guide to make

decisions about item deletion is to assess extracted communalities and it is suggested to remove items with communalities less than 0.4 because this demonstrates a weak correlation among the item and one or more factors in the solution (Worthington and Whittaker, 2006).

Scale Purification Decisions - After identifying the poor performing items based on the above guidelines, to purify the initial scale, "the researcher will have the option of deleting items that (a) have the lowest factor loadings, (b) have the highest cross-loadings, (c) contribute the least to the internal consistency of the scale scores, and (d) have low conceptual consistency with other items on the factor" (Worthington and Whittaker, 2006, p. 824). However, consistent with what was mentioned earlier, if some items have poor psychometric properties, it is suggested to retain them as long as they capture the theoretical domain of the construct (Clark and Watson, 1995; Rattray and Jones, 2007). Based on the issues items may have during the analysis and how important a variable is to capture the theoretical domain of the factor, the decisions for the scale refinement purpose may vary. This includes reword items, drop items, or simply retain them. The following table provides a summary of the scale development and purification stages. Table 5.3 demonstrates a summary of the scale development and assessment steps.

Table 5. 3. Summary of the scale development and assessment steps

Stage	Type
Scale Development	Literature Review
	Qualitative Study
Initial Item Screening	Face validity
	Content validity
Quantitative Data Collection	Sample Size
	Data Cleaning
Common Method Variance	Remedies to decrease CMV
	Harman's single-factor test
Exploratory Factor Analysis	Extraction method and rotation
Adequacy	Sample size adequacy
	Extracted Communality
	Total Variance Explained
Factor Reliability	Cronbach's Alpha
	Corrected Item-Total Correlation
	Inter-item Correlation
Factor Validity	Face validity
	Convergent Validity
	Discriminant Validity

5.8. Scale Validation (Study 4)

After an initial refinement of the scale, the next step is to validate the newly developed scale by collecting a fresh set of data (Churchill Jr, 1979). In this phase, the dimensionality of the scales is confirmed through executing Confirmatory Factor Analysis (CFA), and the reliability, convergent validity, discriminant validity, nomological validity, and predictive validity are assessed. In the following, the scale validation process for both IND MRI and ORG MRI are discussed and the pilot study, sampling design, data collection, as well as data analysis procedures are illustrated.

5.8.1. Pilot study

Based on the refined scales, pilot studies were conducted for IND MRI and ORG MRI separately. As emphasized by Rattray and Jones (2007), conducting pilot studies is necessary before launching the main data collection as it would give the researcher an idea about the clarity of the questions. To ensure the quality of data, the selected samples who participated in the pilot test met the criteria of the main study sample (i.e. employees who work in an organisation that provides services within Australia). The surveys were administered via Qualtrics and used an online data collection panel for data collection purposes. Before filling in the survey, respondents were given information about the research and the confidentiality of their responses. These pilot studies collected 68 responses for IND MRI and 55 responses for ORG MRI.

5.8.2. Sampling design

For the aim of this phase (i.e. scale validation), a fresh set of data for each study (i.e. individual level and organisational level) was collected. The Australian services sector is selected as the target population and the sample unit is comprised of employees who work in an organisation that provides services within Australia. In terms of sampling method, the purposive sampling technique is followed, which is a category of non-probability sampling techniques (Saunders et al., 2009). Following the thresholds suggested by previous researchers, the sample size for the IND MRI and ORG MRI are 414 and 366 respectively. To place the sample units and collect data, a panel survey was used. After developing the surveys in Qualtrics, the links were shared with the market research company who sent them to the potential respondents.

5.8.3. Data collection process

Participation in either of the two studies was voluntary and respondents could quit the survey at any point without any consequences. At the beginning of the surveys, participants were briefed about study purpose and were assured all the responses would be aggregated and no identifying information is revealed. They were also informed that the research has Curtin University Ethics approval and the collected data is kept and used in a confidential manner. There was also a link to the participant information statement, which provides participants with detailed information about the study and data management processes.

In terms of the survey design, there were five sections in both of the instruments. In the first section of each survey, participants were asked to respond to items related to MR. Questions related to IND MR were included in the survey for the study at the individual level and questions related to ORG MR were included in the survey for the study at the organisational level. In the second section, questions reflecting the predictors (i.e. ethnocentrism, organisational cultures) and outcomes (i.e. employee performance, job satisfaction, organisational performance, and organisational competitiveness) of MR were raised. In the third and fourth parts respectively, questions about frequency of contact with people from diverse cultural backgrounds and the degree of cultural distance in their organisation, work unit and among customers or clients were asked. Demographic questions were presented at the end of the survey. Table 5.4 presents a summary of the surveys design for study 4.

Table 5. 4. Surveys design (Study 4)

Survey Sections	Measurement item	Number of items
Start	Aim of the study, links to the participant information statement and consent form, anonymity and confidentiality of the responses, ethics approval number	-
Section 1	Questions related to IND MR[a]	95
	Questions related to ORG MR[b]	66
Section 2	Ethnocentrism	24
	Organisational culture	13
	Employee performance	22
	Job satisfaction	6
	Organisational performance	7
	Organisational competitiveness	4
Section 3	Frequency of contact with people from diverse cultural backgrounds	4
Section 4	Extent of cultural distance at the organisation	5
	Extent of cultural distance at the work unit	5

	Extent of cultural distance among customers or clients	5
Section 5	Demographics questions	16

[a] These questions were included in the individual-level study; [b] These questions were included in the organisational-level study

5.8.4. Measures

IND MR and ORG MR were measured by 95 and 66 items respectively, which were developed during the previous stages of the current study. Ethnocentrism was measured by 24 items adapted from the generalized ethnocentrism scale (Neuliep and McCroskey, 1997). Organisational culture was measured by 13 items scale adapted from Robert and Wasti (2002). Employee performance was measured by 22 items adapted from Pradhan and Jena (2017). Job satisfaction was measured by 6 items adapted from Homburg and Stock (2004); Organisational performance was measured by 7 items adapted from Delaney and Huselid (1996), and Organisational competitiveness was measured by 4 items adapted from Sigalas et al., (2013). Except for organisational performance that was measured on a 7-point Likert scale ranging from 1 representing 'extremely poor' to 7 representing 'excellent', the rest of the latent constructs were measured on a 7-point Likert scale ranging from 1 representing 'strongly disagree' to 7 'strongly agree'.

The frequency of contact with people from diverse cultural backgrounds was measured on a 7-point Likert scale ranging from 1 representing 'never' to 7 representing 'every time'. To understand the extent of cultural distance at the organisation, work unit, and among the clients or customers, the 5-item scale from Sharma et al., (2012) was adapted and they were measured on a 7-point Likert scale ranging from 1 representing 'strongly disagree' to 7 'strongly agree'. In terms of demographics, questions about the sector, industry, and industry subdivision where the respondents were employed in, as well as their occupation and length of work experience were asked. This research also raised questions about respondents' gender, age, education, country of birth, ancestry, length of stay in Australia, and length of stay outside their country of birth. The questionnaires were ended by capturing the size of the organisation where the respondents were employed (i.e. small, medium, large) and for this, the ABS categorisation was used (ABS, 2009).

In terms of the level of measurement for each indicator, nominal and ordinal are suggested for demographic data while the Likert scale is the recommended level of measurement for social sciences studies and self-administered surveys in the field of marketing (Sekaran and Bougie,

2016). In the present study, considering the complexity of the constructs and the presence of many indicators for each construct, the seven-point Likert scale was adopted. Before collecting data, the drafts of the questionnaires were checked with experts to avoid any possible complexity or ambiguity. After implementing the required changes, the final version of the questionnaires was used for data collection purposes.

5.8.5. Common method variance

To decrease CMV, in this study the participation was kept voluntary with the freedom to leave it at any time. In order to reduce the social desirability bias, it was mentioned that the responses would be anonymous and they would be treated in a confidential manner. From the statistical perspective, the data for CMV was assessed using Harman's single-factor test (Podsakoff and Organ, 1986) and executed exploratory factor analysis with Principal Axis Factoring method, single-factor extraction, and unrotated solution. In order to accept that CMV is not an issue, the total variance explained by the single factor is expected to be less than 50% (Podsakoff et al., 2012).

5.8.6. Data cleaning and preparation

For retrieving the usable data from the data sets, various attempts were made. First, all the questions in the online survey were mandatory to answer and the incomplete responses were dropped. Hence, missing values was not a problem in this study. Second, the standard deviation of responses were measured to identify the flat-liners. Hence, responses with zero standard deviation for blocks of questions were identified as flat-liners and were eliminated because those responses were completed in a disengaged manner. The survey completion time per respondent was also measured and the responses of those who completed the survey in less than three minutes (i.e. hasty completion) were removed. This demonstrates they did not read the questions carefully and just submitted an answer. Lastly, outliers were identified by checking for responses with a standard deviation of more than three. For data analysis, in SPSS 26, the usable data were coded from 1 to 7 for scale (e.g. 1= strongly disagree, 7= strongly agree), and numbers starting from 1 for categorical variables.

5.8.7. Structural equation modelling

Structural equation modelling (SEM) emerged in the marketing literature in the 1980s (Hair et al., 2012) and is getting more attention among researchers. This data analysis technique facilitates the computation of several regression equations, can handle multiple variables and

their relations at the same time and deals with measurement errors (Ullman and Bentler, 2012). Hence, considering the complexity of the present study, SEM is a suitable data analysis technique to apply. There are a number of methods used by researcher to conduct SEM such as covariance-based SEM (CBSEM) and partial least squares (PLS)-based SEM and each of these methods have their own specifications (Hair et al., 2012). For instance, CBSEM is confirmatory in approach while PLS-based SEM is suitable for exploratory and predictive research; moreover, in CBSEM, the error term and loadings attached to each item enable researchers to improve the model quality by identifying and removing the poor performing items (Hair et al., 2012). This study is confirmatory in nature; hence, CBSEM is a logical choice for analysis purposes and AMOS 25 is used as the analysis tool. To proceed with SEM analysis, first, the type of the measurement model and the process of testing it in terms of model fit, validity and reliability is explained. This is followed by elaborating the assessment of the structural model to test the hypotheses.

5.8.8. Measurement model

To proceed with the analysis, this study first determined the type of measurement models for IND MR and ORG MR based on the causal relationship between the observed variables and latent variables. According to Hair et al., (2011), reflective and formative are the two types of measurement models. Reflective items are inspired by the latent variable, they are a reflection of the construct, changes of the latent variable can change them, items are interchangeable, all of them reflect a common theme, dropping an item does not impact the concept of the latent variable, and items are expected to be highly correlated (Jarvis et al., 2003). On the other hand, formative indicators generate the latent variable, these items are expected not to correlate, changes in the formative items can change the concept of the latent variable, items are not interchangeable, they do not share a similar theme, dropping an item impacts the domain of the construct, and indicators may not necessarily have the same predictors and outcomes (Jarvis et al., 2003).

Types of constructs are not only defined by the direction of relationships among the constructs and their dimensions or measures (i.e. formative vs. reflective), but it is also determined based on the number of levels in the measurement model (e.g. third-order multidimensional construct) (Becker et al., 2012; Peterson, 2014). Higher-order or multidimensional construct is a latent model which is shaped by more than one dimension (Cheung, 2008). In other words, “a construct may be defined as multidimensional if it involves several different but related

components or dimensions that are considered as part of a single theoretical concept" (Peterson, 2014, p. 97) and helps to decrease model complexity (Becker et al., 2012).

The directionality of the relationship among observed indicators and their respective construct is also applicable to the relationship between first-order constructs and a higher-order construct (Peterson, 2014). A higher-order construct is reflective when it is manifested by several unobserved dimensions that represent the same theme, overlap with each other, strongly correlate, and have the same predictors and outcomes (Becker et al., 2014). On the other hand, a construct is formative when it is formed by a various latent dimensions that capture different aspects of a construct, uncorrelated, have different predictors and outcomes, and removing each of the dimensions would change the overall meaning of the construct (Becker et al., 2014). In the present study, according to the literature and exploratory study, IND MR and ORG MR are conceptualised as multidimensional constructs and reflective at all levels.

5.8.9. Assessment of the measurement model and structural model

Assessing the measurement model is important to ensure the measurement items can represent their relevant construct. As suggested by prior researchers (Worthington and Whittaker, 2006) in the present study, to support the scale validity and confirm the multidimensional structure of the IND MR and ORG MR, confirmatory factor analysis was executed. Then to further confirm the structure of the newly developed constructs, additional variables were added to the model, comprised of the antecedent and outcomes of MR, and CFA was executed for the whole model using AMOS 25. At this stage, the measurement model should have a good fit, be reliable and meet the requirements of convergent and discriminant validity. When a measurement model shows poor fit, the models need to be modified up to the point an acceptable model fit is achieved (Worthington and Whittaker, 2006). Researchers sometimes use modification indices to decide whether to add or omit a parameter (Worthington and Whittaker, 2006).

Model Fit - There are different fit indices suggested in the literature that researchers can use to evaluate model fit; however, based on the study characteristics, such as the number of variables, samples size, or estimation method, one can determine which index is the best to refer to. The fit indices that researchers are encouraged to definitely report are Chi-square statistics (CMIN), Comparative Fit Index (CFI), Root Mean Square Error of Approximation (RMSEA), and Standardized Root Mean Square Residual (SRMR) (Worthington and Whittaker, 2006). Table 5.5 presents the acceptable thresholds for each fit indices.

Table 5. 5. Fit indices used in SEM

Fit indices	Abbreviation	Cut-off value
Chi-Square /df	$\chi 2$	$1 < \chi 2/df < 5$
Comparative Fit Index	CFI	> 0.90
Root Mean Square Error Of Approximation	RMSEA	< 0.06
Standardized Root Mean Square Residual	SRMR	< 0.08
PCLOSE	PCLOSE	> 0.05

Reliability and Validity - Validity and reliability are the most important factors to evaluate the quality of a study. To assess reliability, Cronbach's Alpha (α), composite reliability (CR), and MaxR(H) are the most common measures (Hair et al., 2011). The values of α, CR (Hair et al., 2011), and MaxR(H) (Gagne and Hancock, 2006) are suggested to be above the 0.7 minimum cut-off value to conclude internal consistency. Validity determines the degree to which a test measures what it has to measure (Heale and Twycross, 2015). There are various types of validities that need to be assessed. To check for face and content validity, this study thoroughly examined the wording of the items and their relevance to their underlying latent factor. Construct validity was captured through analysing convergent and discriminant validity.

Convergent validity was assessed by measuring Average Variance Extracted (AVE) which is recommended to be 0.5 or above (Fornell and Larcker, 1981; Hair et al., 2011). Moreover, discriminant validity requirement is met if the square root of AVE on the diagonal is greater than individual correlations among the constructs in the corresponding columns (Fornell and Larcker, 1981; Hair et al., 2011). “To show a measure has nomological validity, the correlation between the measure and other related constructs should behave as expected in theory” (Walsh and Beatty, 2007, p. 137). For assessing the nomological validity of the new constructs, this study included two antecedents measuring ethnocentrism (ETN) and organisational culture (OC) and four outcomes measuring employee performance (EP), job satisfaction (JS), organisational performance (OP), and organisational competitiveness (OCP).

The correlations between dimensions of the MR construct and these constructs were assessed to confirm if their association is as expected. To measure the antecedent and outcome variables, items from well-established scales in the literature were used. “Predictive validity is defined as the extent to which a score on a test or a procedure predicts future performance on another criterion measure” (Bain and Olswang, 1995, p. 87). In this study, predictive validity was examined by assessing the impact of MR on EP, JS, OP, and OCP. Our aim here was to investigate the effect of the newly developed construct on the outcome variables.

5.9. Ethics

Prior to starting each of the studies, an application was submitted to Curtin Human Research Ethics Committee (HREC) and approval was received. Approval numbers are HRE2019-0799 and HRE2020-0566.

5.10. Summary

This chapter explained the mixed method approach that is used to develop the individual-level multicultural readiness instrument (IND MRI) and organisational-level multicultural readiness instrument (ORG MRI). The process explained in this chapter follows the well-stablished scale development procedures introduced in the marketing literature comprised of three main stages namely scale development, scale assessment, and scale validation. In the next chapters, each of these stages are explained in details.

CHAPTER 6: SCALE DEVELOPMENT (STUDY 1)

6.1. Overview

In this chapter, the analysis of the data collected through a qualitative approach (study 1) is explained. The purpose of this study was to explore the concept of MR in the services context both at the individual level and organisational level, identify their underlying dimensions, and generate a pool of items that can be used for measuring IND MR and ORG MR. The service sector was selected as the context, and conducting interviews was necessary to dig deep into the topic based on the Australian settings. Moreover, as the MR construct is not well studied in the literature, the present research attempts to generate a better understanding of this construct. Semi-structured interviews were conducted with 21 customers of services and employees working in the services industry in Australia. Interview participants were people born in Australia or other countries and all of them have experienced intercultural service encounters before.

Interviewees were selected based on purposive or judgemental sampling technique and they were recruited by email. The interviews were conducted on a one-to-one basis, meeting each participant face-to-face. A qualitative interview guide was provided to explore respondents' experience with cultural diversity in general and in the workplaces in particular, while understanding their opinion on MR at both individual and organisational levels. The interviews were all audio-recorded and notes were taken when required. Each interview took around 60 minutes on average and they were all in English. The data was transcribed after the completion of each interview. In the following, the development of interview questions, sample characteristics, and data analysis output are discussed. The chapter structure is presented in Figure 6.1.

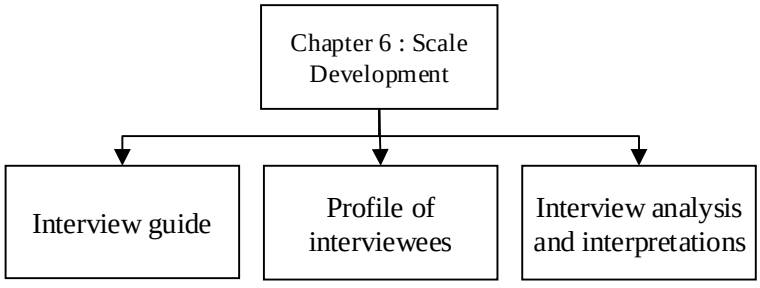


Figure 6. 1. Structure of chapter 6

6.2. Interview Questionnaire Development

To understand opinions about cultural diversity, learn about customers and employees' experiences in ICSEs, and identify the attributes of IND MR and ORG MR, 37 questions were designed to be asked during the semi-structured interviews (see Appendix 1). Based on the flow of the conversation, the order of asking the questions was changed. The first sets of questions (Q1 to Q6) explored interviewees' opinions about cultural diversity and its challenges and opportunities. Participants were also asked about their thought on Australia becoming a multicultural society and if their personality is affected by living and working in a culturally diverse environment. The second group of questions (Q7 to Q12) focused on interviewees' experiences with ICSEs. In this section, questions were asked about how often the respondents experience ICSEs, if the cultural background of the service provider or service user matters to them, challenges associated with ICSEs and how to solve them, the role of service firms in overcoming the challenges posed by cultural diversity, as well as the opportunities offered by ICSEs.

The third set of questions (Q13 to Q19) attempted to explore factors contributing to IND MR. In this part, interviewees were asked about their definition of MR and the characteristics of multi-culturally ready individuals (customers and employees). They were also asked about the differences between being competent and ready in situations that involve cultural diversity and if they have ever tried to improve their level of MR. The last but not least group of questions (Q20 to Q37) focused on identifying the factors contributing to organisational-level MR. In this section, questions about interviewees' understanding of organisational culture, characteristics of organisations that are (or are not) multi-culturally ready, examples of multi-culturally ready organisations and industries, and the role played by organisations in improving the MR of their staff were raised. Interviewees were also asked about how organisations can improve the MR of the whole system, service design as well as service delivery in a way to meet the requirements of a multicultural environment. The interviews ended up by seeking participants' opinions on the influence of MR on employees' and organisations' performance, productivity and competitive advantage. Table 6.1 summarises the questions for semi-structured interviews and explains their focus.

Table 6. 1. A summary of the interview guide

Topic	Questions (Q)	Main focus

Diversity and cultural diversity	Q1 to Q6	Opinions about diversity in general and cultural diversity in particular; challenges and opportunities offered by diversity; thoughts on Australia becoming a multicultural society; the influence of living and working in a culturally diverse environment on one's personality.
ICSEs	Q7 to Q12	One's experience with ICSEs; frequency of experiencing ICSEs; if the cultural background of service provider or service user matters; challenges associated with ICSE and how to solve them; the role of service firms in overcoming the challenges; opportunities offered by ICSE.
IND MR	Q13 to Q19	Definition of MR; characteristics of multi-culturally ready individuals; the differences between being competent and ready in situations that involve cultural diversity; how to improve one's level of MR.
ORG MR	Q20 to Q37	Characteristics of multi-culturally ready organisations; organisational culture; examples of multi-culturally ready organisations and industries; the role of organisations in improving MR of the whole system, service design as well as service delivery in a way to meet the requirements of a multicultural environment; the influence of MR on performance, productivity and competitive advantage.
Demographics	-	Name, age, gender, education, country of birth, job, role, work experience (in years), frequency of contact with people from diverse cultural backgrounds, length of stay in Australia (in years), email.

6.3. Participants' Characteristics

A total of 12 women and 9 men with an average age of 38 years old (ranging from 24yrs to 58yrs) were interviewed. Ninety percent of participants had a bachelor degree or higher. By birthplace, interviewees represented 11 different countries that are Australia, (n=8), Bangladesh (n=3), France (n=2), England, Germany, Italy, Ukraine, Norway, Rwanda, Singapore, and Iran. Race vies, 13 interviewees were Caucasian and the rest defined themselves as Aboriginal, African, Indian/Bengali, Chinese, and Persian. In terms of length of stay in Australia, 15 participants have been living in this country for more than 5 years while the rest have been living here for less than 5 years. Interviewees hold a variety of job roles in different sectors including teacher or academic, casino bartender, retail employee, police, data intelligence officer, member service advisor, client engagement officer, field technician, university student, project manager, and CEO. Among the interviewees, there were six with managerial positions. The average work experience was 14 years (ranging from 1 to 41) and most of the participants mentioned they have frequently experienced intercultural service encounters either in their job or in their daily life. Table 6.2 provides a summary of the interviewees' profiles.

Table 6. 2. Summary of interviewees' characteristics

Type	Employee	Customer	**Job**	**f**	**Country of birth**	**f**
Australia-born	4	4	Student	3	Australia	8
Immigrants	6	7	Retail employee	1	Bangladesh	3
Gender	Female	Male	Teacher/ academic	5	France	2
	12	9	Casio bartender	1	England	1
Age	≤30yrs	>30yrs	Data intelligence officer	1	Germany	1
	7	14	Project manager/ General manager	3	Iran	1
Education	≤Bachelor	>Bachelor	CEO	2	Italy	1
	19	2	Police (manager)	1	Norway	1
Work experience	≤5yrs	>5yrs	Procurement officer in oil and gas	1	Rwanda	1
	8	13	Client engagement officer/ service advisor	2	Singapore	1
Length of stay in Australia	≤5yrs	>5yrs	Field technician	1	Ukraine	1
	15	6	**Role**	**f**	**FreCont**	**f**
Race	**f**		Manager	6	Every time	12
Caucasian	13		Employee	12	Frequently	8
Non-Caucasian	8		Student	3	Sometimes	1

f = frequency; FreCont= Frequency of contact with people from diverse cultural backgrounds

Table 6.3 provides the profile of interviewees who took part in this study.

Table 6. 3. Profile of the interviewees

Code	Age	Gender	Education	Country of birth	Ethnicity/race	Job/role	Work experience (years)	Time living in Australia (years)
A	39	Male	Bachelor	Australia	Dutch/Filipino	Founder at an accounting firm	22	39
B	58	Male	Masters	Germany	Caucasian	General manager	35	16
C	43	Female	Masters	Australia	Scottish	Project manager	22	43
D	36	Male	Masters	Iran	Persian	CEO of an app developing company	7	7
E	58	Male	Secondary	Australia	Spanish	Manager- Police	40	58
F	56	Male	PhD	England	English	General manager	41	26
G	28	Female	Bachelor	Bangladesh	Indian	Member service advisor	7	4
H	49	Male	Masters	Ukraine	European	Client engagement officer	27	17
I	25	Female	Masters	Rwanda	African	Casual retail employee	8	13
J	30	Female	PhD	Singapore	Chinese	Casino bartender	1	15
K	34	female	Bachelor	Australia	Singapore	Principal data intelligence officer	14	34
L	50	Female	Masters	Norway	European White	Procurement officer in oil and gas	20	4
M	25	Female	Masters	France	French	Field technician	1	<1
N	41	Female	Graduate certificate	Australia	Europe	Primary school teacher	10	41
O	34	Female	Bachelor	Australia	European	Online English teacher	15	34
P	40	Female	PhD	Bangladesh	Indian	Sessional academic	4	7
Q	24	Male	Honours	Australia	Caucasian	Sessional academic	2	24
R	40	Male	Masters	Bangladesh	Bangladesh	Sessional academic	1.5	2
S	40	Female	Bachelor	Australia	Aboriginal	Master's student	3	40
T	25	Male	Masters	Italy	European	PhD student	4	4
U	26	Female	Masters	France	French	PhD student	5	3

Code = Code attributed to each interviewee to avoid revealing personal information.

6.4. Data Analysis and Interpretation

As the nature of study 1 is exploratory, through an inductive approach, this study used the content analysis method to analyse the interview transcripts while identifying the codes, categories, and themes. Excel was used to facilitate this process. By conducting 21 interviews and transcribing the recorded audios, 1,184 statements were identified which were grouped under 178 codes, 31 categories and 7 themes (see Appendix 2). These outputs along with a comprehensive literature review helped to generate a pool of items, which is a vital step in developing the scales. Figure 6.2 shows the process of analysing the data collected through a qualitative approach.

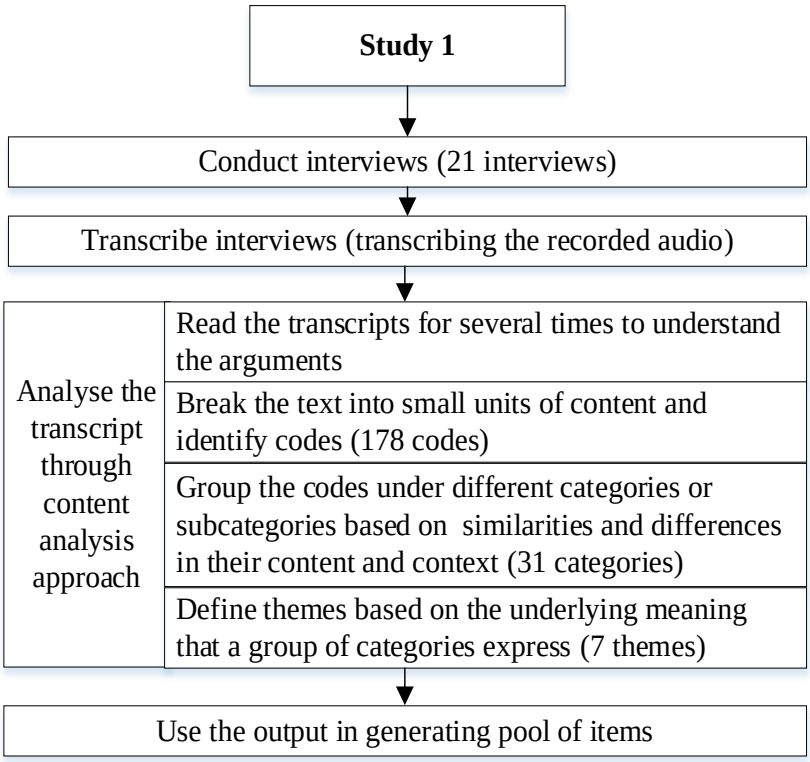


Figure 6. 2. Textual data analysis process

Based on the interview analysis, seven main themes were identified including (1) IND MR; (2) ORG MR; (3) MR, antecedents and outcomes; (4) cultural diversity, challenges and opportunities; (5) ICSEs; (6) B2B interactions; and (7) others. Under the first theme (i.e. IND MR), there are eight categories that refer to characteristics of individuals who are multi-culturally ready, including acceptance, adaptation, comfort with other cultures, awareness, motivation, perceived benefits, willingness to adapt, and communication confidence. The second theme (i.e. ORG MR) demonstrates the specifications of multi-culturally ready

organisations such as acceptance, communication, adaptation of policies, human resource practices, and services, as well as motivation. The third theme is about the antecedents and outcomes of MR that covers different categories including antecedents of both IND MR (e.g. education, foreign language proficiency, personality, etc.) and ORG MR (e.g. organisational culture, organisational size, etc.), as well as the outcomes of MR (e.g. creativity, performance, productivity, etc.).

The fourth theme (i.e. cultural diversity, challenges and opportunities) is shaped by various categories that are, determinants of cultural diversity, negative outcomes of cultural diversity, opportunities of it, and sources of challenges. Under the fifth theme (i.e. ICSEs), the categories describe the reasons for choosing a service provider from a different or similar cultural background, and antecedents of one's motivation to serve customers from a different or similar cultural background. The sixth theme is referred to B2B interactions and the last theme is comprised of other categories that did not fit within other themes, such as example of industries that are perceived to be multi-culturally ready, and organisational problems in becoming multi-culturally ready. Within each category, there are several codes that share similar content. Appendix 2 presents a list of the codes, categories, themes, and their frequency of mention. Figure 6.3 demonstrates a schematic presentation of the output of the qualitative study.

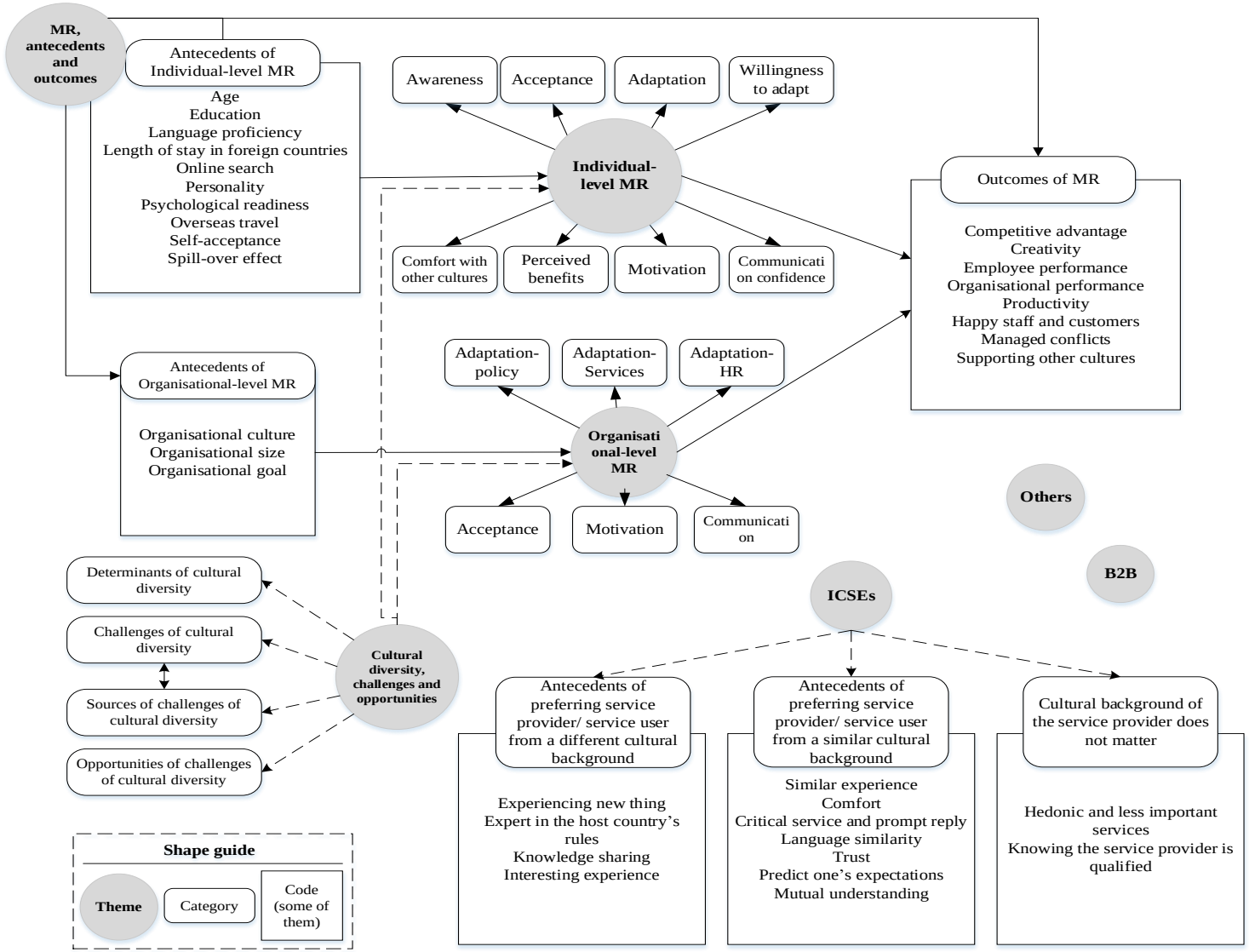


Figure 6. 3. Schematic presentation of interviews output

6.5. Insights from the Interviews

As mentioned above, the interview analysis identified seven main themes comprised of (1) IND MR; (2) ORG MR; (3) MR, antecedents and outcomes; (4) cultural diversity, challenges and opportunities; (5) ICSEs; (6) B2B interactions; and (7) others. In the following, each of these themes are discussed further.

6.5.1. IND MR

Analysis of interviews unravelled several characteristics of people who are ready to effectively engage with their multicultural environments. This includes cultural awareness, motivation to acquire cultural knowledge, acceptance of cultural diversity, acceptance of the benefits of cultural diversity (perceived benefits), ability to adapt, willingness to adapt, communication confidence, and communication comfort. Table 6.4 provides a sample of quotes mentioned by the interviewees about the specifications of multi-culturally ready individuals.

Table 6. 4. Sample of interview quotes about IND MR

Category		Sample of quotes *(code attributed to each interviewee)*
Cultural awareness		• *"Be ready by knowing, by arming yourself with knowledge of history of others background, not that personal background, but whether where they come from, what's the culture, what are their values like, what are their religions, what do they like what they don't like"(S)* • *"knowing that certain cultures do some things in a certain way" (K)* • *"It's an understanding of where people are coming from and what their background is. I think in working with a team it's a strength of ours to understand each person, what where they're coming from and what's important to them, their values and that whole thing." (A)*
Motivation		• *"just being happy to learn" (C)* • *"let's learn about each other...As I learned about you, you learn about me, there's that sense of mutual respect…I'm willing to learn I want to understand your culture a little bit more" (I)* • *"it still be interesting throughout my age to make more friends or work in different places learn about new cultures" (K)* • *"I've been to other cultural events like through like whether it's Indian or African or Japanese I've attended those events because it's quite nice to see what kind of I guess interest of food or anything about that they bring to Australia" (K)*
Acceptance	Acceptance of cultural diversity	• *"to accept other opinions" (R)* • *"they are more acceptable to work with multicultural team" (R)* • *"we should be more accepting understanding about other people and where they come" (J)*

		• *"You need to understand that sometimes you need to accept that the other people think differently. Not sometimes most of the times you need to accept that every person think differently" (D)*
	Acceptance of the benefits of cultural diversity	• *"Only if they acknowledge it as an asset it, you know every culture has pluses and minuses." (L)* • *"There are always positive and negative in any culture. You can take the positive ones and discuss it with other people. I mean, as a positive point, you know, of example these guys doing this in that situation, that's a positive point and try to not bold the negative one which is not really popular" (D)*
Adaptation	Ability to adapt	• *"Probably the biggest one is patience. And the ability not to immediately react when something isn't how you would expect someone from your culture to behave"(O)* • *"the people who are there in the room with me understand if my English at times will not be perfect, because that comes from the fact that my first language is Italian" (T)* • *"someone who is not afraid of repeating over and over again for you to understand it" (U)* • *"if I don't understand something, I'm not going to react in a rude and disrespectful way" (I)*
	Willingness to adapt	• *"we celebrate everything As long as there is a celebration we celebrate" (D)* • *"When he had Ramadan, we would probably wouldn't eat in front of him so that we wouldn't feel him make him feel excluded or uncomfortable. Or we will not go from a to a bar and night, if we were to go out with him" (T)*
Communication	Confidence	• *"Right now they have the knowledge they are doing by their own, but they don't know anything, they are not confident to do that kind of things. For that reason, I'm saying that they are not ready. So readiness is when you will make them confident" (R)* • *"I try to involve with different kinds of programs and events arranged by the university or in the library and I tried to involve with them, So that I can meet the other people and communicate each other and how they are interacting each other to enhance or to improve my confidence" (R)*
	Comfort	• *"I'm comfortable serving anybody" (I)* • *"I think unless you live in different countries you kind of be more accepting of that more comfortable with that whereas someone who's maybe potentially never left the country, you might find that bit more difficult" (K)*

6.5.2. ORG MR

Analysis of interviews identified several characteristics of organisations that are ready to effectively engage with their multicultural stakeholders and environments. This includes cultural awareness, motivation to acquire cultural knowledge, acceptance of cultural diversity, adaptation of policy, HR practices, and services, as well as communication. Table 6.5 provides

a sample of quotes mentioned by the interviewees about the specifications of multi-culturally ready organisations.

Table 6. 5. Sample of interview quotes about ORG MR

Category		Sample of quotes *(code attributed to each interviewee)*
Cultural awareness		• *"Just to be upfront and genuine and transparent about where they're from, what their experience is and what they want to offer...acknowledging them where they come from" (S)* • *"organisations are realizing that if your client is these certain demographic you need to represent and you need to understand that demographic because it makes your life easier if you do as an organisation" (C)* • *"It's something that is worth exploring. That would be very beneficial for businesses because it helps you understand your customers better. And I think the more you understand them better the more you produce things that they are after" (I)*
Motivation		• *"Think of offering training" (C)* • *"continue to equip them and mentor them so that they can actually excel and be able to be the best they can be" (I)* • *"Have some workshop training or Knowledge Building Services. So that the people who are giving services they have some understanding of a different kinds of cultural background of other people" (R)* • *"you can even invite a guest interior designer from somewhere over east and bring them in to do a session with people" (I)*
Acceptance		• *"Try to understand their values and apply it to the job" (D)* • *"Over here leaves are only during Christmas, whereas we celebrate Eid and things like that. And my company is pretty okay with it" (G)* • *" they do accommodate the needs of multicultural employees like prayer time" (H)* • *"They are starting to change that because I know there was an uproar with one of the ads where it was like, all Westerners and now like, where are the different coloured people with the cultural like reflection in this and then obviously, they changed that so there's obviously more awareness in the community saying that we need to have the look and feel of a diverse community...will make a person feel slightly more comfortable and more inclusive" (K)*
Adaptation	Policy	• *"I think the pressure is healthy. Because humans are not very good at committing to things that are good for us, sometimes we need policies like that to push us to be uncomfortable cause nobody wants to be uncomfortable" (I)* • *"policies that implementing and advocating multiculturalism" (J)* • *"it's in our documents and policies to be responsive to the needs of our community and to ask and engage...those documents are there to support multicultural readiness" (N)* • *"having a policy around non-discrimination against people" (A)*
	HR	• *"At the moment still quite a large cohort of the power in our business community is white Anglo Saxon males…" (C)*

		• *"The leadership who is leading that organisation that is very, very important. So if the leaders are multicultural focused, then he can or she can manage the team... Leadership is so important" (R)* • *"workplace hiring more people from diverse backgrounds" (S)* • *"Organisations that will think the same and looks the same and talks the same are not multi-culturally ready...But more important you have to have different languages different cultures, ideas...it'd be good to employ people to think differently" (C)* • *"Accommodating the person into your workplaces and have the benefits to have the rights living here and at the same time flourish. And if they cannot have that proper environment to flourish, then you cannot have the benefit of that migration" (P)*
	Service	• *"we do need to have an interpreter" (S)* • *"I think the language is a big difference, sometimes we have interpreters...we've got free access to interpreters whenever we need it" (C)* • *"Sometime you have countries like Australia you might need different languages. English is the first language that if you go to a hospital, that platform to book an appointment. They have five different languages, not just English, there's someone coming to hospital they might not be competent in English" (D)*
Communication		• *"inclusion is ensuring that they are all contributing… inclusion is making sure that they all are working together and able to be involved in decision making and their ideas are accepted" (C)* • *"one of the greatest value is in the mentoring program is building connections and building opportunities to meet with different people with different ideas" (C)* • *"they have the opportunities on site to where people can interact that there are opportunities for people to interact on campus" (J)* • *"make people closer to each other, having some gathering outside having some function, social functions with the people even involve the families" (D)*

6.5.3. MR, antecedents and outcomes

Through analysing the interviews, several antecedents and outcomes of IND MR and ORG MR were identified. At the individual level, interviewees referred to, personality, self-acceptance, overseas travel experience, prior experience of working in multicultural organisations, ethnocentrism, and family as the factors influencing one's MR while organisational culture and organisational size were identified as the antecedents of ORG MR. Moreover, analysis of interviews found different outcomes of MR, such as competitive advantage, creativity, employee performance, employee satisfaction, and organisational performance. Table 6.6 provides a sample of quotes mentioned by the interviewees about the antecedents and outcomes of MR.

Table 6. 6. Sample of interview quotes about MR, antecedents and outcomes

Category	Code	Sample of quotes *(code attributed to each interviewee)*
Antecedents of IND MR	Education/ learning	• *"education" (K)* • *"that comes with learning" (J)*
	Personality	• *"I think the personal characteristics" (R)* • *"I think that sometimes when people are not integrating, that is kind of personality as well, it's not just about the different culture..." (D)*
	Self-acceptance	• *"being comfortable enough to bring some of your own uniqueness about your culture to the community" (K)* • *"People first of all getting comfortable with the discomfort of being confused by their identity. I won't say confusion, but making peace with their different parts of their identity, and then owning it and then being confident in it" (I)*
	Overseas travel experience	• *"I think traveling, I think living overseas" (C)* • *"I've got older as I've moved around and spent time in different places…" (F)*
	Prior experience of working in multicultural organisations	• *"I've been working for so many years, and I've been working international organisations" (L)* • *"Working with different people from different nations. It gives you an insight" (L)*
	Avoid ethnocentrism	• *"coming into the situation thinking that not your culture is lesser than mine, not mine is better" (I)*
	Family	• *"we're all influenced by our families in the situation, and the community we grow up in" (C)* • *"They and their parents told them no don't have any business with … they will say deceive you, they will take advantage of you. And they that's where those bricks come from" (H)*
Antecedents of ORG MR	Organisational culture	• *"Every company has an organisational culture. It is a challenge when you come into a company to assimilate because they have their way to talk they have the way to communicate and it is a very, very real thing. In some organisation cultures people are very positive and in some organisations it is the other way around. Some are individualistic some are collectivistic" (L)* • *"organisational culture is more important...which can release all the possible issues" (H)*
	Organisational size	• *"If the organisation is bigger, here, they're more multicultural then the company is smaller. So, any of the small organisation with one or two three people or four people, so, there is limited scope to that" (R)* • *"I think that the larger organisations are more open multicultural and more understanding of people" (A)*
Outcomes of MR	Competitive advantage	• *"being multicultural, having that experience makes it easier to be able to look at opportunities" (A)*
	Creativity	• *"I think that people coming in from different countries bring their own ideas" (C)* • *"Different cultures can bring different things to the table. And also, diversity is a good dynamic when you work in projects" (L)*
	Employee performance	• *"I'm a bit nervous when I'm in a totally foreign environment, but when I feel comfortable when I feel at home, when I know this people, I can do anything" (P)* • *"I think it creates an environment where people can do their best work" (A)*

	Employee satisfaction/ Customer satisfaction	• *"everyone's going to be happier" (N)* • *"I think they're probably happier as people because if you go through life fearing other people, and especially in Australia, if you go through life not being ready to be confronted with other cultures, you won't be happy or you won't have a good day because you can't escape it" (O)*
	Organisational performance	• *"Cultural diversity improves your bottom line of an organisation. So those organisations that have a cultural diverse workforce, tend to outperform" (C)* • *"In my view diversity will increase the pace of work if it's managed properly. Because people from different cultures have different view to different stuff so if it is managed properly, they can actually work more productive together" (D)*

6.5.4. Cultural diversity, challenges and opportunities

Analysis of interviews indicates that cultural diversity is reflected by the diversity of cultures, nationalities/races, languages, religions and perspectives. Interviewees' coined that unmanaged cultural diversity leads to conflict, misunderstanding, unacceptable social behaviour, identity crisis, and racism while managing cultural diversity results in cultural richness, new business opportunities, access to a broader skillset, creativity, new ideas, new experiences, and many more. Interviewees also elaborated the reasons that turn cultural diversity into a challenge rather than an opportunity, which includes the diversity of expectations, ethnocentrism, language barrier, lack of motivation to learn about other cultures, lack of motivation to adapt behaviour based on the cultural context, and feeling uncertain to interact with people from a different cultural background. Table 6.7 provides a sample of quotes mentioned by the interviewees about cultural diversity and its challenges and opportunities.

Table 6. 7. Sample of interview quotes about cultural diversity, challenges, and opportunities

Category	Code	Sample of quotes *(code attributed to each interviewee)*
Cultural diversity	Diversity of cultures, nationalities, languages, religions, and perspectives	• *"diversity is about having lots of different people from different cultural groups" (C)* • *"having lots of different people of different races and different cultures coming together" (O)* • *"but also then we're not all the same and we all have different ways of looking at things" (C)*
Challenges of cultural diversity	Conflict, misunderstanding, unacceptable social behaviour, identity crisis, racism, etc.	• *"there's going to be disagreements, there's going to be clashes, because we're also different" (I)* • *"when you have people from different spaces existing the same space, there are going to be misunderstanding" (I)* • *"they're still confusion that what is really your culture" (I)*
Opportunities of cultural diversity	Cultural richness, new business opportunities, access to a broader skillset,	• *"living in a multicultural society so that we are integrating with each other, we're actually becoming a different culture in itself...Where we're taking from each other's culture is that we like the*

	creativity, new ideas, new experiences, etc.	*things that we find interesting that are kind of cool, and we're kind of taking that on as our own culture and kind of allowing that to shape us" (I)* • *"Cultural diversity in a workplace can bring new ideas that wouldn't have come about if it was just one culture. Yeah, I think it's a, it's a benefit for the workplace" (O)*
Sources of challenge	Diversity of expectations, ethnocentrism, language barrier, lack of motivation to learn about other cultures, lack of motivation to adapt behaviour based on the cultural context, feel uncertain to interact with people from a different cultural background, etc.	• *"I think it's a challenge having people with different ideas" (C)* • *"I've actually can't provide a particular service is if somebody doesn't speak the language like they did I speak English" (J)* • *"I think it's fear and also perhaps not have enough knowledge about other cultures" (L)* • *"it could be in-group, out-group thing" (S)*

6.5.5. Intercultural service encounters (ICSEs)

Participants in the exploratory study were asked to explain their experiences of receiving services from/ or providing services to a person from a cultural background other than their own. Based on the responses, those with higher motivation to acquire new experiences and exchange cultural information would be more likely to engage in ICSEs, either as a service provider or service user. On the other hand, the interview analysis shows that those who look for similar experiences and comfort, language similarity, psychological safety, mutual understanding, and ability to predict other person's behaviour are mostly inclined to receive services from/ or provide services to people who share similar cultural backgrounds. The exploratory study also found that when it comes to hedonic service, the cultural background of the service provider or service user is less important. Moreover, people are less sensitive towards the cultural background of the service provider as long as they know he/she is professional in his/her field. Table 6.8 provides a sample of quotes mentioned by the interviewees about ICSEs.

Table 6. 8. Sample of interview quotes about ICSEs

Category	Code	Sample of quotes *(code attributed to each interviewee)*
Reasons for preferring a service provider from a different cultural background	Experience new things, Knowledgeable in the host country's rules	• *"I see those situations as learning experiences and opportunities" (S)* • *"but if you go to bank and stuff like that, maybe I would be more comfortable with an Australian because you are in Australia, so you just like thing maybe is a little bit of rules" (U)*

Reasons for preferring a service provider from a similar cultural background	Similar experiences, comfort, need for prompt reply, nature of the service, language similarity, psychological safety	• *"similar language, of course … because of the similar kind of speaking style, the wording that is the things" (R)* • *"Depends on context...like say legal services or counselling services or something like that, I really think it culture needs to be specific to who they're dealing with because there's a big cross-cultural differences between upbringings" (S)* • *"I feel safer and I feel like I know what service I'm going to be given if they're from my culture or from a similar culture to me" (S)*
Reasons for preferring to serve customers with different cultural background	Knowledge sharing, Interesting	• *"If there are some Multicultural Student in your classroom then it will be more interesting to interact with each other and more knowledge sharing" (R)*
Reasons for preferring to serve customers with similar cultural background	Ability to predict customers' behaviour, Mutual understanding, Similar language	• *"I'm so much more comfortable with them in terms of like, speaking" (I)* • *"it's just easier for us to explain our own languages" (U)* • *"There's a sense of common grounding that is there that I don't know how but it's there. I kind of have an idea of the things that they would like" (I)*
No preference based on cultural backgrounds	Hedonic and less important services, Knowing the service provider is an expert	• *"I think for other entertaining things, for dealing with kind of products or any kind of products of items, then I don't mind" (R)* • *"When it comes to general doctors, It's about qualifications and experience" (S)* • *"It's matter what is the quality of the person, it is the matter what is the quality of that encounter. It matters what he knows, it matters how nice the person is" (P)*

6.5.6. Business to business (B2B) interactions

Some of the interviewees also tap into the B2B relationships in a multicultural context and referred to the impact of cultural differences of the business owners on their decision to collaborate with each other. However, they believed this impact is not playing a huge role in the whole B2B interaction process. Samples of the quotes are provided in the following.

Business owner D: "*B2B relationship is different...but B2B is not really in that way but still is founded It's more difficult to convince, depends on the person. If that person is the younger generation much better but it's been more difficult to convince another businesses I mean if I have come from different cultural background and you're from an Aussie background, you have more chance to get that job compared with me. I should prove that I have much better values for someone to choose me...But it depends really to who you work with. I work with some people that don't mind where you come from. The more you look professionally, in b2b, I mean is more*

than 80% look at professional level not really where you come from. But in B2C you have more challenges when you are from different cultures"

Manager F: *"I was never in a position where I would have had a choice over the culture, if you like the client that we got to work for. Certainly not from a nationalistic perspective, we would work with Whoever, whoever wanted to pay us to do the work".*

6.5.7. IND MR: Definition and structure

The comprehensive review of literature accompanied by analysing the interview transcripts resulted in conceptualising IND MR, identifying its dimensions, and generating the initial pool of items that can potentially reflect these dimensions. According to this research, IND MR is defined as 'individuals' preparedness- cognitively, affectively, and behaviourally- to engage effectively with people from cultural backgrounds other than their own in day-to-day life and at work.'. This notion is reflected by five dimensions, comprised of 1. Awareness (AWR), 2. Motivation (MOT), 3. Acceptance (ACC), 4. Adaptation (ADT), and 5. Communication (COM). AWR is reflected by cultural awareness and contextual awareness. MOT is reflected by motivation to acquire cultural knowledge, and motivation to process cultural knowledge. ACC is reflected by acceptance of cultural diversity, and acceptance of the benefits of cultural diversity (perceived benefits). ADT is reflected by ability to adapt, willingness to adapt, and intercultural communication adaptation. Finally, COM is reflected by communication confidence and communication comfort. Table 6.9 provides a summary of the dimensions of IND MR and their definitions which is resulted from literature review and analysis of the interviews.

Table 6. 9. IND MR, dimensions and definitions

Dimensions	Sub dimensions	Definition
AWARENESS (AWR)	Cultural awareness	Awareness of differences and similarities in social norms and acceptable behaviours in diverse cultures
	Contextual awareness	Awareness of cultural diversity in the context
MOTIVATION (MOT)	Motivation to acquire cultural knowledge	Interest to continuously acquire and update cultural knowledge
	Motivation to process cultural knowledge (Cognition)	Interest to process acquired knowledge about diverse cultures
ACCEPTANCE (ACC)	Acceptance of cultural diversity	Willingness to accept cultural diversity

	Acceptance of the benefits of cultural diversity (perceived benefits)	Willingness to acknowledge the benefits of cultural diversity
ADAPTATION (ADT)	Ability to Adapt	Ability to adjust own behaviour in multicultural settings
	Willingness to Adapt	Willingness to put extra effort to adjust own behaviour in multicultural settings
	Intercultural communication adaptation	Ability to adjust communication style in multicultural settings
COMMUNICATION (COM)	Communication confidence	Feel confident enough to communicate across cultures
	Communication comfort	Feel at ease when communicating across cultures

6.5.8. ORG MR: Definition and structure

Through a similar process, the review of literature and analysis of the interview transcripts led to conceptualising ORG MR as '(a) Service organisation's preparedness- cognitively, affectively, and operationally- to engage effectively with stakeholders from diverse cultural backgrounds as perceived by the employees'. This notion is reflected by five dimensions, comprised of 1. Awareness (AWR), 2. Motivation (MOT), 3. Acceptance (ACC), 4. Adaptation (ADT), and 5. Communication (COM). AWR is reflected by cultural awareness. MOT is reflected by motivation to improve cultural knowledge, and motivation to process cultural knowledge. ACC is reflected by acceptance of cultural diversity, and acceptance of the benefits of cultural diversity (perceived benefits). ADT is reflected by adaptation of policies, HR practices, and services. Lastly, COM is reflected by communication. Table 6.10 provides a summary of the dimensions of ORG MR and their definitions.

Table 6. 10. ORG MR, dimensions and definitions

Dimensions	Sub dimensions	Definition
AWARENESS (AWR)	-	Organisational awareness of cultural diversity in the countries it operates in and among its stakeholders
MOTIVATION (MOT)	Motivation to improve cultural knowledge	Organisational willingness to continuously improve cultural knowledge at all organisational levels
	Motivation to process cultural knowledge (Cognition)	Organisational willingness to understand and process cultural knowledge
ACCEPTANCE (ACC)	Acceptance of cultural diversity	Organisational willingness to accept and embrace cultural diversity

	Acceptance of the benefits of cultural diversity (perceived benefits)	Organisational willingness to acknowledge cultural diversity as a valuable resource of knowledge and competence for the organisation
ADAPTATION (ADT)	Policy	Organisational ability to adjust its procedures, rules, and regulations (i.e. policies) to guide organisational decisions and actions for creating a culturally inclusive environment.
	Human resources practices	Organisational ability to adjust its human resource activities to ensure cultural equity in attracting, motivating, evaluating, and developing employees from diverse cultural backgrounds and fostering the promotion of cultural competence in the organisation
	Services	Organisational ability to adjust its services to ensure the needs of people from diverse cultural backgrounds are taken into consideration and services are understandable which can meet diverse cultural expectations
COMMUNICATION (COM)	-	Organisational ability to adjust its communicative practices to nurture and encourage multicultural communication with its stakeholders

6.6. Summary

In order to generate the pool of items, the literature review stage was accompanied by collecting data through a qualitative approach. Accordingly, this chapter explained the process of conducting semi-structured interviews with 21 employees working in the services sector in Australia to explore the concept of MR from their perspective and find further validation for the dimensions for MR that are already identified through the literature review. This chapter also discussed the process of analysing the interview transcripts by following the content analysis approach. The interview analysis and interpretation provided additional insights which helped to complement the initial pool of items generated through the comprehensive review of literature.

CHAPTER 7: SCALE ASSESSMENT (STUDY 2 & 3)

7.1. Overview

After conducting a comprehensive literature review and analysing the transcripts of the interviews, this study developed the initial versions of the instruments that can possibly measure IND MR and ORG MR. The initial IND MRI is comprised of 11 factors and 99 items and the initial ORG MRI is shaped by 9 factors and 66 items. This chapter first explains the process of face and content validity assessment by engaging expert judges. Next, it illustrates the process of collecting and analysing data for the scale purification purposes. Figure 7.1 demonstrates the chapter structure.

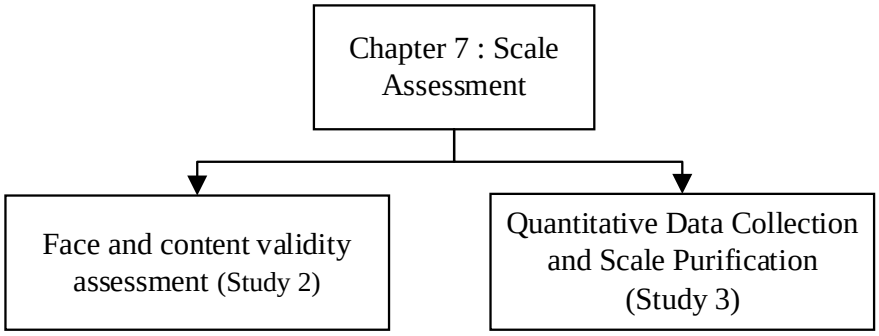


Figure 7. 1. Structure of chapter 7

7.2. Face and Content Validity Assessment (Study 2)

For a measure to have construct validity, items must first pass the face and content validity tests (Hardesty and Bearden, 2004). One of the ways to assess content validity is to ask expert judges to review and judge the scale (Oliveira and Roth, 2012). In the present study, to assess the face and content validity of IND MRI and ORG MRI six expert judges for each survey were engaged. Half of the judges were working in the services sector as an employee, managers, or CEO in either the public or private sectors, and the rest were from academia who serve a senior lecturer or professor role in well-known universities.

The expert judges filled in an online survey, which took them around 15 minutes on average to rate the extent to which each item represents its relevant dimension. Face validity was assessed by following Zaichkowsky (1985)'s guideline that suggests keeping items rated as somewhat

or completely representative by at least 80% of the judges. The analysis output reveals that from the 99 and 66 items measuring IND MR and ORG MR respectively, 4 items of the IND MR and 2 items of the ORG MR did not meet the requirement of face validity since they were rated as completely or somewhat representative by less than 70% of the judges. Table 7.1 demonstrates the summary of the results of the face validity assessment and provides the list of items that did not meet the requirements of this test.

Table 7. 1. Face validity assessment

MRI	Initial number of items	Number of items that failed the face validity test	List of items that failed the face validity test
IND MRI	99	4	• I am aware that there are differences and similarities amongst cultures in terms of their sense of humour (Cultural awareness 8) • I am willing to continuously learn about diverse cultures through my approach to attend cultural competency training program (Motivation to acquire cultural knowledge 7) • I am willing to continuously learn about diverse cultures through my approach to get involved in activities with people from diverse cultural background (Motivation to acquire cultural knowledge 5) • When it comes to communication with people from diverse cultural backgrounds I think I am starting from the scratch (Communication comfort 7)
ORG MRI	66	2	• This organisation adjusts its human resource practices to fit a multicultural context, such as its approach to select leaders who are committed to promoting cultural competence in the organisation (Adaptation HR 8). • This organisation is able to nurture and encourage multicultural communication with its stakeholders through its approach to involve culturally diverse employees in making important organisational decisions (Communication 4)

To evaluate content validity, this study found items that have a total score lower than 12 since "these were not considered at least somewhat representative on an average" by all the six expert judges (Sharma, 2010, p. 792). Results indicate only one item of the IND MR failed to reach the content validity threshold while there was no issue with the items measuring ORG MR. Table 7.2 demonstrates the summary of the results of the content validity assessment as well as the list of items that did not meet the requirements of this test.

Table 7. 2. Content validity assessment

MRI	Initial number of items	Number of items failed the content validity test	List of items failed the content validity test
IND MRI	99	1	• I am aware that there are differences and similarities amongst cultures in terms of their sense of humour (Cultural awareness 8)
ORG MRI	66	0	• No issues

Although this phase identified items that failed the face or content validity tests, these items were not removed at this stage in order to explore how they behave during the scale purification stage. Hence, the initial list of 99 items for IND MRI and 66 items for ORG MRI were retained for further analysis. Moreover, in the online survey, expert judges were asked to provide their suggestions on how to improve the scales. There were some grammatical errors mentioned by the expert judges that were corrected. Some expert judges also suggested rewording some items for more clarity. For instance, 'conduct research to learn about people from diverse cultural backgrounds' was reworded to 'collect data to learn about people from diverse cultural backgrounds'.

7.3. Pilot Study

After the initial scales were fine-tuned based on the assessment of face and content validity and the feedbacks received from the expert judges, this study continued by conducting pilot studies with 60 responses for IND MRI and 60 responses for ORG MRI. This step aimed to ensure the applicability of the questions for the main study. The surveys were administered via Qualtrics, and an online data collection panel was involved for data collection purpose.

7.3.1. Demographics information

As part of the questionnaires, respondents to the pilot studies were asked to answer to demographics question on gender, age, education, country of birth, ancestry, industry in which they are employed, occupation, work experience, length of stay in Australia, and length of stay in foreign countries.

7.3.1.1. Demographics information – IND MRI

Participants who responded to the IND MRI were comprised of 24 males (40%) and 36 females (60%). In terms of age range, while some respondents were above 65 years old (28.3%), only 10 percent of them were below 34. The rest of the participants claimed to be aged 35 to 44

(20%), 45 to 54 (20%), and 55 to 64 (21.7%). Demographics information shows 68.3% and 73.3% of participants were Australian-born and Caucasian respectively; 85% of them lived in Australia for more than 30 years and 56.7% of respondents did not have the experience of living or working abroad. In terms of education, 28.3% of respondents had a bachelor degree, followed by high school (16.7%), and vocational qualification (15%). The rest of the respondents had other qualifications. 50% of respondents specified the sector in which they work for and 13.3% were in retail trade, 6.7% in health care and social assistance, 5% in education and training, and the remained 25% work in other industry sectors. Occupation vies, respondent claimed to be working as clerical and administrative workers (15%), sales workers (10%), community and personal service workers (8%), professionals (8%), managers (8%), labourers (7%), technicians and trades workers (3%) as well as machine operators and drivers (1%).

7.3.1.2. Demographics information – ORG MRI

Participants who responded to the ORG MRI were comprised of 30 males (50%) and 30 females (50%). Participants claimed to be aged 18 to 34 (19%), 35 to 44 (11%), 45 to 54 (8%), 55 to 64 (13%), and over 65 (19%). Demographics information shows 71.7% and 68.3% of participants were Australian-born and Caucasian respectively; 81.7% of them lived in Australia for more than 30 years and 45% of respondents did not have the experience of living or working abroad. In terms of education, 23.3% of respondents had a bachelor degree, followed by vocational qualification (18.3%). The rest of the respondents had other qualifications. 55% of respondents specified the sector in which they work for and 11.7% were in administrative and support services, 6.7% in education and training, 6.7% in construction, and the remained work in other industry sectors. Occupation vies, respondent claimed to be working as clerical and administrative workers (31.7%), managers (16.7%), professionals (16.7%), labourers (11.7%), community and personal service workers (8.3%), technicians and trades workers (6.7%), machinery operators and drivers (5%) as well as sales workers (3.3%). Table 7.3 demonstrates the demographics information of people who took part in the pilot studies.

Table 7. 3. Demographics information of the pilot study

	IND MRI		ORG MRI	
	Frequency	Percent	Frequency	Percent
Gender				
Male	24	40	30	50.0
Female	36	60	30	50.0
Age				

18-24	0	0	1	1.7
25-34	6	10	8	13.3
35-44	12	20	11	18.3
45-54	12	20	8	13.3
55-64	13	21.7	13	21.7
65 and over	17	28.3	19	31.7
Country of Birth				
Australia	41	68.3	43	71.7
Other than Australia	19	31.7	17	28.3
Race				
Caucasian	44	73.3	41	68.3
Other	16	26.7	19	31.7
Length of stay in Australia				
≥30 years	51	85	49	81.7
<30 years	9	15	11	18.3
Length of stay in a foreign country				
None	34	56.7	27	45.0
≥30 years	13	21.7	14	23.3
25-30 years	3	5	0	0.0
<25 years	10	16.6	19	31.7
Education				
High school	10	16.7	7	11.7
Less than year 12 or equivalent in high school	4	6.7	9	15.0
Year 12 or equivalent in high school	8	13.3	6	10.0
Vocational qualification	9	15	11	18.3
Associate Diploma	6	10	9	15.0
Undergraduate Diploma	1	1.7	1	1.7
Bachelor Degree (including with honours)	17	28.3	14	23.3
Postgraduate Diploma (includes graduate certificate)	5	8.3	3	5.0
Industry (ANZSIC, 2006)				
Accommodation and Food Services	1	1.7	1	1.7
Administrative and Support Services	2	3.3	7	11.7
Arts and Recreation Services	2	3.3		
Construction	1	1.7	4	6.7
Education and Training	3	5	4	6.7
Electricity, Gas, Water and Waste Services	2	3.3	2	3.3
Financial and Insurance Services	1	1.7		
Health Care and Social Assistance	4	6.7	5	8.3
Information Media and Telecommunications	1	1.7		

Professional, Scientific and Technical Services	1	1.7	3	5.0
Public Administration and Safety	2	3.3	2	3.3
Retail Trade	8	13.3	2	3.3
Transport, Postal and Warehousing	1	1.7	3	5.0
Wholesale Trade	1	1.7		
Other Services	30	50	27	45.0
Occupation (ANZSCO, 2009)				
Clerical and administrative workers	15	25	19	31.7
Community and personal service workers	8	13.3	5	8.3
Labourers	7	11.7	7	11.7
Machinery operators and drivers	1	1.7	3	5.0
Managers	8	13.3	10	16.7
Professionals	8	13.3	10	16.7
Sales workers	10	16.7	2	3.3
Technicians and trades workers	3	5	4	6.7

7.3.2. Descriptive statistics

SPSS 26 was used to conduct descriptive analysis for the data collected during the pilot studies for IND MRI and ORG MRI. For the IND MRI, results show there was no missing data, the mean value ranged from 3.3 to 6.0 and standard deviation ranged from 0.9 to 2.1; the values of skewness and kurtosis were between -1.25 to 0.27 and -1.3 to 3.3 respectively which is acceptable based on the published threshold of Chou and Bentler (1995). For the ORG MRI, there was also no missing data, the mean value ranged from 4.3 to 5.1 and standard deviation ranged from 1.2 to 1.7; the values of skewness and kurtosis were between -0.8 to -0.02 and -0.62 to 0.63 respectively, which is acceptable. Appendix 3 and 4 demonstrate the descriptive statistics for the pilot studies.

7.3.3. Reliability

To check if each dimension reflects the subset it measures, Cronbach's Alpha (α) test was executed using SPSS 26. For IND MRI, α ranged from 0.82 to 0.98 and for ORG MRI, α ranged from 0.91 to 0.97. As α scores are above the 0.7, internal consistency is confirmed (Hair et al., 2011). Table 7.4 provides the reliability measure for the dimensions of IND MRI and ORG MRI.

Table 7. 4. Reliability assessment for the pilot study

IND MRI			ORG MRI		
Dimensions	Number of items	α	Dimensions	Number of items	α
Cultural Awareness	11	0.97	Awareness	7	0.96
Contextual Awareness	6	0.94	Motivation to improve cultural knowledge	7	0.96
Motivation to acquire cultural knowledge	10	0.93	Motivation to process cultural knowledge (Cognition)	7	0.97
Motivation to process cultural knowledge (Cognition)	10	0.97	Acceptance of cultural diversity	7	0.91
Acceptance of the benefits of cultural diversity (perceived benefits)	11	0.97	Acceptance of the benefits of cultural diversity (perceived benefits)	6	0.96
Acceptance of cultural diversity	12	0.98	Adaptation- policy	9	0.97
Ability to adapt	8	0.96	Adaptation- Human resource practices	8	0.97
Willingness to adapt	5	0.87	Adaptation- Services	7	0.95
Intercultural Communication Adaptation	9	0.94	Communication	8	0.96
Communication Confidence	7	0.94			
Communication Comfort	10	0.82			

7.4. Scale Purification (Study 3)

The data for the main studies were collected from employees who work in an organisation that provides services within Australia. Respondents who met these criteria were recruited through an online data collection panel. Participation in either of the two studies was voluntary and respondents could quit the survey at any point without any consequences. The surveys encompassed questions related to MR, frequency of contact with people from diverse cultural backgrounds, degree of cultural distance (in the organisation, work unit, and among customers or clients), as well as demographics questions. The difference between the two surveys was in the questions about MR; that is in the study at the individual level, questions related to IND MR were asked while in the study at the organisational level, questions related to ORG MR were raised.

7.4.1. Data examination

After collecting data for Study 3, before starting with analysis, it was important to assess the useability of data. Accordingly, the data was first checked for incomplete responses. For IND MRI out of 666 responses, 64 were incomplete and for ORG MRI, out of 973 responses, 70 were incomplete; hence, they were removed from the data sets. However, since all the questions in the online surveys were mandatory to answer, missing values were not a problem. Following this step, the standard deviation of responses was measured to identify the outliers and flat-liners. Accordingly, 152 and 179 responses were identified with zero standard deviation for the IND MRI and ORG MRI respectively. These responses were eliminated from further analysis.

The survey completion time was also calculated and from the remained responses, the ones who had completed the survey in less than three minutes (i.e. hasty completion) were eliminated. In all, 15 and 36 cases from the IND MRI and ORG MRI respectively were removed due to hasty completion. Lastly, outliers were identified by measuring the Mahalanobis distance ($p < .001$). By this method, 19 and 8 responses of the IND MRI and ORG MRI respectively were identified as multivariate outliers and were eliminated from subsequent analysis. The data examination process resulted in 416 usable responses for IND MRI and 680 usable responses for ORG MRI. Table 7.5 presents the data examination results.

Table 7. 5. Data examination (Study 3)

Categories	Description	Number of cases: IND MRI	Number of cases: ORG MRI
Incomplete responses	Left the survey before completion	64	70
Missing values	Did not respond to some questions	0	0
Flat-liners	Responded completely similar to more than one block of questions	152	179
Hasty completion	Completed the survey in less than 3 minutes	15	36
Outliers	Mahalanobis distance	19	8
Usable responses	Data used for final analysis	**416**	**680**
Total	Total received responses	666	973

7.4.2. Common method variance

To decrease CMV, several initiatives were undertaken. First, participation in the survey was kept voluntary with the freedom to leave it at any time. Second, samples were selected carefully

to reach people who possess the required knowledge on the area under study (i.e. employees who work in a services organisation in Australia). Third, to reduce the social desirability bias, it was mentioned that the responses would be anonymous and they would be treated in a confidential manner. Fourth, questions were provided in a simple manner and any possible ambiguity was avoided. Some examples were also provided for some questions to make them more understandable for the respondents.

For instance, in the IND MRI, there were questions such as "read cultural material from different sources (e.g. books, internet, magazines)", "respect diverse cultural practices (e.g. consider dietary restrictions, celebrate cultural festivals)", and in the ORG MRI, there were some questions such as "influence of culture on people (e.g. values, expectation, behaviour)", and "integrate cultural information acquired from multiple sources (e.g. the research output, stakeholder feedback, consultation with cultural experts". Lastly, from the statistical perspective, the data for CMV was assessed using Harman's single-factor test (Podsakoff and Organ, 1986). The output of the test confirms that CMV was not a problem in this research as the total variance explained by the single factor was 41.34% and 47.14% for IND MRI and ORG MRI respectively, which is less than 50% (Podsakoff et al., 2012).

7.4.3. Demographics information

In Table 7.6, the demographics information of people who took part in the two studies is provided. This includes the information about gender, age, country of birth, race, length of stay in Australia, length of stay in a foreign country, education, sector, industry, occupation, work experience in total, as well as work experience in the current organisation.

Table 7. 6. Demographics information (Study 3)

Demographics	IND-level		ORG-level	
	Frequency	Percent	Frequency	Percent
Gender				
Male	178	42.8	348	51.2
Female	235	56.5	330	48.5
Other	3	0.7	2	0.3
Age				
18-24	24	5.8	74	10.9
25-34	84	20.2	194	28.5
35-44	116	27.9	178	26.2
45-54	100	24.0	128	18.8
55-64	80	19.2	97	14.3
65 and over	12	2.9	9	1.3
Country of Birth				

Australia	301	72.4	494	72.6
Other than Australia	115	27.6	186	27.4
Race				
Caucasian	221	53.1	371	54.56
Other	195	46.9	309	45.44
Length of stay in Australia				
≥30 years	254	61.06	348	51.2
<30 years	162	38.94	332	48.82
Length of stay in a foreign country				
less than 3 months	35	8.4	54	7.9
<5 years	48	11.5	100	14.7
5 - 10 years	19	4.6	54	7.9
10 - 15 years	18	4.3	39	5.7
15 - 20 years	19	4.6	32	4.7
20 - 25 years	11	2.6	26	3.8
25 - 30 years	19	4.6	20	2.9
more than 30 years	38	9.1	63	9.3
None/Not Applicable	209	50.2	292	42.9
Education				
High school	21	5.0	41	6.0
Less than year 12 or equivalent in high school	22	5.3	27	4.0
Year 12 or equivalent in high school	35	8.4	76	11.2
Vocational qualification	60	14.4	77	11.3
Associate Diploma	29	7.0	78	11.5
Undergraduate Diploma	21	5.0	47	6.9
Bachelor Degree (including with honours)	154	37.0	194	28.5
Postgraduate Diploma (includes graduate certificate)	24	5.8	49	7.2
Master's degree	46	11.1	80	11.8
Doctorate	4	1.0	11	1.6
Sector				
Government sector	86	20.7	145	21.3
Not-for-profit sector	52	12.5	54	7.9
Private sector	278	66.8	481	70.7
Industry (ANZSIC, 2006)				
Accommodation and Food Services	20	4.8	35	5.1
Administrative and Support Services	34	8.2	58	8.5
Arts and Recreation Services	10	2.4	17	2.5
Construction	24	5.8	54	7.9
Education and Training	39	9.4	49	7.2
Electricity, Gas, Water and Waste Services	6	1.4	12	1.8
Financial and Insurance Services	22	5.3	40	5.9
Health Care and Social Assistance	50	12.0	72	10.6
Information Media and Telecommunications	22	5.3	37	5.4

Professional, Scientific and Technical Services	41	9.9	64	9.4
Public Administration and Safety	17	4.1	19	2.8
Rental, Hiring and Real Estate Services	3	0.7	9	1.3
Retail Trade	51	12.3	71	10.4
Transport, Postal and Warehousing	15	3.6	30	4.4
Wholesale Trade	12	2.9	21	3.1
Other Services	50	12.0	92	13.5
Occupation (ANZSCO, 2009)				
Clerical and administrative workers	82	19.7	128	18.8
Community and personal service workers	37	8.9	59	8.7
Labourers	33	7.9	57	8.4
Machinery operators and drivers	13	3.1	26	3.8
Managers	84	20.2	144	21.2
Professionals	105	25.2	161	23.7
Sales workers	46	11.1	64	9.4
Technicians and trades workers	16	3.8	41	6.0
Work Experience in Total				
< 3 months	8	1.9	14	2.1
3 - 6 months	5	1.2	15	2.2
6 - 12 months	13	3.1	20	2.9
1 - 2 years	17	4.1	57	8.4
3 years	18	4.3	36	5.3
4 years	19	4.6	35	5.1
5 - years	27	6.5	40	5.9
5 - 10 years	46	11.1	96	14.1
10 - 15 years	37	8.9	82	12.1
15 - 20 years	37	8.9	60	8.8
20 - 25 years	53	12.7	61	9.0
25 - 30 years	31	7.5	43	6.3
> 30 years	105	25.2	121	17.8
Work Experience in the current organisation				
< 3 months	20	4.8	30	4.4
3 - 6 months	11	2.6	31	4.6
6 - 12 months	25	6.0	51	7.5
1 - 2 years	54	13.0	107	15.7
3 years	55	13.2	86	12.6
4 years	26	6.3	61	9.0
5 - years	40	9.6	55	8.1
5 - 10 years	78	18.8	124	18.2
10 - 15 years	48	11.5	68	10.0
15 - 20 years	23	5.5	32	4.7
20 - 25 years	17	4.1	21	3.1
25 - 30 years	8	1.9	4	0.6
> 30 years	11	2.6	10	1.5
Total	**416**	**100**	**680**	**100**

7.4.4. Descriptive statistics

SPSS 26 was used to conduct the descriptive analysis for both MRIs. The result of descriptive analysis for IND MRI reveals no missing data, the mean value ranged from 4.32 to 5.85 and the standard deviation ranged from 1.039 to 1.558. The values of skewness and kurtosis were between -1.24 to -0.27 and -0.52 to 1.841 respectively, which is acceptable based on the published threshold of Chou and Bentler (1995). The output of descriptive analysis for ORG MRI shows there is no missing data, the mean value ranged from 4.70 to 5.54 and the standard deviation ranged from 1.231 to 1.584. The values of skewness and kurtosis were between -1.057 to -0.343 and -0.48 to 0.841 respectively, which fall within the acceptable range. Appendix 5 and 6 demonstrate the results of descriptive statistics for study 3.

7.4.5. Scale purification: IND MRI

For the scale purification purpose, the assessment was started by executing Cronbach's Alpha (α) test using SPSS 26 to check if each dimension (i.e. subscale) reflects the subset it measures (Churchill Jr, 1979). The values of α for the dimensions of IND MRI ranged from 0.798 to 0.949. As α scores are above the 0.7, internal consistency is confirmed (Christmann and Van Aelst, 2006). Moreover, in scales with multiple items, we can use the "Cronbach's alpha if item deleted" to identify the poor performing items and try to improve reliability (de Vet et al., 2017). In this study, the results show the elimination of none of the items would help the scores of α to be improved. The results also show that the corrected item-total correlation for all of the items was above 0.4 except for item 7 of communication comfort. Hence, this problematic item needs further investigation.

To understand whether items under a subscale cover a similar concept, the inter-item correlation was evaluated. As suggested by prior studies, inter-item correlation is expected to be above 0.20 (Walsh and Beatty, 2007), and less than 0.80 (de Souza et al., 2020; Rattray and Jones, 2007). The analysis indicates that items 10 and 11 of cultural awareness dimensions strongly correlate with each other (r= 0.802). Moreover, items 7 to 10 of the communication comfort dimension negatively correlate with the rest of the items (r<0.20) and items 8 and 9 of the same dimension highly correlate with each other (r= 0.827). According to the acceptable range for inter-item correlation, the mentioned items are problematic and need further investigation.

After assessing factor reliability, the scale purification continued by executing EFA with the Principal Axis Factoring method and Promax rotation using SPSS 26. To check sample adequacy, the Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity was performed. As suggested by Netemeyer, Bearden, and Sharma (2003), for factor analysis, the value of KMO should be 0.60 or higher and Bartlett's Test of Sphericity should be significant. The result shows the KMO for IND MRI was >0.9 (KMO= 0.967) and Bartlett's Test of Sphericity was significant ($p<0.05$), indicating the suitability of data for analysis (Ames, Bluhm, Gaskin, and Lyytinen, 2020; Kim, 2014). Moreover, communalities were >0.4 (Ames et al., 2020).

The EFA output identified 14 factors for IND MR with Eigen values >1 which explained 64.69% of the total variance in the data. However, based on the literature search and analysis of semi-structured interviews, this study initially suggested IND MR to be reflected by 11 first-order factors, that is 1. Cultural awareness, 2. Contextual awareness, 3. Motivation to acquire cultural knowledge, 4. Motivation to process cultural knowledge (Cognition), 5. Acceptance of the benefits of cultural diversity (perceived benefits), 6. Acceptance of cultural diversity, 7. Ability to adapt, 8. Willingness to adapt, 9. Intercultural communication adaptation, 10. Communication confidence and 11. Communication comfort. In the following, each of the proposed dimensions along with the identified factors after executing EFA are closely investigates which is followed by explaining the process of purifying the initial scales.

According to the structure matrix of EFA (see Appendix 7), the items of the Cultural awareness dimension loaded on factor 3 with factor loadings above 0.6 ($\lambda > 0.6$). However, the first two items of the same dimension were found to have high cross-loadings with factor 9. When the difference between the item's highest factor loadings is <0.15, it is considered as high cross-factor loading. The items of Contextual awareness dimension loaded on factor 7 ($\lambda > 0.7$) with no significant cross-factor loadings. The items of Motivation to acquire cultural knowledge, loaded on the first factor with $\lambda > 0.5$ and items 5 and 7 of the same factor found to have significant cross-loading with factor 5. The items of Acceptance of the benefits of cultural diversity (perceived benefits) also loaded on factor 1 ($\lambda > 0.59$) with the first four items and the last five items of the same dimension significantly cross-loading on factor 9 and 13 respectively.

The items of Motivation to process cultural knowledge (Cognition) loaded on factor 10 with $\lambda > 0.5$, which had significant cross-loadings with factor 1. The items of Acceptance of cultural diversity loaded on factor 4 with $\lambda > 0.6$. However, the first six items of the same dimension

significantly loaded on factor 9 as well. Ability to adapt dimension that initially was considered to be one factor, split into two in a way that the first four items loaded on factor 8 and the last four items loaded on factor 11 ($\lambda > 0.59$). Looking closely at the items reflecting this dimension showed that the first four items that loaded on factor 8 try to measure one's ability to demonstrate positive behaviours (e.g. demonstrate flexibility, respect diverse cultural norms, etc.) while the other four items that loaded on factor 11 capture one's ability to avoid negative behaviours (e.g. not acting rude, seek help if there is a miscommunication, etc.).

Furthermore, the items of Willingness to adapt also loaded on factor 8 ($\lambda > 0.4$). This was predictable because first, the core concept of ability to adapt and willingness to adapt dimensions is to measure the degree of behavioural adaptation in a way to suit a multicultural context, and second, in the online survey, the questions related to both of these dimensions were presented in the same block. Hence, respondents may have thought these two dimensions refer to a similar concept. In terms of cross-factor loading, the EFA output showed that all of the items measuring the ability to adapt and willingness to adapt dimensions have significant cross-loadings with other factors.

The items of Intercultural communication adaptation loaded on factor 2 with $\lambda > 0.6$ and some of its items were found to have significant cross-loading with factors 5 and 9. The items of Communication confidence loaded on factor 5 ($\lambda > 0.6$) and all of its items significantly loaded on factor 2 as well. The items of Communication comfort that initially was considered to be one factor, split into two in a way that the first seven items loaded on factor 5 and the last four items loaded on factor 6 ($\lambda > 0.68$). Only the first two items of the same dimension had significant cross-loading with factor 2. The reason for the last four items of the communication comfort dimension to load on a different dimension can be due to their abstract wording.

Based on the above-mentioned points, although the EFA output showed the number of factors to be 14, a closer look at the structure matrix reveals that factors 9, 12, 13, and 14 did not explain any significant factor by themselves and basically, IND MR is captured by only 10 factors. There are two main reasons justifying the discrepancy between the number of factors identified during EFA (i.e. 10 factors) and the 11 dimensions that this study initially proposed. First, some of the dimensions (i.e. ability to adapt; communication comfort) that were initially assumed to be one factor, split into two when executing EFA. Second, some of the dimensions (e.g. motivation to acquire cultural knowledge and acceptance of the benefits of cultural diversity; or communication confidence and communication comfort; or ability to adapt and

willingness to adapt) that were assumed to be separate dimensions, merged into one factor when running an EFA.

The scale purification process continued by following both judgmental and statistical inferences at the item level as well as dimension level. At the item level, item validity was checked by computing the mean and skewness of each item. Results indicate that items 1, 2, and 4 of motivation to acquire cultural knowledge as well as items 7, 8, 9, and 10 of communication comfort had mean values lower than the rest of the items ($M< 5$). However, the values of skewness for all items fall between -2 to +2, which is an acceptable range (Garson, 2012). In terms of assessing the relationship between items and their relevant factor, judgmentally, items' phrasing within and across the dimensions were checked; this helped to evaluate whether items of a dimension cover a similar concept. Statistically, the factor loading in the Structure Matrix (EFA output) and determined items with low factor loadings (i.e. $\lambda< 0.6$) were checked. According to results, item 7 of motivation to acquire cultural knowledge, item 4 of acceptance of the benefits of cultural diversity, items 7, 8, 9, and 10 of motivation to process cultural knowledge (cognition), as well as items 3 to 5 of willingness to adapt loaded on their relevant factor with $\lambda< 0.6$.

According to prior stages using judgemental and statistical assessments, problematic items and dimensions that required further investigations were identified. To explain, based on judgemental evaluation at the item level, items that failed the face and/or content validity test (i.e. based on expert judges rating) and were ambiguous in meaning were determined. Statistically, items with a mean value lower than the average as well as items that have factor loading less than 0.6 were identified. At the dimension level, the internal consistency of each dimension was checked and no issue was found. However, in terms of validity, statistical results reveal that some dimensions did not meet the convergent validity and/or discriminant validity requirements.

To purify the scale, at the item level three main decisions were made to rectify problems. The first decision was to keep the item as it is without implementing any changes. This is consistent with suggestions of scale developers in terms of retaining items that capture the theoretical domain of the construct even if they have poor psychometric properties (Clark and Watson, 1995; Rattray and Jones, 2007). The second decision was to reword the ambiguous items to provide more clarity in meaning. For this aim, through an iterative process, the definitions of the latent variables were carefully read and the problematic items were reworded/rephrased to

make them clearer. For instance, in IND MRI, item 4 of perceived benefits was judged to be ambiguous in meaning and had factor loading below 0.6. Hence, the item was reworded from ‘try a wider variety of ethnic foods’ to ‘try a wider variety of foods from different cultures’.

The last decision was to remove the items that could not be fixed and scale would benefit by their omission. Before deciding to remove any item, they were closely examined to see how important they are for the relevant latent variable and attempted to fix the problem when possible. If keeping the item was not vital, the items were removed from further studies. For instance, item 7 of communication comfort failed the face validity test, it was ambiguous in meaning, abstract wording and unrelated to the other six items, and its mean value was lower than other items. Considering that keeping this item was not necessary, it was dropped. At the dimension level, for future studies, it was decided to make the differences among dimensions more clear for respondents by providing them with the conceptual definition of each dimension and putting each factor in a separate block. This would help respondents to better understand the questions and at the same time, makes each page looks less wordy. The summary of the items measuring IND MR and the decision made about each of them is provided in Table 7.7.

Table 7. 7. Scale purification: IND MRI

Dimension	Items	λ	M	S	α	Issues	Scale purification decisions
Cultural Awareness *Factor 3*	*Stem*						
	CuA 1	0.655	5.85	-1.18	0.94	-	-
	CuA 2	0.701	5.66	-0.82		-	-
	CuA 3	0.755	5.76	-0.88		-	-
	CuA 4	0.766	5.79	-0.88		-	-
	CuA 5	0.756	5.51	-0.60		-	-
	CuA 6	0.842	5.61	-0.62		-	-
	CuA 7	0.769	5.47	-0.62		-	-
	CuA 8	0.669	5.39	-0.49		Failed face validity and content validity	-
	CuA 9	0.793	5.79	-1.16		-	-
	CuA 10	0.87	5.66	-0.78		Strong inter-item correlation (r= 0.802)	-
	CuA 11	0.797	5.78	-1.07			-
Contextual Awareness *Factor 7*	*Stem*					-	-
	CoA 1	0.756	5.51	-0.98	0.90	-	-
	CoA 2	0.821	5.56	-0.69		-	-
	CoA 3	0.787	5.61	-0.82		-	-
	CoA 4	0.73	5.56	-0.50		-	-
	CoA 5	0.806	5.44	-0.58		-	-
	CoA 6	0.763	5.50	-0.40		-	-
Motivation to acquire cultural knowledge *Factor 1*	*Stem*					Ambiguous in meaning	*Reword*
	ML 1	0.758	4.96	-0.66	0.90	Mean value lower than other items	-
	ML 2	0.61	4.31	-0.38		Failed face validity Mean value lower than other items	*Change the order and put it after item 7*
	ML 3	0.733	5.16	-0.81			-

	ML 4	0.637	4.74	-0.67		Mean value lower than other items	-
	ML 5	0.658	5.48	-0.47			-
	ML 6	0.741	5.16	-0.66		Failed face validity Ambiguous in meaning	*Reword*
	ML 7	0.548	5.47	-0.95		$\lambda < 0.6$	*Reword*
	ML 8	0.736	5.40	-0.46			-
	ML 9	0.785	5.06	-0.76			-
	ML 10	0.757	5.07	-0.65			-
Motivation to process cultural knowledge (Cognition) *Factor 10*	*Stem*						
	MP 1	0.684	5.28	-0.64	0.93		-
	MP 2	0.696	5.25	-0.67			-
	MP 3	0.700	5.11	-0.24			-
	MP 4	0.755	5.25	-0.49		Ambiguous in meaning $\lambda < 0.6$	*Reword*
	MP 5	0.744	5.19	-0.46			*Reword*
	MP 6	0.693	5.32	-0.62			-
	MP 7	0.563	5.25	-0.43		$\lambda < 0.6$	-
	MP 8	0.511	5.25	-0.47			-
	MP 9	0.550	5.20	-0.62			-
	MP 10	0.569	5.24	-0.54			-
Acceptance of the benefits of cultural diversity (perceived benefits) *Factor 1*	*Stem*						*Reword*
	PB 1	0.668	5.40	-0.68	0.93		*Reword*
	PB 2	0.736	5.45	-0.69			-
	PB 3	0.737	5.52	-0.64			-
	PB4	0.594	5.56	-0.75		Ambiguous in meaning $\lambda < 0.6$	*Reword*
	PB 5	0.791	5.15	-0.45			-

	PB 6	0.723	5.16	-0.41			-
	PB 7	0.693	5.20	-0.46			-
	PB 8	0.698	5.08	-0.52			-
	PB 9	0.753	5.38	-0.46			-
	PB 10	0.683	5.44	-0.63			*Reword*
	PB 11	0.683	5.62	-0.70			-
Acceptance of cultural diversity *Factor 4*	*Stem*						-
	Ac 1	0.637	5.67	-0.91	0.95		-
	Ac 2	0.683	5.71	-1.01			-
	Ac 3	0.708	5.75	-0.71			-
	Ac 4	0.746	5.65	-0.70			-
	Ac 5	0.745	5.75	-0.88			-
	Ac 6	0.733	5.73	-0.98			-
	Ac 7	0.8	5.51	-0.72			-
	Ac 8	0.853	5.60	-0.76			-
	Ac 9	0.851	5.49	-0.76			-
	Ac 10	0.856	5.46	-0.93			-
	Ac 11	0.782	5.63	-0.79			-
	Ac 12	0.719	5.38	-0.71			-
Ability to Adapt *Factor 8*	*Stem*					Ambiguous in meaning $\lambda < 0.6$	*Reword*
	AA 1	0.577	5.22	-0.66	0.90		*Reword*
	AA 2	0.516	5.18	-0.62			*Reword*
	AA 3	0.574	5.37	-0.44			*Reword*
	AA 4	0.544	5.29	-0.80			*Reword*
Ability to Adapt	AA 5	0.647	5.65	-0.58			-
	AA 6	0.637	5.65	-0.83			-

Factor 11	AA 7	0.549	5.39	-0.79		λ< 0.6	-
	AA 8	0.64	5.48	-0.53			-
Willingness to adapt *Factor 8*	*Stem*						*Reword*
	WA 1	0.754	5.10	-0.69	0.82	Ambiguous in meaning	*Reword*
	WA 2	0.636	5.16	-0.62			*Reword*
	WA 3	0.533	5.26	-0.60		Ambiguous in meaning λ< 0.6	*Reword*
	WA 4	0.487	5.62	-0.71			*Reword*
	WA 5	0.432	5.13	-0.68			*Reword*
Intercultural Communication Adaptation *Factor 2*	*Stem*						*Reword*
	ICA 1	0.694	5.60	-0.88	0.91		-
	ICA 2	0.794	5.47	-0.44			-
	ICA 3	0.786	5.54	-0.77			-
	ICA 4	0.71	5.51	-0.79			-
	ICA 5	0.722	5.58	-0.81			-
	ICA 6	0.74	5.52	-0.61			-
	ICA 7	0.661	5.36	-0.77			-
	ICA 8	0.753	5.74	-0.79			-
	ICA 9	0.708	5.75	-0.84			-
Communication confidence *Factor 5*	*Stem*					Ambiguous in meaning	*Reword*
	CCon 1	0.617	5.67	-1.10	0.9		-
	CCon 2	0.693	5.52	-0.57			-
	CCon 3	0.634	5.31	-0.43			-
	CCon 4	0.696	5.50	-0.36			-

	CCon 5	0.675	5.48	-0.34			-
	CCon 6	0.696	5.60	-0.65			-
	CCon 7	0.666	5.59	-0.42			-
Communication comfort *Factor 5*	*Stem*					Ambiguous in meaning	*Reword*
	CCom 1	0.71	5.55	-1.09		Because of the change in stem, the 'I am comfortable to' is removed from the start of item	*Reword*
	CCom 2	0.716	5.44	-0.94			*Reword*
	CCom 3	0.772	5.65	-0.56			*Reword*
	CCom 4	0.801	5.59	-0.60			*Reword*
	CCom 5	0.832	5.72	-0.71			*Reword*
	CCom 6	0.786	5.77	-0.79			*Reword*
Communication comfort *Factor 6*	CCom 7	0.682	4.46	-0.34	0.79	Failed face validity Ambiguous in meaning Mean value lower than other items Loaded on a different factor Corrected item-total correlation <0.4 Weak inter-item correlation (r<0.20)	*Remove item*
	CCom 8	0.877	4.54	-0.43		Ambiguous in meaning Mean value lower than other items Loaded on a different factor Weak inter-item correlation (r<0.20)	*Remove item*
	CCom 9	0.93	4.44	-0.38			*Remove item*
	CCom 10	0.769	4.67	-0.48			*Remove item*

N= 416, λ= Factor loading, M= Mean, S= Skewness, α= Cronbach's Alpha; Corrected item-total correlation for all the items is >0.4 except for item 7 of communication comfort.

7.4.6. Scale purification: ORG MRI

Similar to the IND MRI, assessment of the ORG MRI started with computing Cronbach's Alpha (α) using SPSS 26. The values of α ranged from 0.864 to 0.933; as α scores are above the 0.7, internal consistency is confirmed (Christmann and Van Aelst, 2006). The "Cronbach's alpha if item deleted" was checked to identify the poor performing items and try to improve reliability (de Vet et al., 2017). The results show the elimination of none of the items would help the scores of α to be improved. Moreover, the corrected item-total correlation for all of the items was above 0.4, which is acceptable. To understand whether items under a subscale cover a similar concept, this study also evaluated inter-item correlation. As suggested by prior studies, inter-item correlation is expected to be above 0.20 (Walsh and Beatty, 2007), and less than 0.80 (de Souza et al., 2020; Rattray and Jones, 2007). The analysis indicates that except for items 2 and 6 of the acceptance of cultural diversity dimension that had a weak inter-items correlation (r= 0.172), the correlation among the rest of the items fell within the acceptable range.

After assessing reliability, the scale purification process continued by executing exploratory factor analysis (EFA) with the Principal Axis Factoring method and Promax rotation using SPSS 26. To measure sample adequacy, the Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity was computed. As suggested by Netemeyer et al., (2003), for factor analysis, the value of KMO should be 0.60 or higher and Bartlett's Test of Sphericity should be significant. The result shows the KMO for ORG MRI was >0.9 (KMO= 0.979) and Bartlett's Test of Sphericity was significant ($p<0.05$), indicating the suitability of data for analysis (Ames et al., 2020; Kim, 2014).

Moreover, communalities for each variable was >0.4. The EFA output (see Appendix 8) identified seven factors for ORG MR with Eigen values >1 which explained 61.78% of the total variance in the data. However, based on the literature search and analysis of semi-structured interviews, this study initially suggested ORG MR is reflected by nine factors, that is 1. Awareness, 2. Motivation to improve cultural knowledge, 3. Motivation to process cultural knowledge (Cognition), 4. Acceptance of cultural diversity, 5. Acceptance of the benefits of cultural diversity (perceived benefits), 6. Adaptation-Policy, 7. Adaptation-HR, 8. Adaptation-Services, and 9. Communication. In the following, a closer look at each of the proposed dimensions and the process of purifying the initial scale is explained.

According to the structure matrix of EFA, the items of Awareness dimension loaded on factor 4 with factor loadings above 0.7 ($\lambda > 0.7$) and no significant cross-loadings on other factors.

The items of Motivation to improve cultural knowledge loaded on factor 3 with λ> 0.7. However, items 5 and 7 of the same dimension were found to have high cross-loadings with other factors. The Motivation to process cultural knowledge (Cognition) dimension also loaded on factor 3 with λ> 0.7 and no significant cross-loadings on other factors. The Acceptance of cultural diversity and Acceptance of the benefits of cultural diversity (perceived benefits) loaded on factor 5 with λ> 0.5, the Adaptation-policy and Adaptation-HR dimensions loaded on factor 1 with λ> 0.6, and the Adaptation-services and Communication loaded on factor 2 with λ> 0.6.

Some of the items highly cross-loaded on other factors. The reason for these dimensions to load on the same factor can be that in the online survey, the questions related to dimensions that loaded on a similar factor were presented on the same block, which means respondents saw all of those items on the same page. Hence, they may have thought these dimensions refer to a similar concept and this might affect their responses. Based on the mentioned points, although the EFA output showed the number of factors to be 7, a closer look at the structure matrix reveals that factors 6 and 7 do not explain any significant factor by themselves and basically, ORG MR is captured by only 5 factors. The main reason for the discrepancy between the number of factors identified after the EFA and the initial proposed 9 dimensions is that some of the dimensions that were assumed to be separate, merged into one factor when running an EFA.

Item validity was also checked by computing the mean and skewness of each item. Results indicate that the mean values were mostly in the same range and the values of skewness fell between -2 to +2, which is acceptable (Garson, 2012). In terms of assessing the relationship between items and their relevant dimension, judgmentally, items' phrasing within and across the dimensions were checked again. Statistically, the factor loadings in the Structure Matrix (EFA output) were checked to identify the items with low factor loadings (i.e. λ< 0.6). According to results, item 2 of acceptance of cultural diversity had a factor loading below 0.6 and needed further investigation. In order to purify the ORG MRI, based on the insights from the analysis and steps mentioned in the discussion for IND MRI, some of the items were reworded to create more clarity. Table 7.8 provides a summary of the items and decisions made to refine them.

Table 7. 8. Scale purification: ORG MRI

Dimension	Items	λ	M	S	α	Issues	Scale purification decisions
Awareness *Factor 4*	*Stem*				0.91	-	
	Awr 1	0.76	5.25	-0.95		-	
	Awr 2	0.71	4.91	-0.53		-	
	Awr 3	0.79	5.21	-0.56		-	
	Awr 4	0.80	5.07	-0.53		-	
	Awr 5	0.76	5.26	-0.61		-	
	Awr 6	0.74	5.12	-0.60		-	
	Awr 7	0.71	5.19	-0.61		-	
Motivation to improve cultural knowledge *Factor 3*	*Stem*				0.93	-	
	Mot 1	0.73	4.88	-0.48		-	
	Mot 2	0.77	4.79	-0.42		-	
	Mot 3	0.80	4.75	-0.42		-	
	Mot 4	0.78	4.73	-0.44		-	
	Mot 5	0.74	5.11	-0.55		-	
	Mot 6	0.80	4.81	-0.34		-	
	Mot 7	0.79	4.78	-0.44		-	
Motivation to process cultural knowledge (Cognition) *Factor 3*	*Stem*				0.93	-	
	Cog 1	0.77	4.80	-0.51		-	
	Cog 2	0.79	4.82	-0.46		-	
	Cog 3	0.81	4.83	-0.42		-	
	Cog 4	0.80	4.85	-0.51		-	
	Cog 5	0.78	4.96	-0.47		-	
	Cog 6	0.76	4.88	-0.56		-	
	Cog 7	0.78	4.92	-0.51		-	
Acceptance of cultural diversity *Factor 5*	*Stem*				0.86	-	
	Ac 1	0.60	5.17	-0.83		Ambiguous in meaning	*Change the order and put item 1 after item 2 - Reword*
	Ac 2	0.53	5.54	-1.06		Ambiguous in meaning λ<0.6	*Reword*

						Weak inter-item correlation with factor 6 (r= 0.172)	
	Ac 3	0.69	5.24	-0.71		-	
	Ac 4	0.65	5.50	-0.93		-	
	Ac 5	0.65	5.03	-0.61		-	
	Ac 6	0.64	4.84	-0.46		Weak inter-item correlation with factor 2	
	Ac 7	0.68	5.04	-0.66		Ambiguous in meaning	*Reword*
Acceptance of the benefits of cultural diversity (perceived benefits) *Factor 5*	*Stem*				0.89	-	
	PB 1	0.71	5.11	-0.68		-	
	PB 2	0.80	5.23	-0.71		-	
	PB 3	0.76	5.21	-0.62		-	
	PB 4	0.78	5.18	-0.70		-	
	PB 5	0.71	5.12	-0.45		-	
	PB 6	0.60	5.02	-0.53		-	
Adaptation-Policy *Factor 1*	*Stem*				0.93	-	
	Policy 1	0.69	5.28	-0.90		-	
	Policy 2	0.76	5.20	-0.61		-	
	Policy 3	0.74	5.18	-0.59		-	
	Policy 4	0.72	5.37	-0.64		-	
	Policy 5	0.71	5.24	-0.51		-	
	Policy 6	0.70	5.18	-0.54		-	
	Policy 7	0.68	5.12	-0.56		-	
	Policy 8	0.73	5.38	-0.72		-	
	Policy 9	0.71	5.19	-0.46		-	
Adaptation-HR *Factor 1*	*Stem*				0.91	-	
	HR 1	0.63	5.28	-0.76		-	
	HR 2	0.70	5.19	-0.60		-	
	HR 3	0.62	5.00	-0.42		-	
	HR 4	0.81	5.41	-0.83		-	
	HR 5	0.83	5.46	-0.74		-	

	HR 6	0.79	5.35	-0.73		-	
	HR 7	0.77	5.39	-0.71		-	
	HR 8	0.74	5.22	-0.55		Failed face validity test	
Adaptation-Services *Factor 2*	*Stem*				0.88	-	
	Service 1	0.74	4.81	-0.49		-	
	Service 2	0.73	4.92	-0.59		-	
	Service 3	0.63	5.16	-0.56		-	
	Service 4	0.71	4.81	-0.54		-	
	Service 5	0.74	4.79	-0.45		-	
	Service 6	0.76	4.83	-0.42		-	
	Service 7	0.75	5.06	-0.50		-	
Communication *Factor 2*	*Stem*				0.93	-	
	Com 1	0.77	4.70	-0.46		-	
	Com 2	0.77	4.87	-0.53		-	
	Com 3	0.78	4.77	-0.46		-	
	Com 4	0.80	4.91	-0.62		Failed face validity test	
	Com 5	0.78	4.91	-0.55		-	
	Com 6	0.80	4.86	-0.59		-	
	Com 7	0.80	5.00	-0.64		-	
	Com 8	0.70	5.10	-0.66		-	

N= 680, λ= Factor loading, M= Mean, S= Skewness, α= Cronbach's Alpha; Corrected item-total correlation for all the items is >0.4.

7.5. Summary

This chapter explained the process of assessing the initial IND MRI and ORG MRI and started by conducting face and content validity assessments. It then described the scale purification process and introduced the purified versions of IND MRI and ORG MRI. The next chapter uses these purified scales to collect further data for the scale validation purpose.

CHAPTER 8: SCALE VALIDATION (STUDY 4)

8.1. Overview

The previous chapters illustrated the process for developing IND MRI and ORG MRI and explained the scale purification procedure. In this chapter, after having the initial instruments refined, fresh groups of samples were recruited to test and validate the newly developed scales. For the aim of this phase and to assess discriminant validity, nomological validity and predictive validity of IND MR and ORG MR, new variables were added to the studies including ethnocentrism and organisational culture as the antecedents of MR, as well as employee performance, job satisfaction, organisational performance and organisational competitiveness as the outcomes of MR. In the rest of this chapter, the sampling design and process of collecting and examining the data is explained. This is followed by assessing the scale psychometric properties, assessing the measurement models, and test the research hypotheses. These steps are explained for the individual-level and organisational-level studies separately. SPSS and AMOS are used as data analysis tools. The chapter structure is presented in Figure 8.1.

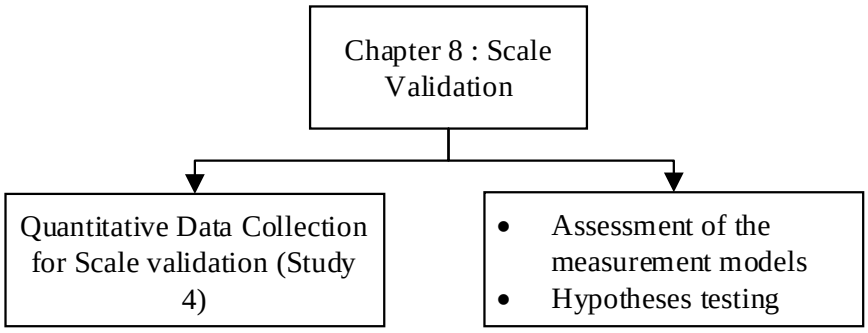


Figure 8. 1. Structure of chapter 8

8.2. Pilot Study

After updating the IND MRI and ORG MRI during the scale purification stage, this study continues to validate the newly developed scales. For this aim, by selecting fresh groups of samples who met the criteria, pilot studies were conducted to ensure the applicability of the questions for the main study and identify the possible problems participants faced while responding to the questions. The surveys were administered via Qualtrics, and an online panel

was used to collect data. The completion of the survey took around 15 minutes from respondents. Employees working in the services sector in Australia were targeted and a total of 68 responses for IND MRI and 55 responses for ORG MRI were collected.

8.2.1. Descriptive statistics

After the data was collected for the pilot studies, SPSS 26 was deployed to undertake the descriptive analysis for IND MRI and ORG MRI. For the IND MRI, results show there was no missing data, the mean value ranged from 3.4 to 6.0 and the standard deviation ranged from 1.05 to 2.03. The values of skewness and kurtosis were between -1.99 to 0.27 and -1.19 to 5.92 respectively, which is acceptable based on the published threshold of Chou and Bentler (1995). For the ORG MRI, there was also no missing data, the mean value ranged from 3.5 to 5.6 and standard deviation ranged from 1.10 to 2.06; the values of skewness and kurtosis were between -0.97 to 0.48 and -1.43 to 1.29 respectively, which is acceptable. Appendix 9 and 10 demonstrate the descriptive statistics for the pilot studies.

8.2.2. Reliability

To check if each dimension reflects the subset it measures, Cronbach's Alpha (α) test was executed using SPSS 26. For study at the individual (IND) level, α ranged from 0.91 to 0.98 and for the study at the organisational (ORG) level, α ranged from 0.88 to 0.97. As α scores are above 0.7, internal consistency is confirmed (Hair et al., 2011). Table 8.1 provides the reliability measure for the constructs.

Table 8. 1. Reliability for pilot studies

IND level			ORG level		
Construct	Number of items	α	Construct	Number of items	α
IND MR			ORG MR		
Cultural Awareness	11	0.96	Awareness	7	0.96
Contextual Awareness	6	0.95			
Motivation to acquire cultural knowledge	10	0.95	Motivation to improve cultural knowledge	7	0.95
Motivation to process cultural knowledge (Cognition)	10	0.98	Motivation to process cultural knowledge (Cognition)	7	0.97
Acceptance of cultural diversity	12	0.97	Acceptance of cultural diversity	7	0.92
Acceptance of the benefits of cultural	11	0.98	Acceptance of the benefits of cultural	6	0.93

diversity (perceived benefits)			diversity (perceived benefits)		
Ability to adapt	8	0.97	Adaptation- policy	9	0.95
Willingness to adapt	5	0.94	Adaptation- Human resource practices	8	0.94
Intercultural communication adaptation	9	0.97	Adaptation- Services	7	0.95
Communication confidence	7	0.96	Communication	8	0.97
Communication comfort	6	0.97			
Ethnocentrism	24	0.93	Ethnocentrism	24	0.94
Organisational culture	13	0.94	Organisational culture	13	0.95
Employee performance	22	0.95	Employee performance	22	0.96
Job satisfaction	6	0.90	Job satisfaction	6	0.88
Organisational performance	7	0.92	Organisational performance	7	0.95
Organisational competitiveness	4	0.91	Organisational competitiveness	4	0.91

8.3. Main Study (Study 4)

The data for the main studies were collected from employees who work in an organisation that provides services within Australia. Respondents who met this criterion were recruited through an online data collection panel. Participation in either of the two studies was voluntary and respondents could quit the survey at any point without any consequences. The surveys included questions related to MR, ethnocentrism, organisational culture, employee performance, job satisfaction, organisational performance, organisational competitiveness, frequency of contact with people from diverse cultural backgrounds, degree of cultural distance (in the organisation, work unit, and among customers or clients), as well as demographics questions. The difference between the two surveys was in the questions about MR; that is in the study at the IND level, questions related to IND MR were asked while in the study at the ORG level, questions related to ORG MR were raised.

8.3.1. Data examination

After collecting data for Study 4, before starting with analysis, it was important to assess the useability of data. Accordingly, this study first checked for incomplete responses. For the IND level survey, out of 520 responses, 35 were incomplete and for the ORG level survey, out of

561 responses, 73 were incomplete; hence, they were removed from the data sets. However, since all the questions in the online surveys were mandatory to answer, missing values were not a problem. Following this step, the standard deviation of responses were measured to identify the outliers and flat-liners. Accordingly, 69 and 115 responses were identified with zero standard deviation for the IND level survey and ORG level survey respectively. These responses were eliminated from further analysis. This study also checked for responses with a standard deviation above three to identity the outliers. Two responses for the ORG level survey were removed. Lastly, as people who were in the working-age were targeted, 2 and 5 responses received from people aged above 65 for the IND level survey and ORG level survey respectively were removed. The data examination process resulted in 414 usable responses for the IND level study and 366 usable responses for the ORG level study. Table 8.2 presents the data examination results.

Table 8. 2. Data examination (Study 4)

Categories	Description	Number of cases	
		IND Level	ORG Level
Incomplete responses	Left the survey before completion	35	73
Missing values	Did not respond to some questions	0	0
Flat-liners	Standard deviation = 0 for several blocks of questions	69	115
Hasty completion	Completed the survey in less than 3 minutes	0	0
Outliers	Standard deviation > 3	0	2
>65	Age of respondent is >65 years	2	5
Usable responses	Data used for final analysis	**414**	**366**
Total	Total received responses	520	561

8.3.2. Common method variance

This study undertook several initiatives to decrease CMV. First, participation was kept voluntary with the freedom to leave it at any time. Second, samples were selected carefully to reach people who possess the required knowledge on the area under study (i.e. employees who work in a services organisation in Australia). Third, to reduce the social desirability bias, it was mentioned that the responses would be anonymous and they would be treated in a confidential manner. Fourth, questions were provided in a simple manner and any possible ambiguity was avoided. Examples were also provided for some questions to make them more clear and understandable for the respondents. For instance, in the IND MRI, there was a question such as “respect diverse cultural practices (e.g. food habits, clothing etc.)”. Lastly, from the

statistical perspective, the data were assessed for CMV using Harman's single-factor test (Podsakoff and Organ, 1986). EFA was executed with the Principal Axis Factoring method, single-factor extraction, and unrotated solution. The output of the test confirms that CMV was not a problem in this research as the total variance explained by the single factor was 37.44% and 30.63% for study at the IND level and ORG level respectively, which is less than 50% (Podsakoff et al., 2012).

8.3.3. Normality

To check the data in terms of univariate normality, the Kolmogorov-Smirnov test with Lilliefors significance correction was conducted in SPSS for both of the studies. The output of this test did not support the normal distribution of data. Hence, the extent of non-normality was assessed by measuring the values of skewness and kurtosis. Based on Chou and Bentler (1995) guideline, values of skewness below 3 and kurtosis below 10 are acceptable thresholds for inferring normality. As the values of skewness and kurtosis for all the variables in this study fall within the published threshold of Chou and Bentler (1995), there is no non-normality problem.

8.3.4. Demographics information

In Table 8.3, the demographics information of people taking part in the two studies is provided. This includes the information about gender, age, country of birth, race, length of stay in Australia, length of stay in a foreign country, education, sector, industry, occupation, work experience in total, as well as work experience in the current organisation.

Table 8. 3. Demographics information (Study 4)

Demographics	IND Level		ORG Level	
	Frequency	Percent	Frequency	Percent
Gender				
Male	239	57.7	197	53.8
Female	174	42	167	45.6
Other	1	0.2	2	0.5
Age				
18-24	41	9.9	21	5.7
25-34	131	31.6	80	21.9
35-44	114	27.5	117	32.0
45-54	74	17.9	77	21.0
55-64	54	13	71	19.4
65 and over	-	-		
Country of Birth				
Australia	332	80.2	258	70.5

Other than Australia	82	19.8	108	29.5
Race				
Caucasian	192	46.4	192	52.5
Other	222	53.6	174	47.5
Length of stay in Australia				
≥30 years	231	55.8	217	59.3
<30 years	183	44.2	149	40.7
Length of stay in a foreign country				
less than 3 months	54	13	35	9.6
<5 years	78	18.8	46	12.6
5 - 10 years	17	4.1	14	3.8
10 - 15 years	12	2.9	20	5.5
15 - 20 years	22	5.3	14	3.8
20 - 25 years	9	2.2	16	4.4
25 - 30 years	16	3.9	12	3.3
more than 30 years	30	7.2	51	13.9
None/Not Applicable	176	42.5	158	43.2
Education				
High school	13	3.1	16	4.4
Less than year 12 or equivalent in high school	18	4.3	16	4.4
Year 12 or equivalent in high school	32	7.7	38	10.4
Vocational qualification	69	16.7	40	10.9
Associate Diploma	38	9.2	27	7.4
Undergraduate Diploma	39	9.4	23	6.3
Bachelor Degree (including with honours)	123	29.7	119	32.5
Postgraduate Diploma (includes graduate certificate)	26	6.3	30	8.2
Master's degree	47	11.4	43	11.7
Doctorate	9	2.2	14	3.8
Sector				
Government sector	93	22.5	97	26.5
Not-for-profit sector	46	11.1	30	8.2
Private sector	275	66.4	239	65.3
Industry (ANZSIC, 2006)				
Accommodation and Food Services	19	4.6	6	1.6
Administrative and Support Services	27	6.5	22	6.0
Arts and Recreation Services	8	1.9	8	2.2
Construction	31	7.5	28	7.7
Education and Training	27	6.5	46	12.6
Electricity, Gas, Water and Waste Services	13	3.1	3	0.8

Financial and Insurance Services	50	12.1	25	6.8
Health Care and Social Assistance	55	13.3	46	12.6
Information Media and Telecommunications	33	8	24	6.6
Professional, Scientific and Technical Services	37	8.9	30	8.2
Public Administration and Safety	12	2.9	22	6.0
Rental, Hiring and Real Estate Services	5	1.2	4	1.1
Retail Trade	32	7.7	41	11.2
Transport, Postal and Warehousing	19	4.6	8	2.2
Wholesale Trade	13	3.1	9	2.5
Other Services	33	8	44	12.0
Occupation (ANZSCO, 2009)				
Clerical and administrative workers	59	14.3	72	19.7
Community and personal service workers	37	8.9	33	9.0
Labourers	39	9.4	25	6.8
Machinery operators and drivers	21	5.1	11	3.0
Managers	104	25.1	78	21.3
Professionals	97	23.4	105	28.7
Sales workers	34	8.2	31	8.5
Technicians and trades workers	23	5.6	11	3.0
Work Experience in Total				
< 3 months	6	1.4	3	0.8
3 - 6 months	10	2.4	4	1.1
6 - 12 months	19	4.6	10	2.7
1 - 2 years	27	6.5	16	4.4
3 years	23	5.6	16	4.4
4 years	13	3.1	15	4.1
5 - years	37	8.9	26	7.1
5 - 10 years	75	18.1	48	13.1
10 - 15 years	58	14	46	12.6
15 - 20 years	35	8.5	32	8.7
20 - 25 years	21	5.1	49	13.4
25 - 30 years	29	7	33	9.0
> 30 years	61	14.7	68	18.6
Work Experience in the current organisation				
< 3 months	9	2.2	9	2.5
3 - 6 months	21	5.1	10	2.7
6 - 12 months	28	6.8	13	3.6

1 - 2 years	61	14.7	52	14.2
3 years	59	14.3	39	10.7
4 years	24	5.8	24	6.6
5 - years	43	10.4	43	11.7
5 - 10 years	96	23.2	71	19.4
10 - 15 years	42	10.1	56	15.3
15 - 20 years	10	2.4	21	5.7
20 - 25 years	9	2.2	10	2.7
25 - 30 years	5	1.2	11	3.0
> 30 years	7	1.7	7	1.9
Total	**414**	**100**	**366**	**100**

8.3.5. Descriptive statistics

SPSS 26 was used to conduct the descriptive analysis for both studies at the IND level and ORG level. The result of descriptive analysis for IND level reveals no missing data, the mean value ranged from 3.54 to 5.81 and the standard deviation ranged from 1.14 to 2.01. The values of skewness and kurtosis were between -1.67 to 0.21 and -1.26 to 3.03 respectively, which is acceptable based on the published threshold of Chou and Bentler (1995). The output of descriptive analysis for ORG level shows there is no missing data, the mean value ranged from 3.2 to 5.7 and the standard deviation ranged from 1.08 to 1.8. The values of skewness and kurtosis were between -1.2 to 0.4 and -1.03 to 1.6 respectively, which fall within the acceptable range. Appendix 11 and 12 demonstrate the results of descriptive statistics for study 4.

8.3.6. Scale psychometric properties

To evaluate the psychometric properties of the constructs and check if each dimension (i.e. subscale) reflects the subset it measures, Cronbach's Alpha (α) test using SPSS 26 was assessed for both studies (Churchill Jr, 1979). The values of α ranged from 0.85 to 0.96. As α scores are above the 0.7, internal consistency is confirmed (Christmann and Van Aelst, 2006). Table 8.4 shows the score of α for the constructs measured at both the IND level and ORG level.

Table 8. 4. Reliability (Study 4)

IND level			ORG level		
Construct	Number of items	α	Construct	Number of items	α
IND MR			ORG MR		
Cultural Awareness	11	0.95	Awareness	7	0.91
Contextual Awareness	6	0.91	Motivation to improve cultural knowledge	7	0.92

Motivation to acquire cultural knowledge	10	0.94	Motivation to process cultural knowledge (Cognition)	7	0.91
Motivation to process cultural knowledge (Cognition)	10	0.96	Acceptance of cultural diversity	7	0.88
Acceptance of the benefits of cultural diversity (perceived benefits)	11	0.96	Acceptance of the benefits of cultural diversity (perceived benefits)	6	0.88
Acceptance of cultural diversity	12	0.96	Adaptation- policy	9	0.93
Ability to adapt	8	0.94	Adaptation- Human resource practices	8	0.89
Willingness to adapt	5	0.90	Adaptation- Services	7	0.90
Intercultural communication adaptation	9	0.94	Communication	8	0.92
Communication confidence	7	0.93			
Communication comfort	6	0.93			
Ethnocentrism	24	0.95	Ethnocentrism	24	0.93
Organisational culture	13	0.94	Organisational culture	13	0.93
Employee performance	22	0.96	Employee performance	22	0.96
Job satisfaction	6	0.89	Job satisfaction	6	0.87
Organisational performance	7	0.92	Organisational performance	7	0.89
Organisational competitiveness	4	0.85	Organisational competitiveness	4	0.88

8.4. Measurement Model Assessment

This research attempts to confirm the dimensional structure of the proposed Multicultural Readiness instruments at the individual level (IND MRI) and organisational level (ORG MRI) and to assess their convergent validity, discriminant validity, nomological validity, and predictive validity. Accordingly, apart from the IND MR and ORG MR, this study included ethnocentrism and organisational culture as the independent variables, and employee performance, job satisfaction, organisational performance, and organisational competitiveness as the dependent variables to explore their relations with the new scales and test the models. The items' psychometric properties was assessed by performing the Confirmatory Factor Analysis (CFA) in AMOS 25 using the Maximum Likelihood Estimation procedure (Sharma,

2010). To run the CFA, a measurement model for each construct was generated. Each measurement item was assigned with an error term and "these errors were allowed to freely correlate with each other" (Oliveira and Roth, 2012, p. 170). In the process of assessing the measurement model, Hulland (1999) suggests 0.5 as the minimum cut-off value for item loadings and items with loading below 0.5 are recommended to be dropped. Moreover, before moving to the structural model, it is necessary to have a measurement model with a good fit which means the model fit indices should fall within the acceptable range (i.e. RMSEA < .06, SRMR < .08, CFI > .95, $1< \chi 2/df < 5$, and PClose > 0.05).

For reliability assessment, Cronbach's Alpha (α), composite reliability (CR), and MaxR(H) were measured. The values of α, CR (Hair et al., 2011), and MaxR(H) (Gagne and Hancock, 2006) are suggested to be above the 0.7 minimum cut-off value to conclude internal consistency. Convergent validity is suggested to be assessed through measuring average variance extracted (AVE) and values of AVE above the recommended threshold of 0.5 are deemed to represent convergent validity (Hair et al., 2011). To investigate the extent to which constructs that are theoretically not similar to each other are indeed uncorrelated empirically, discriminant validity needs to be analysed. According to Hair et al. (2011), the discriminant validity requirement is met if the square root of AVE on the diagonal is greater than individual correlations among the constructs in the corresponding rows and columns. In this section, the measurement model for IND MR is tested followed by testing the whole measurement model comprised of all the antecedents and outcomes of IND MR. Next, the measurement model for ORG MR is tested followed by testing the whole measurement model comprised of all the antecedents and outcomes of ORG MR.

8.5. Measurement Model Assessment: IND MR (Study 4a)

To assess the psychometric properties of IND MRI, CFA was performed in AMOS 25 using the Maximum Likelihood Estimation procedure (Sharma, 2010). When "hypotheses about plausible model structures exist, then exploratory factor analysis can frustrate attempts to test these ideas" (Bollen, 1989, p. 228). Hence, this study used a fresh group of samples and started the analysis by performing a CFA rather than EFA. By following the model comparison method (Sharma, 2010; Zhang et al., 2018), this study compared three measurement models including 1) 3rd-order hierarchical model of IND MR, 2) 2^{nd}-order model of IND MR, and 3) 1^{st}-order model of IND MR. The explanations about each model and the comparison between them are provided in the following.

Building upon the literature review and interview analysis, this research modelled IND MR as a hierarchical multidimensional construct which is reflected by eleven 1st-order latent variables grouped under five 2nd-order dimensions, that is 1) AWR (reflected by 1a. Cultural Awareness and 1b. Contextual Awareness); 2) MOT (reflected by 2a. Motivation to acquire cultural knowledge and 2b. Motivation to process cultural knowledge; 3) ACC (reflected by 3a. Acceptance of Cultural Diversity, and 3b. Acceptance of the benefits of cultural diversity (perceived benefits); 4) ADT (reflected by 4a. Ability to Adapt, 4b. Willingness to Adapt, and 4c. Intercultural Communication Adaptation); and 5) COM (reflected by 5a. Communication Confidence and 5b. Communication Comfort).

In the measurement model of the IND MR, standardised loadings are all higher than 0.6 (ranging from 0.61 to 0.97) and loaded significantly ($p < .001$) on the expected latent constructs. Hence, loadings are above the suggested minimum cut-off value of 0.5 (Hulland, 1999). In order to understand "how well do the relationships estimated by the model match the observed data" (Shah and Ward, 2007, p. 795), the model fit was evaluated. The fit indices of the model did not show an adequate fit ($\chi2 = 9301.588$, df = 4291, $\chi2/df = 2.168$, RMSEA = 0.053, SRMR = 0.047, CFI = 0.877, PClose = 0). To explain, considering the cut-off values for fit indices, although the values of $\chi2/df$, RMSEA, and SRMR fell within the acceptable range, values of CFI and PClose did not meet the minimum requirement.

In order to improve the model fit of the hypothesised model, based on the inferences from the modification indices, through an iterative process, the poor performing items with high error terms were removed (Zhang et al., 2018). Hence, by dropping Ac1, PB1, PB5, AA1, AA4, CuA1, MP1, MP 4, MP10, ML1, and CCom5 the values of model fit indices improved and fell within the acceptable range ($\chi2 = 6749.959$, df = 3331, $\chi2/df = 2.026$, RMSEA = 0.05, SRMR = 0.045, CFI = 0.901, PClose = 0.554). After achieving a good model fit, the reliability, convergent validity, and discriminant validity of the model were assessed (Gaskin, J., (2016) tool was also used). The values of CR and MaxR(H) were all above the suggested minimum requirement of 0.7, confirming good internal consistency. The requirement of convergent validity was also met as the values of AVE for all the dimensions of IND MR were above the recommended threshold of 0.5 (ranged from 0.75 to 0.93). To meet the requirement of discriminant validity, the square root of AVE is expected to be more than individual correlations between constructs in the relevant columns and rows (Fornell and Larcker, 1981).

By following this guideline, some of the dimensions of IND MR had insufficient discriminant validity (see Table 8.5).

Table 8. 5. Reliability and validity results from measurement model of IND MR

	CR	AVE	MSV	MaxR(H)	1	2	3	4	5
1. ADT	0.976	0.931	0.874	0.977	**0.965**				
2. AWR	0.861	0.757	0.852	0.915	0.808	**0.870**			
3. MOT	0.950	0.905	0.988	0.958	0.884	0.856	**0.951**		
4. ACC	0.907	0.830	0.988	0.934	0.935	0.923	0.994	**0.911**	
5. COM	0.962	0.927	0.830	0.972	0.911	0.743	0.862	0.879	**0.963**

Notes: ADT= Adaptation; AWR= Awareness; MOT= Motivation; ACC= Acceptance; COM= Communication; CR= Composite Reliability; AVE= Average Variance Extracted; MSV= Maximum Shared Variance; MaxR(H)= Maximum Reliability. The figures in bold on the diagonal represent the square root of AVE.

In case of having insufficient discriminant validity, Farrell (2010) suggests performing an EFA to identify the items with high cross-loading and drop the poor performing items. He believes that EFA is a more beneficial method to identify cross-loadings than CFA. If the mentioned practices do not address the discriminant validity issue, it is recommended to merge the problematic constructs into one overall measure, as long as this combination makes theoretical sense; If the problem persists, the collection of more data is suggested (Farrell, 2010). The last solution to address the issue of insufficient discriminant validity is to drop the variables which are causing the problem (Farrell, 2010).

By following Farrell (2010)'s procedure for resolving the discriminant validity issue, an EFA was performed with the principle-axis factoring method and Promax rotation in SPSS 26. To identify the problematic cross-factor loadings, the Worthington and Whittaker (2006) guideline was followed that suggest dropping items when the difference between their highest factor loadings is <0.15. Hence, CuA8, WA3, ICA9, ICA3, WA1, MP2, PB9, CoA6, CoA5, PB2, PB8, WA2, PB10, ML6, PB3, PB4, and ICA1 were removed from the measurement model in AMOS 25 as based on the EFA output, these items had high cross-loading with more than one factor.

During the removal of the poor performing items, the willingness to adapt remained with only two items (i.e. WA4, and WA5). Based on Farrell (2010)'s suggestion, the problematic constructs can be merged into one overall measure, as long as this combination makes theoretical sense. Since ability to adapt and willingness to adapt cover a similar concept, these two were merged into one. Throughout the process, the model fit and psychometric properties were assessed to ensure their values fall within the acceptable range. The results show although

the model had a good fit (i.e. $\chi2 = 4150.414$, df = 2033, $\chi2/df = 2.042$, RMSEA = 0.05, SRMR = 0.043, CFI = 0.918, PClose = 0.432), discriminant validity was still an issue (see Table 8.6).

Table 8. 6. Reliability and validity results from measurement model of IND MR

	CR	AVE	MSV	MaxR(H)	1	2	3	4	5
1. ADT	0.974	0.949	0.914	0.976	**0.974**				
2. AWR	0.854	0.747	0.790	0.896	0.800	**0.864**			
3. MOT	0.950	0.904	0.986	0.969	0.857	0.822	**0.951**		
4. ACC	0.905	0.827	0.986	0.928	0.956	0.889	0.993	**0.910**	
5. COM	0.962	0.927	0.810	0.976	0.900	0.735	0.856	0.893	**0.963**

Notes: ADT= Adaptation; AWR= Awareness; MOT= Motivation; ACC= Acceptance; COM= Communication; CR= Composite Reliability; AVE= Average Variance Extracted; MSV= Maximum Shared Variance; MaxR(H)= Maximum Reliability. The figures in bold on the diagonal represent the square root of AVE.

In order to identify the problematic items that cause the issue of insufficient discriminant validity, this study continued the assessment through a two-by-two analysis of the dimensions. For this purpose, an EFA was executed with the principle-axis factoring method and Promax rotation in SPSS 26. The number of factors was limited to two, and in rotation, the loading plot(s) was checked. In the generated Component Plot in Rotated Space, items that were close to each other and hence, created the discriminant validity issue were identified. To start, the ACC and MOT dimensions were selected. The items of PB found to be much closer to the items of MOT rather than ACC.

Based on Farrell (2010)'s suggestion, the problematic constructs can be merged into one overall measure, as long as this combination makes theoretical sense; Otherwise, he recommends dropping variables which are causing discriminant validity problems. Since merging PB with MOT do not have theoretical support, items PB6, PB7, and PB11 were removed. After this step, the model fit was still good and the discriminant validity of the AWR and MOT dimensions were resolved. However, ACC still had insufficient discriminant validity with ADT and MOT (see Table 8.7).

Table 8. 7. Reliability and validity results from measurement model of IND MR

	CR	AVE	MSV	MaxR(H)	1	2	3	4	5
1. ADT	0.973	0.948	0.808	0.976	**0.974**				
2. AWR	0.853	0.745	0.664	0.889	0.802	**0.863**			
3. MOT	0.951	0.907	0.729	0.990	0.854	0.815	**0.952**		
4. ACC	0.955	0.658	0.753	0.956	0.868	0.786	0.817	**0.811**	
5. COM	0.962	0.927	0.808	0.976	0.899	0.736	0.853	0.766	**0.963**

Notes: ADT= Adaptation; AWR= Awareness; MOT= Motivation; ACC= Acceptance; COM= Communication; CR= Composite Reliability; AVE= Average Variance Extracted; MSV= Maximum Shared Variance; MaxR(H)= Maximum Reliability. The figures in bold on the diagonal represent the square root of AVE.

The updated ACC and MOT dimensions were subject to the two-by-two analysis as mentioned above. The Ac12 was removed, as it appeared to be close to the items of MOT dimension. The removal of Ac12 rectified the discriminant validity issue between the ACC and MOT dimensions. However, as shown in Table 8.8, ACC still have insufficient discriminant validity with ADT. Accordingly, by following a similar procedure, the ACC and ADT dimensions were closely checked and the items that were close to the other dimension we removed. This includes Ac2 Ac3, AA8, Ac5, Ac6, Ac11, Ac4, and AA2.

Table 8. 8. Reliability and validity results from measurement model of IND MR

	CR	AVE	MSV	MaxR(H)	1	2	3	4	5
1. ADT	0.974	0.949	0.808	0.977	**0.974**				
2. AWR	0.853	0.745	0.666	0.889	0.802	**0.863**			
3. MOT	0.951	0.907	0.729	0.990	0.854	0.816	**0.952**		
4. ACC	0.952	0.664	0.753	0.953	0.868	0.787	0.814	**0.815**	
5. COM	0.962	0.927	0.808	0.976	0.899	0.736	0.853	0.767	**0.963**

Notes: ADT= Adaptation; AWR= Awareness; MOT= Motivation; ACC= Acceptance; COM= Communication; CR= Composite Reliability; AVE= Average Variance Extracted; MSV= Maximum Shared Variance; MaxR(H)= Maximum Reliability. The figures in bold on the diagonal represent the square root of AVE.

Throughout the process, the model fit and discriminant validity were assessed to ensure their values fall within the acceptable range and item removal continued until the minimum requirements were met. The final model had a good fit (i.e. $\chi2 = 2718.774$, df = 1340, $\chi2/df = 2.029$, RMSEA = 0.05, SRMR = 0.042, CFI = 0.932, PClose = 0.517), and the requirement of convergent validity and discriminant validity were satisfied. Table 8.9 presents the reliability and validity of the IND MR with five 2nd-order constructs.

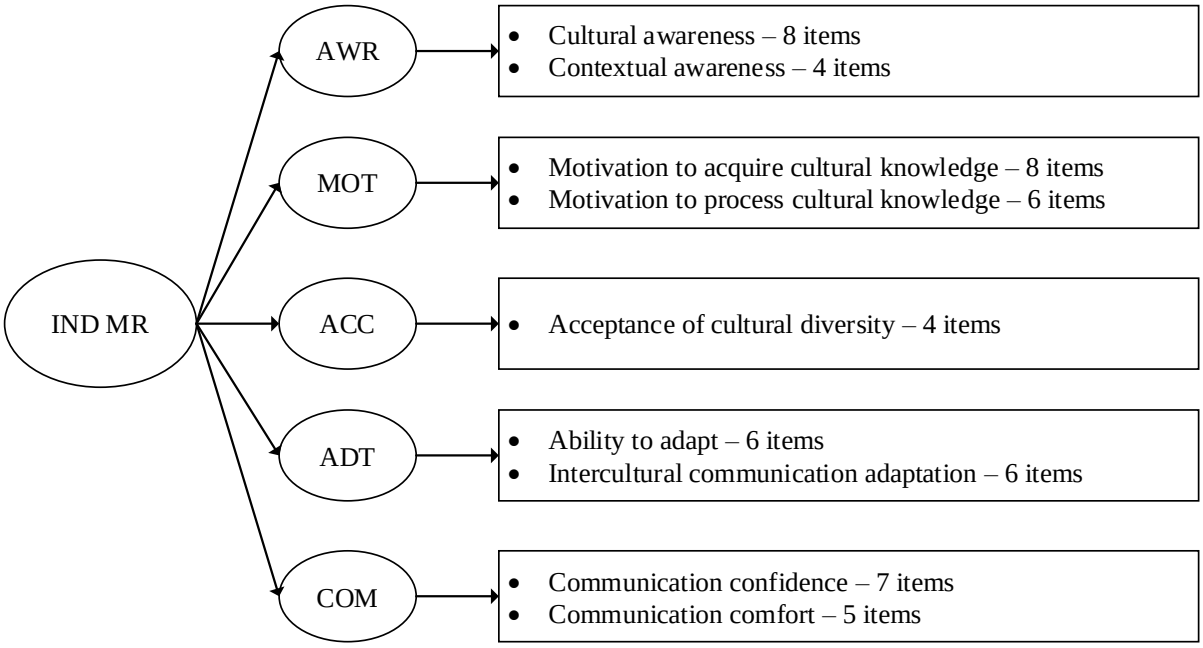
Table 8. 9. Reliability and validity results from measurement model of IND MR

	CR	AVE	MSV	MaxR(H)	1	2	3	4	5
1. ADT	0.977	0.955	0.808	0.978	**0.977**				
2. AWR	0.855	0.748	0.659	0.902	0.789	**0.865**			
3. MOT	0.951	0.907	0.728	0.989	0.847	0.812	**0.952**		
4. ACC	0.894	0.679	0.676	0.900	0.822	0.731	0.819	**0.824**	
5. COM	0.962	0.927	0.808	0.976	0.899	0.734	0.853	0.756	**0.963**

Notes: ADT= Adaptation; AWR= Awareness; MOT= Motivation; ACC= Acceptance; COM= Communication; CR= Composite Reliability; AVE= Average Variance Extracted; MSV= Maximum Shared Variance; MaxR(H)= Maximum Reliability. The figures in bold on the diagonal represent the square root of AVE.

Figure 8.2 demonstrates the 3rd-order hierarchical structure model of IND MR, which is reflective at all levels. The standardised loadings are all higher than 0.6 (ranging from 0.64 to 0.90) and significant ($p < 0.001$). The model fit indices of the 3rd-order hierarchical model fell

within the acceptable range and are as follows: $\chi 2$ = 2679.419, df = 1339, $\chi 2$/df = 2.001, RMSEA = 0.049, SRMR = 0.045, CFI = 0.933, PClose = 0.676.



Note: INDMR= Individual-level multicultural readiness; AWR= Awareness; MOT= Motivation; ACC= Acceptance; ADT= Adaptation; COM= Communication.

Figure 8. 2. Third-order reflective model of IND MR

To validate the 3rd-order structure of the IND MR, the model comparison method is used (Zhang et al., 2018). Hence, two models are examined to be compared with the 3rd-order hierarchical model consisting of 1) IND MR modelled as a 2nd-order reflective construct, and 2) IND MR modelled as a 1st-order reflective factor. For the 2nd-order model of IND MR, the standardised loadings are all higher than 0.6 (ranging from 0.63 to 0.95) and significant ($p< 0.001$). The model fit indices of the 2nd-order model fell within the acceptable range except for PClose (i.e. $\chi 2$ = 2977.107, df = 1343, $\chi 2$/df = 2.217, RMSEA = 0.054, SRMR = 0.055, CFI = 0.919, PClose = 0.004). For the 1st-order reflective model of IND MR, the standardised loadings ranged from 0.47 to 0.80 and significant ($p< 0.001$) which shows some of the loadings are below the minimum acceptable value of 0.5. The model fit indices did not fall within the acceptable range (i.e. $\chi 2$ = 5360.721, df = 1352, $\chi 2$/df = 3.965, RMSEA = 0.085, SRMR = 0.073, CFI = 0.801, PClose = 0) which confirms the poor structure of the 1st-order model of IND MR.

Comparison of the alternate models demonstrates that the 3rd-order model has the best fit, which further supports the hierarchical structure of the IND MR construct. Table 8.10 presents the comparison of the model fit indices among the 3rd-order, 2nd-order, and 1st-order models of IND MR. Hence, CFA confirmed the final model of IND MR as a 3rd-order reflective construct. Moreover, according to Walsh and Beatty (2007), due to high inter-correlations of the dimensions, having a high-order model is warranted.

Table 8. 10. Comparison of the model fit indices

Goodness-of-fit measure	3rd-order model (Hypothesised model)	2nd-order model	1st-order model	Threshold
CMIN	2679.419	2977.107	5360.721	--
DF	1339	1343	1352	--
CMIN/DF	2.001	2.217	3.965	Between 1 and 3
CFI	0.933	0.919	0.801	>0.95
SRMR	0.045	0.055	0.073	<0.08
RMSEA	0.049	0.054	0.085	<0.06
PClose	0.676	0.004	0	>0.05

8.6.Whole Measurement Model Assessment: IND Level (Study 4a)

After confirming the hierarchical structure of the IND MR construct, this study proceeded by assessing the whole measurement model comprised of IND MR and its antecedents and outcomes and ran a CFA using AMOS 25. In the process of assessing the measurement model, Hulland (1999) suggests 0.5 as the minimum cut-off value for item loadings and items with loading below 0.5 are recommended to be dropped. Hence, ETN 2, 3, 5, 8, 9, 11, 15, 16, 18, 19, 20, 23, and OCInd6 were dropped, as their loadings were below the minimum acceptable value. The ETN21 was also removed as its Squared Multiple Correlations was below 0.3. The standardised loadings of the remaining items were all higher than 0.5 (ranging from 0.62 to 0.99) and significant ($p< 0.001$) with Squared Multiple Correlations above 0.3.

After eliminating items with low loading, the fit indices of the model fell within the acceptable range ($\chi2 = 11819.107$, df = 6445, $\chi2/df = 1.834$, RMSEA = 0.045, SRMR = 0.061, PClose = 1) except for the value of CFI = 0.876. Having a poor model fit, based on the inferences from the modification indices, though an iterative process, the poor performing items were removed (Zhang et al., 2018). Hence, by dropping ETN1, Cog3, Cog5, Mot4, CulA7, EPTask2, EPAdaptive8, EPAdaptive12, EPContextual13, EPContextual14, OCInd1, OCCol11, OCP2, OP4, OP6, and OP7, the values of model fit indices improved and fell within the acceptable

range ($\chi2$ = 8181.541, df = 4660, $\chi2$/df = 1.756, RMSEA = 0.043, SRMR = 0.059, CFI = 0.901, PClose = 1).

After achieving an acceptable model fit, the reliability, convergent validity, as well as discriminant validity of the model were assessed (Gaskin, J., (2016) tool was also used). The values of CR and MaxR(H) were all above the suggested minimum requirement of 0.7, confirming good internal consistency. The requirement of convergent validity was also met as the values of AVE were above the recommended threshold of 0.5 (ranged from 0.503 to 0.894). To meet the requirement of discriminant validity, the square root of AVE is expected to be more than individual correlations between constructs in the relevant columns and rows (Fornell and Larcker, 1981). By following this guideline, job satisfaction and organisational performance demonstrate insufficient discriminant validity with other constructs (see Table 8.11).

Table 8. 11. Reliability and validity results for the whole measurement model

	CR	AVE	MSV	MaxR(H)	1	2	3	4	5	6	7
1. OCP	0.75	0.50	0.46	0.76	**0.71**						
2. ETN	0.95	0.65	0.46	0.95	0.68	**0.80**					
3. OC	0.94	0.89	0.69	0.95	0.50	0.13	**0.95**				
4. EP	0.95	0.87	0.59	0.97	0.34	-0.03	0.74	**0.93**			
5. JS	0.89	0.58	0.69	0.89	0.56	0.23	0.80	0.69	**0.76**		
6. OP	0.86	0.61	0.69	0.86	0.55	0.13	0.83	0.76	0.83	**0.78**	
7.INDMR	0.95	0.79	0.59	0.97	0.25	-0.19	0.66	0.77	0.45	0.57	**0.89**

Notes: INDMR= individual-level multicultural readiness; OCP= organisational competitiveness; ETN= ethnocentrism; OC= organisational culture; EP= employee performance; JS= job satisfaction; OP= organisational performance; CR= Composite Reliability; AVE= Average Variance Extracted; MSV= Maximum Shared Variance; MaxR(H)= Maximum Reliability. The figures in bold on the diagonal represent the square root of AVE.

In order to identify the problematic items that cause the issue of insufficient discriminant validity, this study proceeded with a two-by-two analysis of the problematic dimensions. For this purpose, an EFA was executed with the principle-axis factoring method and Promax rotation in SPSS 26. The number of factors was limited to two, and in rotation, the loading plot(s) was checked. In the generated component plot in rotated space, items that were close to each other and hence, created the discriminant validity issue were identified. To start, the items of organisational performance and job satisfaction were selected for two-by-two analysis. Item JS6 was dropped as it was found to be close to the items of organisational performance.

The items of organisational performance and organisational culture were subjected to the same analysis which resulted in the drop of OCInd2 as it was close to the items of organisational

performance. The updated organisational performance and organisational culture were subjected to the same analysis which resulted in the removal of OCCol10. The remaining items of job satisfaction and organisational culture were subjected to the same analysis and item JS4 and JS5 found to be close to the items of organisational culture and we removed from further analysis. Through a similar process, OP5, OCCol12, and OCCol13 were also dropped.

Throughout the process, the model fit and discriminant validity were assessed to ensure their values fall within the acceptable range and item removal continued until the minimum requirements were met. The final model had a good fit (i.e. $\chi 2 = 6750.241$, df = 3915, $\chi 2/df = 1.724$, RMSEA = 0.042, SRMR = 0.059, CFI = 0.912, PClose = 1.000), and the requirement of convergent validity and discriminant validity were satisfied. Table 8.12 presents the reliability and validity of the whole model.

Table 8. 12. Reliability and validity results for the whole measurement model

	CR	**AVE**	**MSV**	**MaxR(H)**	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1. OCP	0.75	0.50	0.46	0.76	**0.71**						
2. ETN	0.95	0.65	0.46	0.95	0.68	**0.80**					
3. OC	0.94	0.88	0.62	0.98	0.45	0.09	**0.94**				
4. EP	0.95	0.88	0.59	0.97	0.33	-0.03	0.73	**0.94**			
5. JS	0.84	0.64	0.62	0.85	0.46	0.11	0.71	0.71	**0.80**		
6. OP	0.84	0.63	0.62	0.84	0.56	0.16	0.79	0.72	0.79	**0.79**	
7.INDMR	0.95	0.79	0.59	0.97	0.24	-0.19	0.67	0.77	0.49	0.56	**0.89**

Notes: INDMR= individual-level multicultural readiness; OCP= organisational competitiveness; ETN= ethnocentrism; OC= organisational culture; EP= employee performance; JS= job satisfaction; OP= organisational performance; CR= Composite Reliability; AVE= Average Variance Extracted; MSV= Maximum Shared Variance; MaxR(H)= Maximum Reliability. The figures in bold on the diagonal represent the square root of AVE.

The scale items and their psychometric properties for the study at the IND level are provided in Table 8.13.

Table 8. 13. Scale items and psychometric properties- IND Level

Dimension	Sub-Dimension	Items	Loading from CFA	M	SD	α
AWR	Cultural Awareness	**Stem**				*0.93*
		CuA 1	*0.815*	5.8	1.4	
		CuA 2	0.808	5.7	1.3	
		CuA 3	0.846	5.8	1.3	
		CuA 4	0.826	5.8	1.3	
		CuA 5	0.750	5.5	1.4	

		CuA 6	*0.761*	5.6	1.4	
		CuA 7	*0.682*	5.5	1.3	
		CuA 8	*0.611*	5.4	1.3	
		CuA 9	0.810	5.8	1.4	
		CuA 10	0.814	5.6	1.3	
		CuA 11	0.815	5.8	1.3	
	Contextual Awareness	**Stem**				
		CoA 1	0.842	5.4	1.4	*0.88*
		CoA 2	0.876	5.5	1.3	
		CoA 3	0.884	5.6	1.3	
		CoA 4	0.644	5.4	1.3	
		CoA 5	*0.703*	5.4	1.3	
		CoA 6	*0.675*	5.4	1.4	
MOT	Motivation to Learn	**Stem**				
		ML 1	*0.758*	4.9	1.6	*0.92*
		ML 2	0.783	5.1	1.5	
		ML 3	0.771	5.0	1.6	
		ML 4	*0.829*	5.4	1.4	
		ML 5	0.808	5.2	1.5	
		ML 6	*0.758*	5.6	1.4	
		ML 7	0.698	4.9	1.7	
		ML 8	0.779	5.4	1.4	
		ML 9	0.765	5.1	1.6	
		ML 10	0.819	5.2	1.6	
	Motivation to Process (Cognition)	**Stem**				
		MP 1	*0.818*	5.3	1.4	*0.91*
		MP 2	*0.806*	5.3	1.4	
		MP 3	*0.822*	5.3	1.4	
		MP 4	*0.820*	5.3	1.3	
		MP 5	*0.817*	5.3	1.3	
		MP 6	0.821	5.5	1.3	
		MP 7	0.869	5.4	1.3	
		MP 8	0.882	5.3	1.4	
		MP 9	0.831	5.3	1.4	
		MP 10	*0.799*	5.3	1.4	
ACC	Acceptance	**Stem**				*0.89*
		Ac 1	*0.827*	5.5	1.4	
		Ac 2	*0.788*	5.5	1.4	

		Ac 3	*0.838*	5.6	1.4	
		Ac 4	*0.830*	5.6	1.4	
		Ac 5	*0.840*	5.7	1.3	
		Ac 6	*0.824*	5.6	1.3	
		Ac 7	0.755	5.5	1.4	
		Ac 8	0.867	5.5	1.3	
		Ac 9	0.850	5.4	1.4	
		Ac 10	0.820	5.4	1.4	
		Ac 11	*0.791*	5.5	1.4	
		Ac 12	*0.767*	5.3	1.4	
	Perceived Benefits	**Stem**				
		PB 1	*0.839*	5.5	1.5	
		PB 2	*0.843*	5.5	1.3	
		PB 3	*0.876*	5.5	1.4	
		PB 4	*0.812*	5.6	1.4	
		PB 5	*0.742*	5.4	1.4	
		PB 6	*0.771*	5.2	1.4	
		PB 7	*0.842*	5.4	1.4	
		PB 8	*0.800*	5.4	1.4	
		PB 9	*0.822*	5.4	1.4	
		PB 10	*0.855*	5.5	1.4	
		PB 11	*0.832*	5.6	1.4	
ADT	Adaptation Ability	**Stem**				*0.91*
		AA 1	*0.808*	5.4	1.5	
		AA 2	*0.824*	5.3	1.4	
		AA 3	0.804	5.4	1.4	
		AA 4	*0.796*	5.4	1.4	
		AA 5	0.797	5.6	1.4	
		AA 6	0.800	5.5	1.4	
		AA 7	0.804	5.4	1.4	
		AA 8	*0.796*	5.6	1.3	
	Willingness to Adapt	**Stem**				
		WA 1	*0.741*	5.2	1.4	
		WA 2	*0.775*	5.1	1.4	
		WA 3	*0.743*	5.2	1.4	

		WA 4	0.831	5.4	1.3	
		WA 5	0.796	5.6	1.3	
	Intercultural Communication Adaptations	**Stem**				*0.92*
		ICA 1	*0.775*	5.6	1.3	
		ICA 2	0.792	5.4	1.4	
		ICA 3	*0.805*	5.6	1.3	
		ICA 4	0.812	5.5	1.3	
		ICA 5	0.836	5.6	1.3	
		ICA 6	0.796	5.5	1.4	
		ICA 7	0.778	5.4	1.4	
		ICA 8	0.844	5.7	1.3	
		ICA 9	*0.824*	5.7	1.3	
COM	Communication Confidence	**Stem**				*0.92*
		Ccon 1	0.783	5.7	1.3	
		Ccon 2	0.781	5.5	1.3	
		Ccon 3	0.794	5.3	1.3	
		Ccon 4	0.825	5.5	1.3	
		Ccon 5	0.833	5.4	1.4	
		Ccon 6	0.814	5.6	1.3	
		Ccon 7	0.795	5.6	1.3	
	Communication Comfort	**Stem**				*0.91*
		Ccom 1	0.783	5.5	1.5	
		Ccom 2	0.799	5.3	1.4	
		Ccom 3	0.873	5.6	1.3	
		Ccom 4	0.878	5.5	1.3	
		Ccom 5	*0.811*	5.6	1.3	
		Ccom 6	0.773	5.7	1.3	
Ethnocentrism (Neuliep and McCroskey, 1997, p. 393)		*1. Most other cultures are backward compared to my culture.*	*0.808*	3.9	1.9	*0.94*
		2. People in other cultures have a better lifestyle than we do in my culture.	*-0.686*	3.9	1.6	
		3. Most people would be happier if they didn't live like people do in my culture.	*-0.681*	4.0	1.6	

	4. My culture should be the role model for other cultures.	0.736	4.3	1.7	
	5. Lifestyles in other cultures are just as valid as those in my culture.	*-0.066*	2.8	1.5	
	6. Other cultures should try to be more like my culture.	0.837	4.1	1.8	
	7. I'm not interested in the values and customs of other cultures.	0.819	3.8	1.9	
	8. It is not wise for other cultures to look up to my culture.	*-0.619*	3.9	1.6	
	9. People in my culture could learn a lot from people in other cultures.	*-0.209*	2.9	1.4	
	10. Most people from other cultures just don't know what's good for them.	0.881	3.9	1.8	
	11. People from my culture act strange and unusual when they go into other cultures.	*-0.625*	3.7	1.6	
	12. I have little respect for the values and customs of other cultures.	0.863	3.5	2.0	
	13. Most people would be happier if they lived like people in my culture.	0.837	4.1	1.7	
	14. People in my culture have just about the best lifestyles of anywhere.	0.655	4.4	1.6	
	15. My culture is backward compared to most other cultures.	*-0.739*	4.3	1.9	
	16. My culture is a poor role mode for other cultures.	*-0.697*	4.2	1.8	
	17. Lifestyles in other cultures are not as valid as those in my culture.	0.876	3.8	1.8	
	18. My culture should try to be more like other cultures.	*-0.686*	3.9	1.7	
	19. I'm very interested in the values and customs of other cultures.	*-0.191*	2.8	1.5	

		20. Most people in my culture just don't know what is good for them.	*-0.684*	3.7	1.6	
		21. People in other cultures could learn a lot from people in my culture.	*0.536*	4.7	1.4	
		22. Other cultures are smart to look up to my culture.	0.744	4.3	1.5	
		23. I respect the values and customs of other cultures.	*-0.064*	2.6	1.4	
		24. People from other cultures act strange and unusual when they come into my culture	0.760	4.3	1.7	
Organisational Culture (Robert and Wasti, 2002, p. 563- 564)	Individualism	*1. Each worker is encouraged to realize his or her own unique potential.*	*0.743*	5.4	1.4	*0.91*
		2. People with good ideas make sure management knows the idea was theirs.	*0.714*	5.1	1.3	
		3. Employees' ability to think for themselves is valued.	0.830	5.4	1.4	
		4. Individuals who stand out in a high performing group are recognized.	0.800	5.2	1.4	
		5. Employees value independence in their job.	0.789	5.4	1.3	
		6. Competition between employees is accepted.	*0.485*	4.9	1.4	
	Collectivism	7. Management and supervisors are protective of and generous to loyal workers.	0.773	5.0	1.5	
		8. Decisions about changes in work methods are taken jointly by supervisors and employees.	0.816	5.1	1.5	
		9. Employees are taken care of like members of a family.	0.802	5.0	1.6	
		10. Everyone shares responsibility for the organisations' failures as well as success.	*0.821*	5.1	1.4	
		11. Regardless of hierarchical level, employees take each other's views into consideration.	*0.825*	5.2	1.4	

		12. Once someone is hired, the organisation takes care of that person's overall welfare.	*0.817*	5.0	1.5	
		13. Everyone is kept informed about major decisions that affect the success of the company.	*0.798*	5.1	1.5	
Employee Performance (Pradhan and Jena, 2017, p. 76-77)	Task	*1. I maintain high standards in work*	*0.769*	5.8	1.2	*0.95*
		2. I am capable of handling my assignments without much supervision.	*0.744*	5.7	1.3	
		3. I am very passionate about my work	0.767	5.5	1.4	
		4. I know I can handle multiple assignments to achieve organisational goals.	0.839	5.6	1.3	
		5. I complete my assignments on time	0.797	5.7	1.1	
		6. My colleagues believe I am a high performer in my organisation	0.711	5.5	1.2	
	Adaptive	7. I perform well to mobilize collective intelligence for effective team work	0.713	5.4	1.2	
		8. I can manage change in my job very well whenever the situation demands	*0.769*	5.5	1.3	
		9. I can handle effectively my team work in the face of change	0.759	5.6	1.2	
		10. I always believe that mutual understanding can lead to a viable solution in organisation.	0.801	5.6	1.2	
		11. I am very comfortable with job flexibility.	0.734	5.6	1.3	
		12. I cope well with organisational change from time to time.	*0.727*	5.5	1.2	
	Contextual	*13. I extend help to my co-workers when asked or needed*	*0.761*	5.7	1.2	
		14. I love to handle extra responsibilities	*0.625*	5.2	1.4	

		15. I extend my sympathy and empathy to my co-workers when they are in trouble.	0.764	5.6	1.3	
		16. I actively participate in group discussion and work meetings.	0.761	5.5	1.2	
		17. I praise my co-workers for their good work.	0.801	5.6	1.2	
		18. I derive lot of satisfaction nurturing others in organisation	0.701	5.4	1.3	
		19. I share knowledge and ideas with my team members.	0.789	5.6	1.2	
		20. I maintain good coordination with fellow workers.	0.805	5.7	1.2	
		21. I guide new colleagues beyond my job purview	0.720	5.4	1.3	
		22. I communicate effectively with my colleagues for problem solving and decision making	0.759	5.6	1.2	
Job Satisfaction (Homburg and Stock, 2004, p. 155)		1. Overall, I am quite satisfied with my job	0.833	5.5	1.4	*0.84*
		2. I do not intend to work for a different company	0.701	5.2	1.5	
		3. I like my job.	0.849	5.5	1.3	
		4. There are no fundamental things I dislike about my job.	*0.753*	5.0	1.6	
		5. I like my job more than many employees of other companies.	*0.745*	5.1	1.4	
		6. I consider this employer as first choice	*0.794*	5.2	1.5	
Organisational Performance (Delaney and Huselid, 1996, p. 956)		**How would you rate the performance of the organisation you work for in terms of:**				*0.87*
		1. Quality of services	0.759	5.5	1.3	
		2. Development of new services	0.826	5.2	1.2	
		3. Ability to attract essential employees	0.791	5.3	1.3	
		4. Ability to retain essential employees	*0.826*	5.1	1.4	
		5. Satisfaction of customers or clients	*0.772*	5.5	1.2	

	6. Relationship between management and other employees	*0.796*	5.2	1.4	
	7. Relationship among employees in general	*0.723*	5.4	1.3	
Organisational Competitiveness (Sigalas et al., 2013, p. 341)	**Please indicate to what extent would you agree/disagree that the organisation you work for has:**				
	1. exploited all market opportunities that have been presented to your industry	0.648	4.7	1.5	
	2. fully exploited the market opportunities that have been presented to your industry	*0.698*	4.7	1.4	*0.85*
	3. neutralized all competitive threats from rival firms in your industry.	0.717	4.6	1.5	
	4. fully neutralized the competitive threats from rival firms in your industry.	0.760	4.6	1.5	

Notes: N= 414, M= Mean, SD= Standard Deviation, α= Cronbach's Alpha; Items in *italics* were dropped after CFA due to poor performance.

8.7. Nomological Validity: IND level

"To show a measure has nomological validity, the correlation between the measure and other related constructs should behave as expected in theory" (Walsh and Beatty, 2007, p. 137). In order to assess the nomological validity of the IND MR construct, this study included two antecedents measuring ethnocentrism (ETN) and organisational culture (OC) and four outcomes measuring employee performance (EP), job satisfaction (JS), organisational performance (OP), and organisational competitiveness (OCP) in the model. The correlations between dimensions of IND MR and these constructs were assessed to confirm if their association is as expected. To measure the antecedent and outcome variables, items from well-established scales in the literature were used. As expected, the subscales of the IND MR correlate positively with organisational culture, employee performance, job satisfaction, organisational performance, and organisational competitiveness, and negatively with ethnocentrism. Hence, the nomological validity is confirmed as the correlations between the measures are consistent with what is predicted by the theory (Walsh and Beatty, 2007) and what this study hypothesised. The correlation matrix is provided in Table 8.14.

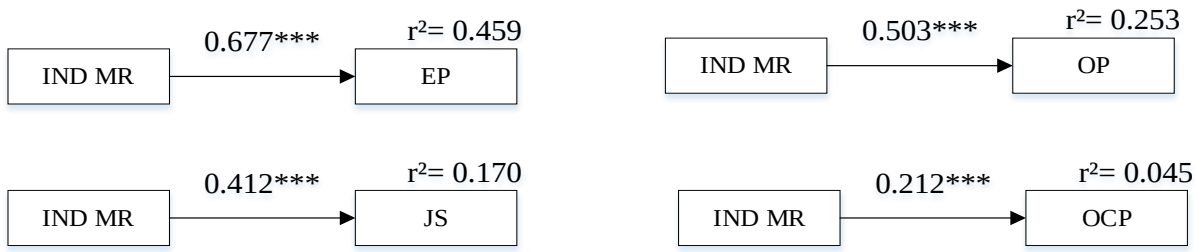
Table 8. 14. Correlation matrix – IND Level (convergent and discriminant validity)

	M	STD	AVE	CR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1. Cultural Awareness	5.7	1.1	0.66	0.93	**0.81**																	
2. Contextual Awareness	5.5	1.1	0.67	0.89	.667**	**0.82**																
3. Motivation to acquire cultural knowledge	5.1	1.3	0.6	0.86	.501**	.624**	**0.77**															
4. Motivation to process cultural knowledge	5.3	1.2	0.72	0.91	.521**	.650**	.793**	**0.85**														
5. Acceptance of cultural diversity	5.5	1.2	0.68	0.89	.560**	.582**	.653**	.722**	**0.82**													
6. Ability to Adapt	5.5	1.2	0.65	0.92	.554**	.675**	.653**	.760**	.737**	**0.81**												
7. Intercultural Communication Adaptation	5.5	1.2	0.66	0.92	.516**	.621**	.636**	.754**	.718**	.873**	**0.81**											
8.Communication Confidence	5.5	1.1	0.65	0.93	.503**	.617**	.660**	.746**	.674**	.785**	.803**	**0.81**										
9.Communication Comfort	5.5	1.2	0.68	0.91	.465**	.618**	.628**	.715**	.647**	.767**	.758**	.854**	**0.82**									
10.Ethnocentrism	4.0	1.5	0.65	0.95	-.099*	-0.053	0.010	-0.064	-.148**	-.200**	-.164**	-.111*	-.116*	**0.81**								
11. Organisational Culture (IND)	5.3	1.2	0.65	0.85	.380**	.498**	.484**	.568**	.468**	.592**	.623**	.562**	.546**	0.051	**0.81**							
12.Organisational Culture (COL)	5.0	1.3	0.64	0.84	.210**	.332**	.400**	.437**	.304**	.389**	.438**	.412**	.399**	.257**	.733**	**0.80**						
13.Employee Task Performance	5.6	1.1	0.61	0.86	.468**	.533**	.386**	.465**	.425**	.509**	.546**	.544**	.492**	0.038	.584**	.449**	**0.78**					
14.Employee Adaptive Performance	5.5	1.0	0.57	0.84	.471**	.560**	.468**	.561**	.522**	.608**	.616**	.633**	.587**	0.037	.609**	.486**	.804**	**0.75**				
15.Employee Contextual Performance	5.5	1.0	0.58	0.92	.430**	.516**	.480**	.568**	.511**	.613**	.632**	.662**	.623**	0.024	.630**	.499**	.747**	.810**	**0.76**			
16.Job Satisfaction	5.4	1.2	0.64	0.84	.267**	.326**	.321**	.346**	.335**	.373**	.394**	.419**	.354**	.163**	.559**	.577**	.579**	.578**	.526**	**0.80**		
17.Organisational Performance	5.3	1.1	0.63	0.83	.358**	.441**	.408**	.453**	.388**	.418**	.461**	.468**	.449**	.168**	.647**	.607**	.542**	.588**	.609**	.657**	**0.79**	
18.Organisational Competitiveness	4.6	1.3	0.50	0.75	0.081	.156**	.283**	.264**	.156**	.133**	.167**	.202**	.168**	.555**	.281**	.433**	.241**	.269**	.273**	.380**	.408**	**0.71**

**p<0.01; *p<0.05; Values in italic on the diagonal are square roots of the AVE; M= Mean; STD= Standard Deviation; AVE= Average Variance Extracted; CR= Composite Reliability.

8.8. Predictive Validity: IND level

"Predictive validity is defined as the extent to which a score on a test or a procedure predicts future performance on another criterion measure" (Bain and Olswang, 1995, p. 87). In this research, the predictive validity was examined by assessing the impact of IND MR on EP, JS, OP, OCP. The aim here was to investigate the effect of the newly developed construct on the outcome variables. Figure 8.3 presents the influence of IND MR on four outcome variables. The model explains 45.9% variance for the impact of IND MR on EP (β= +0.677, p<0.001, t= 18.7), 17% variance for the impact of IND MR on JS (β= +0.412, p<0.001, t= 9.19), 25.3% variance for the impact of IND MR on OP (β= +0.503, p<0.001, t= 11.8), and 4.5% variance for the impact of IND MR on OCP (β= +0.212, p<0.001, t= 4.4). Hence, IND MR has a significant positive influence on the outcome variables, confirming predictive validity.

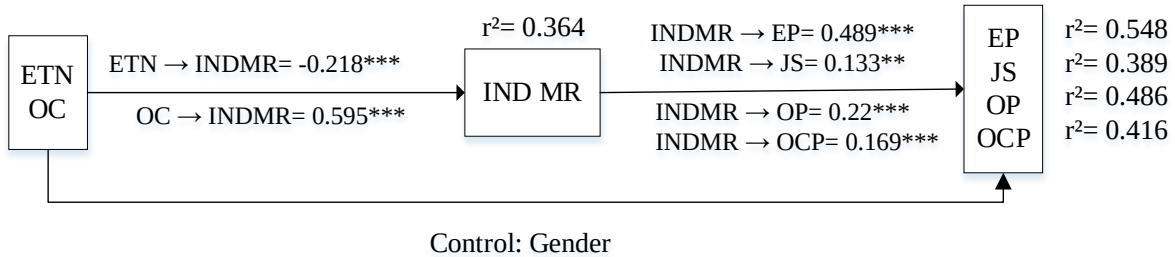


Notes: r²= squared multiple correlations; * p < .05, ** p < .010, *** p < .001; IND MR= Individual-level multicultural readiness, EP= employee performance, JS= Job satisfaction, OP= organisational performance, OCP= organisational competitiveness.

Figure 8. 3. Impact of IND MR on outcome variables

8.9. Assessment of the Theoretical Model: IND level

To test the entire conceptual model and hypotheses, AMOS 25 was used for structural equation modelling (SEM). The structural model comprised of latent factors of IND MR, ETN, OC, EP, JS, OP, and OCP. Gender was considered as the control variable for IND MR. To test the hypothesised relationships, this study performed a path analysis which showed an excellent fit (χ2 = 14.628, df = 7.000, χ2/df = 2.090, RMSEA = 0.051, SRMR = 0.040, CFI = 0.994, PClose = 0.422). The model is presented in Figure 8.4.



Notes: *p < .05, **p < .010, ***p < .001; r²= squared multiple correlations; ETN= Ethnocentrism, OC= Organisational culture, IND MR= Individual-level multicultural readiness, EP= employee performance, JS= Job satisfaction, OP= organisational performance, OCP= organisational competitiveness.

Figure 8. 4. Path analysis

The results (see Table 8.15) show that ETN has a significant negative influence on IND MR (β= -0.218, p<0.001, t= -5.46), and OC has a significant positive influence on IND MR (β= +0.595, p<0.001, t= 14.93). Moreover, as expected, IND MR has a significant positive impact on all of the outcome variables (IND MR→ EP: β= +0.489, p<0.001, t= 11.85; IND MR→ JS: β= +0.133, p<0.01, t= 2.77; IND MR→ OP: β= +0.22, p<0.001, t= 5; IND MR→ OCP: β= +0.169, p<0.001, t= 13.72). Hence, the hypotheses are all supported. Moreover, the model explained 36.4% variance for the influences on IND MR, 54.8% variance for the influences on EP, 38.9% variance for the influences on JS, 48.6% variance for the influences on OP, and 41.6% variance for the influences on OCP.

Table 8. 15. Path model results- Standardised path weight

Independent variables	Dependent Variables				
	IND MR	EP	JS	OP	OCP
ETN	-0.218***	0.04	0.091*	0.106**	0.542***
OC	0.595***	0.345***	0.521***	0.531***	0.201***
IND MR	-	0.489***	0.133**	0.22***	0.169***
Gender (control variable)	0.085*	-	-	-	-

Notes: * p < .05, ** p < .010, *** p < .001; ETN= Ethnocentrism, OC= Organisational culture, IND MR= Individual-level multicultural readiness, EP= employee performance, JS= Job satisfaction, OP= organisational performance, OCP= organisational competitiveness.

As the structural model was analysed to test the proposed hypotheses, Table 8.16 demonstrates the results of hypotheses testing.

Table 8. 16. Hypotheses outcome

Hypotheses	Outcome
H1a: Employee ethnocentrism has a negative influence on IND MR	Supported
H2a: Organisational culture has a positive influence on IND MR	Supported
H3a: IND MR has a positive influence on employee performance.	Supported

H4a: IND MR has a positive influence on employee job satisfaction.	Supported
H5a: IND MR has a positive influence on organisational performance.	Supported
H6a: IND MR has a positive influence on organisational competitiveness.	Supported

Moreover, considering that EP is a three-dimensional construct, this study performed a path analysis similar to what discussed above by replacing the EP construct with its dimensions consisting of employee task performance (ETP), employee adaptive performance (EAP), and employee contextual performance (ECP). The new model explained 40.2% variance for the influences on ETP, 50.3% variance for the influences on EAP, and 51.4% variance for the influences on ECP. The analysis shows that IND MR has a higher significant positive influence on EAP (β= +0.498, p<0.001, t= 11.52), followed by ECP (β= +0.476, p<0.001, t= 11.13), and ETP (β= +0.388, p<0.001, t= 8.18).

Furthermore, considering the two-dimensional structure of the OC construct, this study performed a path analysis similar to what was discussed in Figure 8.4 and replaced the OC construct with its dimensions consisting of individualism (OC-Ind) and collectivism (OC-Col). The analysis output shows that although OC-Ind has a significant positive influence on IND MR (β= +0.591, p<0.001, t= 10.36), the OC-Col has a weak non-significant impact (β= +0.042, p= 0.472, t= 0.72).

8.10. Additional Analysis - Demographics IND Level

This study examined the effect of gender, age, education, occupation, work experience, sector, industry, and organisational size on study variables through performing independent sample t-test and analysis of variance. The results are discussed in the following.

8.10.1. Effect of gender on study variables

To compare responses among male and female respondents, an independent-samples t-test using SPSS 26 was conducted. Results found no significant difference between the two groups for OC, JS, OP, and OCP. However, IND MR, ETN and EP are affected by the respondent's gender with female respondents tend to score higher on their IND MR, and assume themselves as less ethnocentric.

8.10.2. Effect of age on study variables

The ANOVA results found no significant difference among the five different age ranges for OP. However, IND MR, ETN, OC, EP, JS and OCP are affected by the respondent's age group.

Conducting Post Hoc comparisons, using the LSD test for IND MR demonstrates that at $p<0.05$, the mean score for respondents aged between 18-21 is significantly different from respondents aged between 25-44 and people aged 18-24 rated themselves as less multi-culturally ready.

8.10.3. Effect of education on study variables

The ANOVA results found no significant difference among the nine education levels for OC and JS. However, responses to IND MR, ETN, EP, OP, and OCP are affected by the respondent's level of education. The Post Hoc comparison using the LSD test demonstrated that respondents with a university degree rated themselves as more multi-culturally ready compared to those with lower educational levels.

8.10.4. Effect of occupation on study variables

The ANOVA results found significant difference among occupations for all of the study variables except for ETN. Conducting the Tukey HSD test shows that at $p<0.05$, the mean score of IND MR for machinery operators and drivers was significantly lower compared to clerical and administrative workers, managers, and professionals. Results also show that the mean score of IND MR for professionals is significantly higher compared to labourers, machinery operators and drivers, and technicians and trades workers.

8.10.5. Effect of work experience on study variables.

The ANOVA results found a significant difference among various years of work experience for all study variables. Conducting the Tukey HSD test shows that at $p<0.05$, the mean score of IND MR for 5-15 years of work experience is significantly different from many other lengths of work experiences and people in these groups perceived themselves to be more multi-culturally ready.

8.10.6. Effect of sector on study variables

The ANOVA result shows no significant difference in study variables based on the sector in which respondents work, consisting of Government, not-for-profit and private sector except for OC and EP.

8.10.7. Effect of industry on study variables

The ANOVA results found no significant difference in ETN, EP, and OP based on the industry in which respondents work. However, the results show a significant difference in IND MR,

OC, JS, and OCP based on the industry type. Conducting the Tukey HSD test shows that at $p<0.05$, the mean score of IND MR is significantly different among some industry groups. For example, people working in the construction industry were found to score their IND MR significantly lower compared to those working in industries such as education and training, health care and social assistance, etc.

8.10.8. Effect of Organisational size on Study Variables

The ANOVA result shows a significant difference in IND MR and EP based on the organisational size, consisting of small organisations (less than 20 employees), medium-size organisations (between 20 to 200 employees) and large organisations (200 employees and more) (ABS, 2009). Conducting the Tukey HSD test shows that at $p<0.05$, the scores of IND MR and EP for large organisations is significantly different from small organisations and the mean scores of IND MR and EP are higher for large organisations.

8.11. Measurement Model Assessment: ORG MRI (Study 4b)

To assess the psychometric properties of the ORG MR, the CFA was performed in AMOS 25 using the Maximum Likelihood Estimation procedure (Sharma, 2010). By following the model comparison method (Sharma, 2010; Zhang et al., 2018), this study compared three measurement models including: 1) 3rd-order hierarchical model of ORG MR, 2) 2nd-order model of ORG MR, and 3) 1st-order model of ORG MR. The explanations about each model and the comparison between them are provided in the following.

Building upon the literature review and interview analysis, this research modelled ORG MR as a hierarchical multidimensional construct, which is reflected by five dimensions and eight sub-dimensions that is 1) AWR; 2) MOT (reflected by 2a. Motivation to improve cultural knowledge and 2b. Motivation to process cultural knowledge); 3) ACC (reflected by 3a. Acceptance of cultural diversity, and 3b. Acceptance of the benefits of cultural diversity-perceived benefits); 4) ADT (reflected by 4a. Adaptation of Policies, 4b. Adaptation of Human Resource practices, and 4c) Adaptation of services and 5) COM.

In the measurement model of ORG MR, the standardised loadings are all higher than 0.5 (ranging from 0.57 to 0.98) and loaded significantly ($p < .001$) on the expected latent constructs. Hence, loadings are above the minimum cut-off value of 0.5 (Hulland, 1999). In order to understand "how well do the relationships estimated by the model match the observed data" (Shah and Ward, 2007, p. 795), the model fit was evaluated. The fit indices of the model did not show a good fit ($\chi2 = 5123.553$, df = 2041.000, $\chi2/df = 2.510$, RMSEA = 0.064, SRMR = 0.069, CFI = 0.844, PClose = 0). To explain, considering the cut-off values for fit indices, although the values of $\chi2/df$, and SRMR fell within the acceptable range, values of RMSEA, CFI and PClose did not meet the minimum requirement.

Moreover, this study assessed reliability, convergent validity, as well as discriminant validity of the model (Gaskin, J., (2016) tool was also used). The values of CR and MaxR(H) were all higher the suggested minimum requirement of 0.7, indicating good internal consistency. The requirement of convergent validity was also met as the values of AVE for all the dimensions of ORG MR were above the recommended threshold of 0.5 (ranged from 0.59 to 0.90). To meet the requirement of discriminant validity, the square root of AVE is expected to be more than individual correlations between constructs in the relevant columns and rows (Fornell and

Larcker, 1981). By following this guideline, some of the dimensions of ORG MR had insufficient discriminant validity. See Table 8.17.

Table 8. 17. Reliability and validity results from measurement model of ORG MR

	CR	AVE	MSV	MaxR(H)	1	2	3	4	5
1. ADT	0.951	0.867	0.964	0.958	**0.931**				
2. AWR	0.912	0.597	0.487	0.915	0.698	**0.773**			
3. MOT	0.946	0.898	0.746	0.978	0.808	0.672	**0.947**		
4. ACC	0.949	0.904	0.964	0.954	0.982	0.684	0.864	**0.951**	
5. COM	0.923	0.602	0.630	0.927	0.794	0.498	0.788	0.769	**0.776**

Notes: ADT= Adaptation; AWR= Awareness; MOT= Motivation; ACC= Acceptance; COM= Communication; CR= Composite Reliability; AVE= Average Variance Extracted; MSV= Maximum Shared Variance; MaxR(H)= Maximum Reliability. The figures in bold on the diagonal represent the square root of AVE.

In case of having insufficient discriminant validity, Farrell (2010) suggests performing an EFA to identify the items with high cross-loading. Hence, EFA with the principle-axis factoring method and Promax rotation was conducted in SPSS 26. The Pattern matrix shows that although the Human Resource (HR) and Policy, as the sub-dimensions of ADT, fall under the same factor, Service as the third sub-dimension, fall under a different factor. Moreover, the correlation matrix shows that Service has a higher correlation with Communication (r= 0.89) than with Policy (r= 0.79) or HR (r= 0.82).

Table 8. 18. Correlations

	1	2	3	4	5	6	7	8	9
1. Ser	**1**								
2. Awr	0.58	**1**							
3. Mot	0.75	0.66	**1**						
4. Cog	0.85	0.64	0.89	**1**					
5. Acc	0.84	0.67	0.74	0.84	**1**				
6. PB	0.81	0.63	0.69	0.81	0.90	**1**			
7. Pol	0.79	0.70	0.64	0.75	0.92	0.89	**1**		
8. HR	0.82	0.65	0.59	0.72	0.86	0.85	0.94	**1**	
9. Com	0.89	0.50	0.72	0.78	0.71	0.75	0.67	0.74	**1**

Notes: Ser= Service; Awr= Awareness; Mot= Motivation to improve cultural knowledge; Cog= Motivation to process cultural knowledge; Acc= Acceptance of cultural diversity; PB= Acceptance of the benefits of cultural diversity (perceived benefits); Pol= Policy; HR= Human Resource; Com= Communication.

Hence, Service and Communication were considered to be the two sub-dimensions of COM. The reason is Policy and HR focus on measuring adaptation of the internal processes, such as organisational commitment to hire people from diverse cultural backgrounds, improve cultural competence in the workplace, or provide equal opportunity. However, Service measures adaptation of services and communication with the external stakeholders, such as adaption of

the service design based on the cultural context, provision of language assistance services, or translation of information in languages of service users, which facilitates communication with culturally and linguistically diverse stakeholders. Moreover, Communication measures organisational ability to adjust its communicative practices to nurture and encourage communication with the internal and external stakeholders.

Accordingly, the updated model for ORG MR is reflected by five dimensions and eight sub-dimensions that is 1) AWR; 2) MOT (reflected by 2a. Motivation to improve cultural knowledge and 2b. Motivation to process cultural knowledge); 3) ACC (reflected by 3a. Acceptance of cultural diversity, and 3b. Acceptance of the benefits of cultural diversity-perceived benefits); 4) ADT (reflected by 4a. Adaptation of Policies, and 4b. Adaptation of Human Resource practices), and 5) COM (reflected by 1a. adaptation of services and 2b. adaptation of communication practices).

In the updated model of ORG MR, the standardised loadings are all higher than 0.5 (ranging from 0.57 to 0.98) and loaded significantly ($p < .001$) on the expected latent constructs. Hence, loadings are more than the minimum cut-off value of 0.5. The fit indices of the model did not show a good fit ($\chi2 = 4968.3$, df = 2040, $\chi2/df = 2.435$, RMSEA = 0.063, SRMR = 0.065, CFI = 0.852, PClose = 0). To explain, considering the cut-off values for fit indices, although the values of $\chi2/df$, and SRMR fell within the acceptable range, values of RMSEA, CFI and PClose did not meet the minimum requirement.

To improve the model fit of the hypothesised model, based on the inferences from the modification indices, through an iterative process, the poor performing items with high error terms were removed (Zhang et al., 2018). Hence, by dropping HR1, HR2, HR3, Service3, Ac1, Ac2, Ac4, Ac6, Cog1, Awr4, Awr6, Com8, Mot7, Mot1, Cog2, Cog7, Policy5, Policy6, Policy7, Policy8, Policy9, PB1, PB6, and PB3 the values of model fit indices improved and fell within the acceptable range ($\chi2 = 1588.575$, df = 791, $\chi2/df = 2.008$, RMSEA = 0.053, SRMR = 0.053, CFI = 0.929, PClose = 0.129).

After achieving a good model fit, reliability, convergent validity, as well as discriminant validity were assessed. The values of CR and MaxR(H) were all higher than the suggested minimum requirement of 0.7, indicating good internal consistency. The requirement of convergent validity was also met as the values of AVE for all the dimensions of ORG MR were above the recommended threshold of 0.5 (ranged from 0.6 to 0.89). To meet the requirement

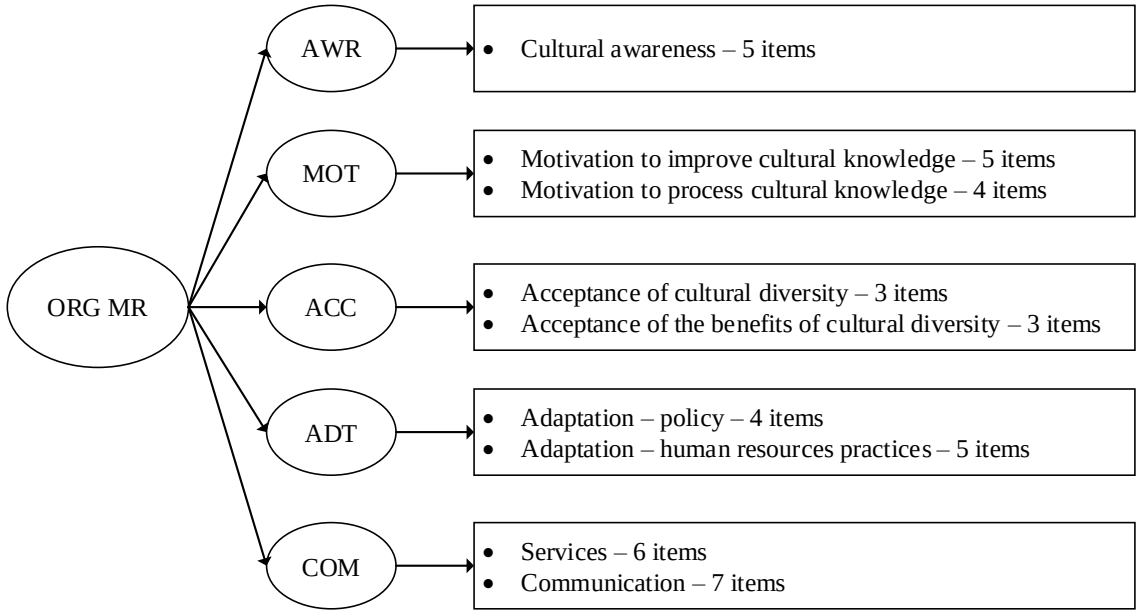
of discriminant validity, the square root of AVE is expected to be more than individual correlations between constructs in the relevant columns and rows (Fornell and Larcker, 1981). By following this guideline, it is demonstrated that dimensions of ORG MR had sufficient discriminant validity (see Table 8.19).

Table 8. 19. Reliability and validity results from measurement model of ORG MR

	CR	AVE	MSV	MaxR(H)	1	2	3	4	5
1. ADT	0.901	0.822	0.767	0.969	**0.907**				
2. AWR	0.880	0.595	0.534	0.885	0.731	**0.771**			
3. MOT	0.933	0.874	0.826	0.957	0.693	0.658	**0.935**		
4. ACC	0.944	0.894	0.826	0.946	0.876	0.645	0.909	**0.946**	
5. COM	0.931	0.871	0.803	0.949	0.708	0.541	0.878	0.896	**0.933**

Notes: ADT= Adaptation; AWR= Awareness; MOT= Motivation; ACC= Acceptance; COM= Communication and customer service; CR= Composite Reliability; AVE= Average Variance Extracted; MSV= Maximum Shared Variance; MaxR(H)= Maximum Reliability. The figures in bold on the diagonal represent the square root of AVE.

Figure 8.5 demonstrates the 3rd-order hierarchical structure model of ORG MR, which is reflective at all levels. The standardised loadings are all higher than 0.6 (ranging from 0.70 to 0.98) and significant ($p < 0.001$). The model fit indices of the 3rd-order hierarchical model fell within the acceptable range and are as follows: $\chi2 = 1626.795$, $df = 793$, $\chi2/df = 2.051$, RMSEA = 0.054, SRMR = 0.055, CFI = 0.926, PClose = 0.052.



Note: ORGMR= Organisational-level multicultural readiness; AWR= Awareness; MOT= Motivation; ACC= Acceptance; ADT= Adaptation; COM= Communication and Customer service.

Figure 8. 5. Third-order reflective model of ORG MR

To validate the 3rd-order structure of the ORG MR construct, the model comparison method is used (Zhang et al., 2018). Hence, two models are examined to be compared with the 3rd-order hierarchical model; a) ORG MR, modelled as a 2nd-order reflective construct, and b) ORG MR, modelled as a 1st-order reflective factor. In the 2nd-order model of ORG MR, the standardised loadings are all higher than 0.6 (ranging from 0.67 to 0.95) and significant ($p< 0.001$). The model fit indices of the second-order model fell within the acceptable range except for the value of PClose ($\chi2 = 1838.385$, df = 800, $\chi2/df = 2.298$, RMSEA = 0.06, SRMR = 0.067, CFI = 0.908, PClose = 0). In the 1st-order reflective model of ORG MR, the standardised loadings ranged from 0.52 to 0.75 and was significant ($p< 0.001$). The model fit indices did not fall within the acceptable range ($\chi2 = 3808.953$, df = 810, $\chi2/df = 4.702$, RMSEA = 0.101, SRMR = 0.131, CFI = 0.734, PClose = 0) which confirms the poor structure of the 1st-order model of ORG MR.

Comparison of the alternate models demonstrates that the 3rd-order model has the best fit, which further supports the hierarchical structure of the ORG MR construct. Table 8.20 presents the comparison of the model fit indices among the 3rd-order, 2nd-order, and 1st-order models. Hence, CFA confirmed the final model of ORG MR as a 3rd-order reflective construct.

Table 8. 20. Comparison of the model fit indices- ORG MR

Goodness-of-fit measure	3rd-order model (Hypothesised model)	2nd-order model	1st-order model	Threshold
CMIN	1588.575	1838.385	3808.953	--
DF	791	800	810	--
CMIN/DF	2.008	2.298	4.702	Between 1 and 3
CFI	0.929	0.908	0.734	>0.95
SRMR	0.053	0.067	0.131	<0.08
RMSEA	0.053	0.06	0.101	<0.06
PClose	0.129	0	0	>0.05

8.12. Whole Measurement Model Assessment: ORG Level (Study 4b)

After confirming the hierarchical structure of the ORG MR construct, this study proceeded by assessing the whole measurement model comprised of ORG MR and its antecedents and outcomes and ran a CFA using AMOS 25. In the process of assessing the measurement model, 0.5 is suggested as the minimum cut-off value for item loadings and items with loading below 0.5 are recommended to be dropped. Hence, ETN 3, 5, 8, 9, 11, 15, 16, 18, 19, 20, 23 and

OCInd6 were dropped as their loadings were below the minimum acceptable value. EPContextual4 as its Squared Multiple Correlations was below 0.3. The standardised loadings of the remaining items were all higher than 0.5 and significant ($p < 0.001$) with Squared Multiple Correlations above 0.3.

As the model fit indices did not fall within the acceptable range, based on the inferences from the modification indices, through an iterative process, the poor performing items were removed (Zhang et al., 2018). Hence, by dropping OCInd1, OCInd3, OCCol8, OCCol9, OCCol10, EPTask1, EPTask2, EPTask3, EPContextual13, EPContextual16, EPContextual17, EPContextual18, EPContextual21, EPAdaptive11, JS1, JS2, JS3, ETN21, ETN12, ETN14, OP1, OP6, OP4, OCP4, ETN7, ETN22, Awr7, HR8, and Mot6 the values of model fit indices improved and fell within the acceptable range ($\chi2 = 4635.1$, df = 2703, $\chi2/df = 1.715$, RMSEA = 0.044, SRMR = 0.066, CFI = 0.901, PClose = 1).

After achieving a good model fit, reliability, convergent validity, as well as discriminant validity of the model were assessed (Gaskin, J., (2016) tool was also used). The values of CR and MaxR(H) were all higher than the suggested minimum requirement of 0.7, indicating good internal consistency. The requirement of convergent validity was also met as the values of AVE for all the constructs were above the recommended threshold of 0.5 (ranged from 0.521 to 0.912). To meet the requirement of discriminant validity, the square root of AVE is expected to be more than individual correlations between constructs in the relevant columns and rows (Fornell and Larcker, 1981). By following this guideline, requirement of discriminant validity was also met (see Table 8.21).

Table 8. 21. Reliability and validity results from measurement model of ORG Level

	CR	**AVE**	**MSV**	**MaxR(H)**	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1. OCP	0.82	0.61	0.28	0.83	**0.78**						
2. ETN	0.91	0.58	0.22	0.91	0.47	**0.76**					
3. OC	0.92	0.86	0.52	0.93	0.44	0.32	**0.93**				
4. EP	0.97	0.91	0.38	0.97	0.31	-0.11	0.57	**0.96**			
5. JS	0.77	0.54	0.44	0.79	0.52	0.34	0.61	0.43	**0.73**		
6. OP	0.81	0.52	0.52	0.82	0.53	0.17	0.72	0.62	0.66	**0.72**	
7.ORGMR	0.95	0.80	0.51	0.97	0.33	0.16	0.71	0.61	0.49	0.63	**0.89**

Notes: ORGMR= organisational-level multicultural readiness; OCP= organisational competitiveness; ETN= ethnocentrism; OC= organisational culture; EP= employee performance; JS= job satisfaction; OP= organisational performance; CR= Composite Reliability; AVE= Average Variance Extracted; MSV= Maximum Shared Variance; MaxR(H)= Maximum Reliability. The figures in bold on the diagonal represent the square root of AVE.

The scale items and their psychometric properties are presented in Table 8.22.

Table 8. 22. Scale items and psychometric properties: ORG Level

Dimension	Sub-Dimension	Items	Loading from CFA in AMOS	M	SD	α
AWARENESS (AWR)		**Stem**				
		Awr 1	0.769	5.3	1.4	0.91
		Awr 2	0.715	4.9	1.4	
		Awr 3	0.818	5.2	1.4	
		Awr 4	*0.798*	5.1	1.3	
		Awr 5	0.799	5.2	1.3	
		Awr 6	*0.753*	5.0	1.3	
		Awr 7	*0.782*	5.3	1.4	
MOTIVATION (MOT)	Motivation to improve cultural knowledge	**Stem**				
		Mot 1	*0.720*	4.7	1.4	0.92
		Mot 2	0.773	4.6	1.5	
		Mot 3	0.858	4.7	1.5	
		Mot 4	0.864	4.8	1.4	
		Mot 5	0.747	5.0	1.4	
		Mot 6	*0.763*	4.7	1.5	
		Mot 7	*0.735*	4.7	1.5	
	Motivation to Process (Cognition)	**Stem**				
		Cog 1	*0.756*	4.8	1.4	0.91
		Cog 2	*0.763*	4.8	1.4	
		Cog 3	0.808	4.7	1.3	
		Cog 4	0.764	4.9	1.3	
		Cog 5	0.789	4.9	1.3	
		Cog 6	0.780	4.9	1.4	
		Cog 7	*0.743*	4.8	1.4	
ACCEPT (ACC)	Acceptance of cultural diversity	**Stem**				
		Ac 1	*0.680*	5.5	1.3	0.88
		Ac 2	*0.748*	5.3	1.2	
		Ac 3	0.725	5.0	1.5	
		Ac 4	*0.750*	5.5	1.1	
		Ac 5	0.747	5.1	1.4	
		Ac 6	*0.675*	4.8	1.5	
		Ac 7	0.732	5.0	1.4	
	Acceptance of the benefits of cultural diversity (perceived benefits)	**Stem**				
		BP 1	*0.752*	5.0	1.4	0.88
		BP 2	0.793	5.1	1.3	
		BP 3	*0.805*	5.1	1.3	
		BP 4	0.808	5.0	1.3	
		BP 5	0.707	5.1	1.3	
		BP 6	*0.566*	4.8	1.4	
ADAPTATION (ADT)	Policy	**Stem**				
		Policy 1	0.806	5.3	1.4	0.93
		Policy 2	0.814	5.3	1.3	
		Policy 3	0.818	5.2	1.3	

		Policy 4	0.795	5.4	1.4	
		Policy 5	*0.813*	5.2	1.3	
		Policy 6	*0.760*	5.1	1.4	
		Policy 7	*0.725*	5.2	1.3	
		Policy 8	*0.736*	5.3	1.3	
		Policy 9	*0.779*	5.2	1.3	
	HR	**Stem**				
		HR	*0.708*	5.260	1.468	0.89
		HR	*0.715*	5.071	1.410	
		HR	*0.660*	4.831	1.425	
		HR	0.762	5.273	1.312	
		HR	0.740	5.432	1.307	
		HR	0.830	5.306	1.265	
		HR	0.814	5.369	1.296	
		HR	*0.706*	5.153	1.273	
COM	Services	**Stem**				
		Service 1	0.777	4.8	1.4	0.9
		Service 2	0.774	4.9	1.4	
		Service 3	*0.682*	5.2	1.3	
		Service 4	0.721	4.8	1.5	
		Service 5	0.743	4.9	1.5	
		Service 6	0.779	4.7	1.4	
		Service 7	0.799	5.0	1.4	
	Communication	**Stem**				
		Com 1	0.696	4.653	1.658	0.92
		Com 2	0.778	4.781	1.576	
		Com 3	0.802	4.656	1.598	
		Com 4	0.803	4.814	1.459	
		Com 5	0.812	4.861	1.428	
		Com 6	0.839	4.801	1.395	
		Com 7	0.790	5.000	1.404	
		Com 8	*0.676*	5.098	1.337	

Ethnocentrism (Neuliep and McCroskey, 1997, p. 393)	1. Most other cultures are backward compared to my culture.	0.806	3.358	1.899	0.93
	2. People in other cultures have a better lifestyle than we do in my culture.	0.630	3.866	1.528	
	3. Most people would be happier if they didn't live like people do in my culture.	*-0.725*	3.792	1.669	
	4. My culture should be the role model for other cultures.	0.735	4.014	1.595	
	5. Lifestyles in other cultures are just as valid as those in my culture.	*0.107*	5.377	1.359	
	6. Other cultures should try to be more like my culture.	*0.786*	3.907	1.599	
	7. I'm not interested in the values and customs of other cultures.	*0.772*	3.527	1.876	
	8. It is not wise for other cultures to look up to my culture.	*-0.553*	4.087	1.575	
	9. People in my culture could learn a lot from people in other cultures.	*-0.044*	5.161	1.282	
	10. Most people from other cultures just don't know what's good for them.	0.843	3.525	1.773	
	11. People from my culture act strange and unusual when they go into other cultures.	*-0.585*	4.145	1.515	
	12. I have little respect for the values and customs of other cultures.	*0.840*	3.210	1.853	
	13. Most people would be happier if they lived like people in my culture.	0.777	3.885	1.641	
	14. People in my culture have just about	*0.613*	4.306	1.542	

		the best lifestyles of anywhere.				
		15. My culture is backward compared to most other cultures.	*-0.737*	3.544	1.763	
		16. My culture is a poor role model for other cultures.	*-0.631*	3.710	1.669	
		17. Lifestyles in other cultures are not as valid as those in my culture.	0.808	3.533	1.785	
		18. My culture should try to be more like other cultures.	*-0.682*	4.055	1.561	
		19. I'm very interested in the values and customs of other cultures.	*-0.050*	5.169	1.423	
		20. Most people in my culture just don't know what is good for them.	*-0.661*	4.148	1.579	
		21. People in other cultures could learn a lot from people in my culture.	*0.562*	4.511	1.277	
		22. Other cultures are smart to look up to my culture.	*0.716*	4.249	1.411	
		23. I respect the values and customs of other cultures.	*0.041*	5.391	1.325	
		24. People from other cultures act strange and unusual when they come into my culture	0.707	4.033	1.509	
Organisational Culture (Robert and Wasti, 2002, p. 563- 564)	Individualism	*1. Each worker is encouraged to realize his or her own unique potential.*	*0.685*	5.210	1.425	0.93
		2. People with good ideas make sure management knows the idea was theirs.	0.685	4.907	1.378	
		3. Employees' ability to think for themselves is valued.	*0.775*	5.186	1.388	
		4. Individuals who stand out in a high	0.844	5.038	1.412	

		performing group are recognized.				
		5. Employees value independence in their job.	0.688	5.235	1.243	
		6. Competition between employees is accepted.	*0.461*	4.680	1.336	
	Collectivism	7. Management and supervisors are protective of and generous to loyal workers.	0.694	4.784	1.480	
		8. Decisions about changes in work methods are taken jointly by supervisors and employees.	*0.763*	4.639	1.534	
		9. Employees are taken care of like members of a family.	*0.815*	4.596	1.627	
		10. Everyone shares responsibility for the organisations' failures as well as success.	*0.796*	4.831	1.435	
		11. Regardless of hierarchical level, employees take each other's views into consideration.	0.813	4.978	1.454	
		12. Once someone is hired, the organisation takes care of that person's overall welfare.	0.825	4.795	1.439	
		13. Everyone is kept informed about major decisions that affect the success of the company.	0.832	4.888	1.503	
Employee Performance (Pradhan and Jena, 2017, p. 76- 77)	Task	*1. I maintain high standards in work*	*0.814*	5.568	1.369	0.96
		2. I am capable of handling my assignments without much supervision.	*0.778*	5.642	1.316	
		3. I am very passionate about my work	*0.660*	5.249	1.426	
		4. I know I can handle multiple	0.817	5.536	1.213	

		assignments to achieve organisational goals.				
		5. I complete my assignments on time	0.791	5.710	1.193	
		6. My colleagues believe I am a high performer in my organisation	0.689	5.342	1.267	
	Adaptive	7. I perform well to mobilize collective intelligence for effective team work	0.748	5.306	1.205	
		8. I can manage change in my job very well whenever the situation demands	0.805	5.388	1.285	
		9. I can handle effectively my team work in the face of change	0.794	5.429	1.251	
		10. I always believe that mutual understanding can lead to a viable solution in organisation.	0.758	5.519	1.204	
		11. I am very comfortable with job flexibility.	*0.760*	5.519	1.236	
		12. I cope well with organisational change from time to time.	0.700	5.328	1.222	
	Contextual	*13. I extend help to my co-workers when asked or needed*	*0.717*	5.623	1.250	
		14. I love to handle extra responsibilities	*0.500*	5.153	1.275	
		15. I extend my sympathy and empathy to my co-workers when they are in trouble.	0.776	5.560	1.159	
		16. I actively participate in group discussion and work meetings.	*0.720*	5.369	1.292	
		17. I praise my co-workers for their good work.	*0.737*	5.527	1.188	

		18. I derive lot of satisfaction nurturing others in organisation	*0.756*	5.306	1.256	
		19. I share knowledge and ideas with my team members.	0.796	5.577	1.216	
		20. I maintain good coordination with fellow workers.	0.820	5.478	1.236	
		21. I guide new colleagues beyond my job purview	*0.693*	5.320	1.193	
		22. I communicate effectively with my colleagues for problem solving and decision making	0.773	5.555	1.142	
Job Satisfaction (Homburg and Stock, 2004, p. 155)		*1. Overall, I am quite satisfied with my job*	*0.833*	5.202	1.485	0.87
		2. I do not intend to work for a different company	*0.705*	4.943	1.561	
		3. I like my job.	*0.843*	5.292	1.387	
		4. There are no fundamental things I dislike about my job.	0.646	4.656	1.604	
		5. I like my job more than many employees of other companies.	0.728	4.913	1.344	
		6. I consider this employer as first choice	0.811	4.986	1.417	
Organisational Performance (Delaney and Huselid, 1996, p. 956)		**How would you rate the performance of the organisation you work for in terms of:**				
		1. Quality of services	*0.714*	5.243	1.207	0.89
		2. Development of new services	0.744	5.044	1.204	
		3. Ability to attract essential employees	0.775	5.016	1.230	
		4. Ability to retain essential employees	*0.780*	4.948	1.291	
		5. Satisfaction of customers or clients	0.709	5.322	1.080	
		6. Relationship between management and other employees	*0.719*	5.003	1.283	

	7. Relationship among employees in general	0.655	5.230	1.201	
Organisational Competitiveness (Sigalas et al., 2013, p. 341)	**Please indicate to what extent would you agree/disagree that the organisation you work for has:**				
	1. exploited all market opportunities that have been presented to your industry	0.756	4.645	1.400	0.88
	2. fully exploited the market opportunities that have been presented to your industry	0.747	4.664	1.324	
	3. neutralized all competitive threats from rival firms in your industry.	0.836	4.481	1.326	
	4. fully neutralized the competitive threats from rival firms in your industry.	*0.806*	4.478	1.396	

N= 366, M= Mean, SD= Standard Deviation, α= Cronbach's Alpha; Items in *italic* were dropped after CFA due to poor performance.

8.13. Nomological Validity: ORG Level

In order to assess the nomological validity of the ORG MR construct, this study included two antecedents measuring ETN and OC and four outcomes measuring EP, JS, OP, and OCP in the model. The correlations between dimensions of ORG MR and these constructs were examined to confirm if their association is as expected. To measure the antecedent and outcome variables, items from well-established scales in the literature were used. As expected, the subscales of the ORG MR correlate positively with OC, EP, JS, OP, and OCP. Hence, the nomological validity is confirmed. The correlation matrix is provided in Table 8.23.

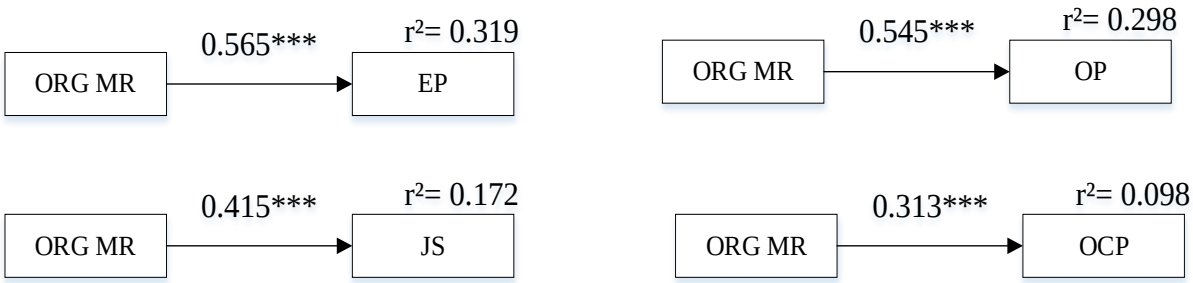
Table 8. 23. Correlation matrix- ORG Level (convergent and discriminant validity)

	M	STD	AVE	CR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1. Cultural Awareness	5.2	1.1	0.6	0.9	***0.78***																	
2. Motivation to improve cultural knowledge	4.8	1.3	0.7	0.9	.539**	***0.81***																
3. Motivation to Process cultural knowledge	4.9	1.1	0.6	0.9	.503**	.758**	***0.79***															
4. Acceptance of cultural diversity	5.0	1.2	0.5	0.8	.484**	.680**	.725**	***0.73***														
5. Acceptance of the benefits of cultural diversity (Perceived Benefit)	5.1	1.1	0.6	0.8	.531**	.593**	.665**	.721**	***0.77***													
6. Adaptation _Policy	5.3	1.2	0.7	0.9	.632**	.529**	.589**	.645**	.723**	***0.81***												
7. Adaptation _HR	5.3	1.1	0.6	0.9	.485**	.397**	.513**	.499**	.549**	.701**	***0.79***											
8. Adaptation _Service	4.8	1.2	0.6	0.9	.457**	.673**	.708**	.714**	.654**	.576**	.526**	***0.77***										
9. Communication	4.8	1.2	0.6	0.9	.422**	.666**	.689**	.651**	.680**	.517**	.469**	.801**	***0.79***									
10.Ethnocentrism	3.7	1.4	0.6	0.9	-0.036	.202**	.182**	.159**	.198**	0.000	0.004	.287**	.346**	***0.76***								
11. Organisational Culture (IND)	5.1	1.1	0.6	0.8	.411**	.410**	.431**	.502**	.555**	.568**	.559**	.526**	.542**	.215**	***0.74***							
12.Organisational Culture (COL)	4.9	1.2	0.6	0.9	.322**	.392**	.413**	.419**	.496**	.483**	.509**	.480**	.499**	.314**	.720**	***0.79***						
13.Employee Task Performance	5.5	1.0	0.6	0.8	.487**	.301**	.309**	.402**	.426**	.551**	.503**	.341**	.323**	-0.075	.479**	.356**	***0.77***					
14.Employee Adaptive Performance	5.4	1.0	0.6	0.9	.473**	.298**	.302**	.384**	.419**	.516**	.495**	.365**	.342**	-0.019	.508**	.426**	.801**	***0.76***				
15.Employee Contextual Performance	5.5	1.0	0.6	0.9	.529**	.320**	.299**	.442**	.441**	.602**	.522**	.367**	.319**	-.126*	.530**	.395**	.771**	.776**	***0.79***			
16.Job Satisfaction	4.9	1.2	0.5	0.8	.209**	.358**	.354**	.324**	.423**	.354**	.372**	.322**	.382**	.295**	.408**	.489**	.317**	.374**	.315**	***0.73***		
17.Organisational Performance	5.2	0.9	0.5	0.8	.409**	.399**	.392**	.422**	.496**	.521**	.480**	.431**	.399**	.147**	.526**	.585**	.503**	.503**	.496**	.531**	***0.72***	
18.Organisational Competitiveness	4.6	1.2	0.6	0.8	.179**	.334**	.246**	.263**	.297**	.196**	.173**	.296**	.315**	.376**	.324**	.367**	.268**	.304**	.235**	.418**	.452**	***0.78***

**p<0.01; *p<0.05; Values in bold on the diagonal are square roots of the AVE; M= Mean; STD= Standard Deviation; AVE= Average Variance Extracted; CR= Composite Reliability

8.14. Predictive Validity: ORG Level

In this research, the predictive validity was examined by assessing the impact of ORG MR on EP, JS, OP, and OCP. The aim here was to investigate the effect of the newly developed construct on the outcome variables. Figure 8.6 presents the influence of ORG MR on four outcome variables. The model explains 31.9% variance for the impact of ORG MR on EP (β= +0.565, p<0.001, t= 13), 17% variance for the impact of ORG MR on JS (β= +0.415, p<0.001, t= 8.7), 29.8% variance for the impact of ORG MR on OP (β= +0.545, p<0.001, t= 12.4), 9.8% variance for the impact of ORG MR on OCP (β= +0.313, p<0.001, t= 6.3). Hence, ORG MR has a significant positive influence on the outcome variables, confirming predictive validity.

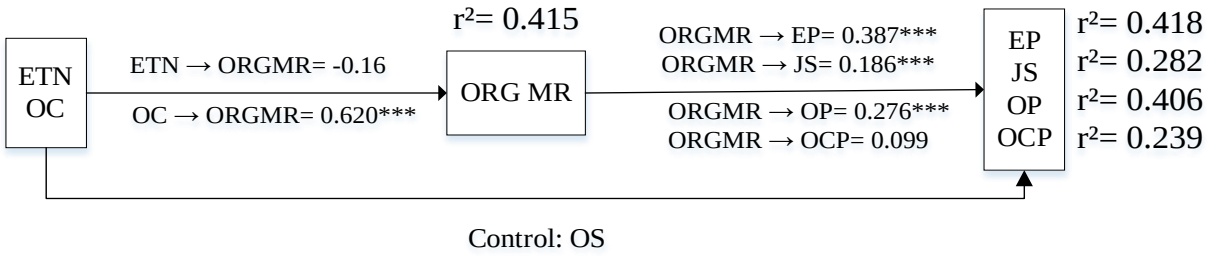


Notes: r²= squared multiple correlations; * p < .05, ** p < .010, *** p < .001; ORG MR= organisational-level multicultural readiness, EP= employee performance, JS= Job satisfaction, OP= organisational performance, OCP= organisational competitiveness.

Figure 8. 6. Impact of ORG MR on the outcome variable

8.15. Assessment of the Theoretical Model: ORG Level

To test the conceptual model and hypotheses, AMOS 25 was used for SEM. The structural model was tested comprised of latent factors of ORG MR, ETN, OC, EP, JS, OP, and OCP. Organisational Size (OS) was considered as the control variable for ORG MR, OP, and OCP. The path analysis showed an excellent fit (χ2 = 7.993, df = 4, χ2/df = 1.998, RMSEA = 0.052, SRMR = 0.032, CFI = 0.996, PClose = 0.398). Figure 8.7 presents the conceptual model.



Notes: r²= squared multiple correlations; * p < .05, ** p < .010, *** p < .001; ETN= ethnocentrism, ORG MR= organisational-level multicultural readiness, EP= employee performance, JS= Job satisfaction, OP= organisational performance, OCP= organisational competitiveness, OS= Organisational size.

Figure 8. 7. Path analysis

The results show that ETN has no significant influence on ORG MR (β= -0.016, p= 706, t= -0.37). However, as expected, OC has a significant positive influence on ORG MR (β= +0.620, p<0.001, t= 14.8). Moreover, as hypothesised, ORG MR has a significant positive influence on EP (β= +0.387, p<0.00, t= 7.6), JS (β= +0.186, p<0.001, t= 3.3), and OP (β= +0.276, p<0.001, t= 5.2). However, the impact of ORG on OCP was not significant (β= +0.099, p=0.096, t= 1.66). The model explained 41.5% variance for the influences on ORG MR, 41.8% variance for the influences on EP, 28.2% variance for the influences on JS, 40.6% variance for the influences on OP, and 23.9% variance for the influences on OCP. The result of the path model is presented in Table 8.24.

Table 8. 24. Path model results- standardized path weight

Independent variables	Dependent Variables				
	ORG MR	EP	JS	OP	OCP
ETN	-0.016	-0.246***	0.172***	-0.025	0.294***
OC	0.620***	0.349***	0.320***	0.435***	0.221***
ORG MR		0.387***	0.186***	0.276***	0.099
OS (control variable)	0.188***	-	-	0.007	0.126**

Notes: * p < .05, ** p < .010, *** p < .001; ETN= ethnocentrism, ORG MR= organisational-level multicultural readiness, EP= employee performance, JS= Job satisfaction, OP= organisational performance, OCP= organisational competitiveness, OS= Organisational size

As the structural model was analysed to test the proposed hypotheses, Table 8.25 demonstrates the results of hypotheses testing.

Table 8. 25. Hypotheses outcome- ORG level

Hypotheses	Outcome
H1b: Employee ethnocentrism has a negative influence on his/her perception of ORG MR	Not Supported
H2b: Organisational culture has a positive influence on employee's perception of ORG MR	Supported
H3b: ORG MR has a positive influence on employee performance.	Supported
H4b: ORG MR has a positive influence on employee job satisfaction.	Supported
H5b: ORG MR has a positive influence on organisational performance.	Supported
H6b: ORG MR has a positive influence on organisational competitiveness.	Not Supported

Considering that EP is a three-dimensional construct, this study performed a path analysis similar to what was discussed above by replacing the EP construct with its dimensions

consisting of employee task performance (ETP), employee adaptive performance (EAP), and employee contextual performance (ECP). The new model explained 33.2% variance for the influences on ETP, 33.9% variance for the influences on EAP, and 41.1% variance for the influences on ECP. The analysis shows that ORG MR has almost a similar influence on all type of employee performance including ETP (β= +0.380, p<0.001, t= 7), EAP (β= +0.314, p<0.001, t= 5.8), ECP (β= +0.379, p<0.001, t= 7.4).

Furthermore, considering the two-dimensional structure of the OC construct, this study performed a path analysis similar to what was discussed above and replaced the OC construct with its dimensions consisting of individualism (OC-Ind) and collectivism (OC-Col). The new model explained 42.4% variance for the influences on ORG MR. The analysis output shows that both dimensions of OC have a significant positive impact on ORG MR. However, OC-Ind found to has a much stronger influence on ORG MR (β= +0.452, p<0.001, t= 7.8) compared to OC-Col (β= +0.216, p<0.001, t= 3.6).

8.16. Additional Analysis - Demographics ORG Level

This study examined the effect of gender, age, education, occupation, work experience, sector, industry, and organisational size on study variables using analysis of variance (ANOVA).

8.16.1. Effect of gender on study variables

The ANOVA results show that there is no significant difference among the three groups for ORG MR, OC, EP, JS, and OCP. However, ETN and OP are affected by gender.

8.16.2. Effect of age on study variables

The ANOVA results show no significant difference among the five different age ranges for JS, OP, and OCP. However, ORG MR, ETN, OC, and EP are affected by the respondent's age group. Conducting Post Hoc comparisons, using the LSD test, for ORG MR shows that at p<0.05, the mean score for respondents aged 18-21 and 55-64 (the two ends of the age continuum) are significantly different from respondents aged 25-54 and people aged 18-24 (the youngest group) and those aged 55-64 (the oldest group) perceived a lower level of ORG MR compared to other age groups.

8.16.3. Effect of education on study variables

The ANOVA results shows no significant difference among the nine education levels for ORG MR, OC, JS, EP and OP. However, ETN, and OCP are affected by respondent's education.

8.16.4. Effect of occupation on study variables

The ANOVA result shows a significant difference among occupations for all of the study variables. Conducting the Tukey HSD test shows that at $p<0.05$, the mean score of ORG MR for the managers was significantly different from clerical and administrative workers, community and personal workers, and sales workers. Scores of ORG MR is higher as perceived by managers compared to other occupations.

8.16.5. Effect of Work Experience on Study Variables

The ANOVA results show that except for JS and OP, there is a significant difference among various lengths of work experience for all study variables. Conducting the Tukey HSD test shows at $p<0.05$, the mean score of ORG MR for the 3-6 months of work experience is significantly less than those with 5-10 years, 10-15 years, 20-25 years, and 25-30 years of work experience.

8.16.6. Effect of sector on study variables

The ANOVA result shows no significant difference in study variables based on the sector in which respondent's work, consisting of Government, not-for-profit and private sector.

8.16.7. Effect of industry type on study variables

The ANOVA result shows that except for ETN, there is no significant difference in study variables based on the industry in which respondent's work.

8.16.8. Effect of organisational size on study variables

The ANOVA result shows a significant difference in ORG MR, EP, and OCP based on the organisational size, consisting of small organisations (less than 20 employees), medium-size organisations (between 20 to 200 employees) and large organisations (200 employees and more) (ABS, 2009). Conducting the Tukey HSD test shows at $p<0.05$, the scores of ORG MR and EP for large organisations is significantly different from small and medium-size organisations and the mean scores of ORG MR and EP are higher for large organisations.

8.17. Summary

This chapter discussed the process of validating the 3rd-order structure of the IND MR and ORG MR and confirmed the discriminant validity, nomological validity and predictive validity of these constructs. The next chapter interprets the results and provides managerial implications.

CHAPTER 9: DISCUSSION AND IMPLICATIONS

9.1. Overview

This chapter discusses the key findings of the study based on the research objectives, explains the theoretical and managerial implications, reviews the limitations and direction for future research and provides the conclusion. The chapter starts by reviewing the re-conceptualisation of the MR construct at the individual level and continues by explaining the operationalisation and validation of IND MRI. It also explains the relationships of the IND MR with its hypothesised antecedents and outcomes. Then, the chapter discusses similar steps for the MR construct at the organisational level and explains the validation of ORG MRI. Next, theoretical contribution and managerial implications are explained which is followed by identifying the study limitations and providing direction for future researches. The conclusion is the last section provided in this chapter. Figure 9.1 presents the structure of chapter 9.

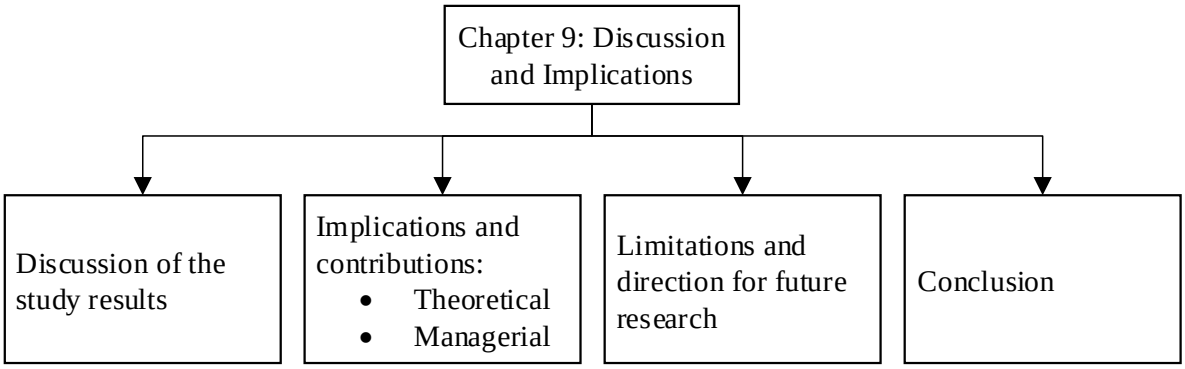


Figure 9. 1. Structure of Chapter 9

9.2. Discussion of the Study at the IND Level

9.2.1. Reconceptualisation of the IND MR construct

This research integrates various perspectives about intercultural sensitivity, cultural competence, cultural intelligence, and other similar terminologies at the individual level as well as the organisational level and reviews several existing tools that have been established to measure these constructs. Then, it explores the topic further by conducting interviews with customers of services and employees working in the services sector to provide conceptual reliability of the construct. These steps clarify the conceptual definition of MR by

reconceptualising it as a multi-level and multi-dimensional construct reflected by five dimensions at both individual and organisational levels.

At the individual level, the comprehensive review of literature accompanied by analysing the interview transcripts resulted in reconceptualising IND MR as 'individuals' preparedness-cognitively, affectively, and behaviourally- to engage effectively with people from cultural backgrounds other than their own in day-to-day life and at work'. This notion is reflected by five dimensions comprised of AWR, MOT, ACC, ADT, and COM. To explain, AWR represents an individual's awareness of differences and similarities in social norms and acceptable behaviours in different cultures as well as his/her awareness of the extent of cultural diversity in the country. MOT represents one's willingness to continuously acquire and update cultural knowledge and his/her interest in processing the acquired information. ACC is reflected by one's willingness to accept cultural diversity. ADT is represented by an individual's ability to adjust behaviour and communication style in a way to be suitable for multicultural settings. Lastly, COM is represented by one's confidence to communicate across cultures and feel at ease during these communications.

9.2.2. Operationalisation of the IND MR construct in the form of IND MRI

In order to develop a tool to measure the MR construct at the individual level, after a comprehensive literature review and analysing the transcripts of the interviews, this study developed the initial version of the IND MRI, comprised of 5 dimensions, 11 sub-dimensions, and 99 items. The screening by expert judges shows that except for some items, the rest meet the requirement of face validity and content validity. For scale assessment purpose, 416 employees working in the services sector in Australia responded to the 99 questions of the IND MRI. After executing exploratory factor analysis, and assessing reliability, factor loading, cross-factor loading, and other statistical analysis, four items of the communication comfort sub-dimension were dropped due to ambiguity in meaning, high cross-factor loading, and weak inter-item correlation. The other problematic items were reworded to provide more clarity in meaning. The initial purification of the IND MRI continued by validating the structure of this instrument.

9.2.3. Validation of IND MRI

This study aimed to validate the multidimensional structure of IND MRI and for this purpose, CFA was performed and the problematic items were dropped. During CFA, the 'acceptance of

the benefits of cultural diversity (perceived benefits)', as a sub-dimension of ACC, was removed due to poor performance and high-loadings with the other dimensions. Hence, the ACC dimension changed to a first-order variable. Moreover, the 'ability to adapt' and 'willingness to adapt', as the sub-dimensions of ADT were merged into one. This is consistent with Farrell (2010)'s suggestion that the problematic constructs can be merged into one overall measure, as long as this combination makes theoretical sense. Hence, the structure of the IND MRI after CFA was updated to a third-order construct with five dimensions, eight sub-dimensions, and 54 items. This model showed a good fit and met the reliability and validity requirements.

The research proceeded by further validating the IND MR construct by testing it in a conceptual model comprised of its antecedents (ethnocentrism, organisational culture) and outcomes (employee performance, job satisfaction, organisational performance, and organisational competitiveness). At this stage, a CFA for the whole measurement model was executed and based on the inferences from modification indices, items of IND MRI with poor performance were dropped. This resulted in a 50-item IND MRI, which is reliable and meets the requirements of convergent validity and discriminant validity. Table 9.1 shows the final multidimensional structure of the IND MR construct.

Table 9. 1. Multidimensional structure of the IND MR construct

Dimensions	Sub dimensions	Changes	Initial number of items	Number of items after scale purification	Number of items after scale Validation
AWARENESS (AWR)	Cultural awareness	-	11	11	**7**
	Contextual awareness	-	6	6	**4**
MOTIVATION (MOT)	Motivation to acquire cultural knowledge	-	10	10	**7**
	Motivation to process cultural knowledge (Cognition)	-	10	10	**4**
ACCEPTANCE (ACC)	Acceptance of cultural diversity	-	12	12	**4**
	Acceptance of the benefits of cultural diversity	Removed	11	11	-

	(perceived benefits)				
ADAPTATION (ADT)	Ability to Adapt	Merged	8	8	**6**
	Willingness to Adapt		5	5	
	Intercultural communication adaptation	-	9	9	**6**
COMMUNICATION (COM)	Communication confidence	-	7	7	**7**
	Communication comfort	-	10	6	**5**
Total			99	95	**50**

The results confirm nomological validity because as predicted by the theory, IND MR correlates positively with organisational culture, employee performance, job satisfaction, organisational performance, and organisational competitiveness, and correlates negatively with ethnocentrism. Moreover, predictive validity is also confirmed by statistically significant associations between IND MR and employee performance (β= +0.677, p<0.001, t= 18.7), job satisfaction (β= +0.412, p<0.001, t= 9.19), organisational performance (β= +0.503, p<0.001, t= 11.8), and organisational competitiveness (β= +0.212, p<0.001, t= 4.4).

9.2.4. IND MR as an outcome

This research aimed to validate the structure of IND MR by testing it in a conceptual model comprised of its antecedents and outcomes. Based on the literature review, ethnocentrism is considered as the individual-level antecedent of IND MR (H1a), and organisational culture is considered as the organisational-level antecedent of IND MR (H2a). As expected, there is a significant negative relationship between ETN and IND MR (β= -0.218, p<0.001, t= -5.46) which supports our hypothesis that ethnocentric service employees are less ready to deal with their multicultural environments.

This is consistent with the literature where ethnocentrism is known to lead to negative perceptions about those from different cultures (Sharma et al., 2017) and it has a negative impact on an individual's ICC (Borden, 2007; Egan and Bendick Jr, 2008), CQ (Ang et al., 2007; Harrison, 2012; Young et al., 2017), and intercultural interaction comfort (Sharma et al., 2009). Sharma and Wu (2015) argue that ethnocentrism is a problem in cross-cultural contact as it can lead to bias toward other cultures and may work in opposite to ICC. Hence, when it comes to ICSEs, employees with high scores on ethnocentrism are less inter-culturally competent.

The analysis of the exploratory study (Study1) also proves that ethnocentrism is a hindrance to developing culturally appropriate attitudes and behaviours. For instance, in quotes such as "they tend to be overprotective on their own cultures and they find it challenging to face other cultures"; " they think they're superior and based on that superior, they think other cultures are inferior… naturally, there will be conflict and as soon as pride and ego and ethnocentrism gets involved, and it's a recipe for disaster", participants in the interviews emphasised on the decrease of ethnocentrism as the prerequisite for improving IND MR. Previous studies also argue that to promote inclusiveness and sharing of cultural knowledge in culturally diverse settings, ethnocentrism needs to be decreased (Borden, 2007; Cramton and Hinds, 2004).

Moreover, this research found a significant positive relationship between OC and IND MR (β= +0.595, p<0.001, t= 14.93). This finding is consistent with prior studies that confirm organisational culture plays a significant role in multicultural organisations whereby the benefits and challenges of culturally diverse workplaces can be intensified by organisational culture (Trefry, 2006). Based on the organisational cultures, employees can be motivated toward a behaviour and seek anxiety-free interaction with others (ODOR, 2018). Studies also demonstrate that organisational culture impacts organisational direction toward inclusiveness and can facilitate or impede reaching on-the-job diversity (Smith, 2008).

9.2.5. IND MR as an antecedent

IND MR and its impact on various individual-level outcomes (i.e. employee performance, job satisfaction) and organisational-level outcomes (i.e. organisational performance, organisational competitiveness) were investigated under hypotheses H3a, H4a, H5a, and H6a. The analysis output indicates a significant positive influence of IND MR on EP (β= +0.489, p<0.001, t= 11.85) which supports our hypothesis that multi-culturally ready service employees show a better performance. This is also consistent with the results of prior studies that found individuals with higher CQ, or ICC scores have better performance (Ang et al., 2007; Caligiuri, 2000; Kortmann, 2016; Mathew and Javalgi, 2018; Presbitero, 2016). Moreover, considering that EP is a three-dimensional construct, this study also investigates the impact of IND MR on each of the dimensions separately. This includes the influence of IND MR on employee task performance (ETP), employee adaptive performance (EAP), and employee contextual performance (ECP).

To explain, task performance refers to job-specific tasks and duties which requires cognitive ability and task knowledge; Adaptive performance is defined as "an individual's ability to acclimatize and provide the necessary support to the job profile in a dynamic work situation" (Pradhan and Jena, 2017, p. 71) and requires employees' ability to deal with changing working environments and adaptability skills (Abdul Malek and Budhwar, 2013; Pradhan and Jena, 2017). The contextual performance involves prosocial and helping behaviours and it is defined as "a set of interpersonal and volitional behaviors that support the social and motivational context in which organisational work is accomplished" (Van Scotter and Motowidlo, 1996, p. 525). The analysis output demonstrate that IND MR has a higher significant positive impact on EAP (β= +0.498, p<0.001, t= 11.52) and ECP (β= +0.476, p<0.001, t= 11.13) compared to ETP (β= +0.388, p<0.001, t= 8.18).

Prior studies also found that the cultural intelligence of employees has a significant positive impact on their contextual performance (Abdul Malek & Budhwar, 2013; Hartini, Fakhrorazi, & Islam, 2019; Lee & Sukoco, 2010), but no relationship with employee task performance was reported (Abdul Malek & Budhwar, 2013). Harris (2003) also coins that in workplace relations, employees with higher competency in interpersonal interactions demonstrate better contextual performance. Hence, the results of this study show that being multi-culturally ready helps employees to not only perform well in task-related activities, but more importantly to get engaged in non-technical responsibilities such as adapting to changing environments and helping colleagues and customers who are from diverse cultural backgrounds.

This study also shows a significant positive relationship between IND MR and JS (β= +0.133, p<0.01, t= 2.77) which supports our hypothesis that multiculturally-ready service employees are more satisfied with their job in a multicultural organisation. This finding is consistent with prior studies that confirm people with higher CQ and ICC have higher job satisfaction, which stems from their intercultural communication capability and engagement in activities with people from a different culture (Diao and Park, 2012; Lloyd and Härtel, 2010; Sharma et al., 2009; Sizoo, 2007; Sizoo, Plank, Iskat, and Serrie, 2005). Moreover, as supported by the positive organisational behaviour paradigm (Youssef and Luthans, 2007), being optimistic about cultural diversity and demonstrating resilience in the form of adapting behaviours based on the cultural context, improve employees' job satisfaction.

Various dimensions of MR such as being aware that there are differences and similarities among cultures, staying motivated to learn about different cultures and accepting cultural

diversity are all prerequisites of working with culturally diverse colleagues and customers or clients. More importantly, service employees' behavioural adaptation is an important factor for helping them become more effective in a multicultural workplace and have higher job satisfaction. This is also supported by the cross-cultural working theory which coins that employees who adapt to a new environment are more satisfied with their job (Diao and Park, 2012). Moreover, multi-culturally ready employees are more confident and comfortable with engaging in intercultural communication and feel at ease in social interactions. This makes them feel socially safe and creates a more pleasant working environment with less anxiety, leading to higher job satisfaction.

This study also confirms the significant positive influence of IND on organisational performance (OP) (β= +0.22, p<0.001, t= 5) which supports our hypothesis that in a culturally diverse setting, organisations with multi-culturally ready service employees perform better. This finding is compatible with previous studies that found culturally competent employees are knowledgeable and skilful to adapt their behaviour based on the cultural setting and perform effectively in a new context, which positively influences organisational performance (Charoensukmongkol, 2016). Moreover, as supported by the resource-based view (Barney, 1991), culturally competent employees help organisations to reap the benefits of cultural diversity and improve their performance and competitiveness.

Furthermore, a significant positive relationship between IND MR and organisational competitiveness (OCP) (β= +0.22, p<0.001, t= 13.72) was found, which supports our hypothesis that in a culturally diverse setting, organisations with multi-culturally ready service employees are more likely to keep up with the competition and take advantage of the opportunities offered by cultural diversity. Based on the "resource-based theory" (Barney, 1991), multi-culturally ready employees are precious (i.e. valuable, rare, hard to imitate) resources and can build a position that is unique and leads to competitive advantage. Prior studies also support that management of cultural diversity (Cox and Blake, 1991) and intercultural competence (Dubkēvičs et al., 2015) leads to creating a competitive advantage.

Employees with high scores on multi-cultural readiness are aware of different cultures, adapt their behaviour and are confident and comfortable in communicating with co-workers, customers, and other internal and external stakeholders who are from different cultural backgrounds. Supported by the human capital theory (Kamukama, 2013; Lin et al., 2017), employees with knowledge, skills and experience in dealing with multicultural situations are

valuable resources who positively contribute to organisational competitiveness. Moreover, these employees build effective communication with others from a different culture; hence share different perspectives, leading to creativity and organisational competitiveness.

9.2.6. IND MR across various groups of respondents

This study found that females tend to score higher on IND MR compared to their male counterparts. To explain, for IND MR, the independent samples t-test demonstrates a significant difference among female respondents (M= 5.6, SD= 0.79) and male respondents (M= 5.3, SD= 10.08) (conditions: t (411) = -3.06, p=0.002). Age vies, the results show a significant effect of respondents' age on their IND MR (conditions: F (4, 409) = 2.86, p= 0.23). For instance, people aged 18-21 (the youngest age group) had the lowest IND MR (M= 5.1, SD= 1.2, N= 41) compared to other age groups.

The study also found that IND MR is significantly different among different levels of education (conditions: F (9, 404) = 2.76, p= 0.004) in a way that respondents with a university degree (e.g. bachelor, master, doctorate) rated themselves as more multi-culturally ready compared to their less-educated counterparts. This research also confirms that there is a significant difference among various occupations for IND MR (conditions: F (7, 406) = 8.28, p= 0.000). For instance, the mean score of IND MR for machinery operators and drivers (M= 4.71, SD= 1.07, N= 21) was significantly lower compared to clerical and administrative workers (M= 5.55, SD= 0.82, N= 59), managers (M= 5.6, SD= 0.84, N= 104), and professionals (M= 5.7, SD= 0.83, N= 97).

Similarly, this research found that the industry where respondents are employed significantly influences their MR (conditions: F (15, 398) = 3.14, p= 0.000). For example, people working in the construction industry (M= 4.7, SD= 1.7, N= 31) were found to score their IND MR significantly lower compared to those working in industries such as education and training (M= 5.6, SD= 1.07, N= 27), financial and insurance services (M= 5.7, SD= 0.82, N= 50), etc. Furthermore, respondents' work experience was found to significantly impact their IND MR (conditions: F (12, 401) = 5.12, p= 0.000). To explain, the mean score of IND MR for those with 5-10 years of work experience (M= 5.8, SD= 0.81, N= 75) and 10-15 years of work experience (M= 5.8, SD= 0.7, N= 58) was significantly higher than those with 1-2 years (M= 4.98, SD= 1.24, N= 27) or 25-30 years of work experience (M= 4.84, SD= 1.4, N= 29).

The size of the organisation in which respondents work, consisting of small, medium-sized, and large, was also found to cause significant differences in employees' perception of their IND MR (conditions: F (2, 411) = 7.96, p= 0.000). To explain, respondents working in large organisations scored higher on IND MR (M= 5.6, SD= 0.79, N= 183) compared to those working in small (M= 5.1, SD= 1.1, N= 72) or medium-size organisations (M= 5.3, SD= 1.07, N= 159). However, this study does not find a significant difference in IND MR based on the sector in which respondents work, consisting of Government, not-for-profit and private sector (conditions: F (2, 411) = 0.58, p= 0.55).

9.3. Discussion of the Study at the ORG Level

9.3.1. Conceptualisation of the ORG MR construct

A comprehensive literature review and interview analysis resulted in conceptualising ORG MR as 'service organisation's preparedness, cognitively, affectively, and operationally, to engage effectively with stakeholders from diverse cultural backgrounds (as perceived by their employees)'. This notion is reflected by five dimensions comprised of AWR, MOT, ACC, ADT, and COM. To explain, AWR represents organisational awareness of cultural diversity among its stakeholders. MOT represents organisational willingness to continuously improve cultural knowledge at all organisational levels and its willingness to process cultural information.

ACC is represented by organisational willingness to accept cultural diversity and acknowledge it as a valuable source of knowledge and competence. ADT is reflected by organisational ability to adjust its procedures and rules to guide organisational decisions and actions for creating a culturally inclusive environment as well as organisational ability to adjust its human resource practices to ensure cultural equity in attracting, motivating, evaluating, and developing employees from diverse cultural backgrounds Lastly, COM is represented by organisational ability to adjust its services to ensure the needs of stakeholders from diverse cultural backgrounds are taken into consideration as well as organisational ability to nurture and encourage multicultural communication with all its stakeholders.

9.3.2. Operationalisation of the ORG MR construct

In order to develop a tool to measure the MR construct at the organisational level, after a comprehensive literature review and analysing the transcripts of the interviews, this study developed the initial version of the ORG MRI, comprised of 5 dimensions, 9 sub-dimensions,

and 66 items. The screening by expert judges shows that except for some items, the rest meet the requirement of the face and content validity. For the scale assessment purpose, 680 employees working in the services sector in Australia responded to the 66 questions of the ORG MRI. After executing exploratory factor analysis, and assessing reliability, factor loading, cross-factor loading, etc., none of the items was dropped; however, the problematic items were reworded to provide more clarity in meaning. The initial purification of the ORG MRI continued by validating the structure of this instrument.

9.3.3. Validation of ORG MRI

This study aimed to validate the multidimensional structure of ORG MRI and a fresh group of 366 employees working in the services sector in Australia participated in the research. To confirm the multidimensional structure of ORG MRI, confirmatory factor analysis (CFA) was performed and the problematic items were dropped. Based on the CFA output, the Service that initially was a sub-dimension of ADT was placed under COM. This change created a better model structure because Policy and HR focus on the adaptation of the internal processes (such as organisational commitment to hire people from diverse cultural backgrounds, improve cultural competence in the workplace, etc.). However, Service measures adaptation of communicative services for the external stakeholders (such as the provision of language assistance services, or translation of information in languages of service users) which facilitates communication with culturally and linguistically diverse stakeholders. Similarly, Communication measures organisational ability to adjust its communicative practices, nurture, and encourage communication with the internal and external stakeholders. Hence, the structure of the ORG MR after CFA was updated to a third-order construct with 5 dimensions, 8 sub-dimensions, and 42 items.

This research proceeded by further validating the ORG MR construct by testing it in a conceptual model comprised of its antecedents (ethnocentrism, organisational culture) and outcomes (employee performance, job satisfaction, organisational performance, and organisational competitiveness). At this stage, a CFA for the whole measurement model was executed and based on the inferences from modification indices, another three items of the ORG MR were dropped. This resulted in a 39-item ORG MRI, which is reliable, and meets the requirements of convergent validity and discriminant validity. Table 9.2 shows the final multidimensional structure of the ORG MR construct.

Table 9. 2. Multidimensional structure of the ORG MR construct

Dimensions	Sub dimensions	Changes	Initial number of items	Number of items after scale purification	Number of items after scale Validation
AWARENESS (AWR)	-	-	7	7	**4**
MOTIVATION (MOT)	Motivation to improve cultural knowledge	-	7	7	**4**
	Motivation to process cultural knowledge (Cognition)	-	7	7	**4**
ACCEPTANCE (ACC)	Acceptance of cultural diversity	-	7	7	**3**
	Acceptance of the benefits of cultural diversity (perceived benefits)	-	6	6	**3**
ADAPTATION (ADT)	Adaptation-policy	-	9	9	**4**
	Adaptation-Human resource practices	-	8	8	**4**
COMMUNICATION (COM)	Adaptation-Services	Placed as a sub-dimension of COM	7	7	**6**
	Communication		8	8	**7**
Total			66	66	**39**

The results confirm nomological validity because as predicted by the theory, ORG MR correlates positively with OC, EP, JS, OP, and OCP. Moreover, predictive validity is also confirmed by statistically significant associations between ORG MR and employee performance (β= +0.565, p<0.001, t= 13), job satisfaction (β= +0.415, p<0.001, t= 8.7), organisational performance (β= +0.545, p<0.001, t= 12.4), and organisational competitiveness (β= +0.313, p<0.001, t= 6.3).

9.3.4. ORG MR as an outcome

This research aimed to validate the structure of the newly developed construct called ORG MR by testing it in a conceptual model comprised of its antecedents and outcomes. Based on the literature review, ethnocentrism is considered as the individual-level antecedent of ORG MR (H1b), and organisational culture is considered as the organisational-level antecedent of ORG MR (H2b). The results show that ETN has no significant effect on employees' perception of ORG MR (β= -0.016, p= 706, t= -0.37). However, Organisational culture (OC) was found to have a significant positive impact on their perceived ORG MR (β= +0.623, p<0.001, t= 14.8). Organisational culture is known to be a combination of shared thoughts, emotions, beliefs, and experiences among members of an organisation and it can influence organisational adaptation to a culturally diverse environment (Moon, 2010). This finding is consistent with prior studies that found organisational culture predicts organisational CQ and adjustment to changing environments (Moon, 2010; Yitmen, 2013) which can facilitate or impede organisational direction toward inclusiveness and on-the-job diversity (Smith, 2008).

9.3.5. ORG MR as an antecedent

ORG MR and its impact on various individual-level outcomes (i.e. employee performance, job satisfaction) and organisational-level outcomes (i.e. organisational performance, organisational competitiveness) was investigated under hypotheses H3b, H4b, H5b, and H6b. The analysis of the path model indicates a significant positive relationship between ORG MR and EP (β= +0.387, p<0.00, t= 7.6). This result supports our hypothesis that multiculturally-ready service organisations enable employees to perform better. Consistent with prior studies, culturally intelligent and competent organisations by supporting and motivating their employees in terms of improving their cultural knowledge and guiding them to be effective in culturally diverse situations, increase employees' performance and productivity (David et al., 2019; Ljubica et al., 2016). These organisations effectively manage cultural misunderstanding and conflicts (Ljubica et al., 2016) and through acceptance of cultural diversity help employees to perform better (Hobfoll, 1989).

The analysis of the exploratory study (Study1) also proves that ORG MR positively improves employee performance. For instance, in quotes such as "they perform a bit better. I think because they're able to not get so stressed about things that are different"; "I think it creates an environment where people can do their best work"; "if you create an environment where that (racism) doesn't take place, then everyone else can thrive within an organization", and other

similar quotes, participants in the interviews emphasised on the importance of organisational readiness to deal with its multicultural ecosystem as a prerequisite of better employee performance.

Moreover, considering that EP is a three-dimensional construct, consisting of employee task performance (ETP), employee adaptive performance (EAP), and employee contextual performance (ECP), this study also investigates the impact of ORG MR on each of the dimensions separately. The analysis output demonstrates that ORG MR has almost a similar influence on the three dimensions of EP indicating that in multi-culturally ready organisations, employees would perform better on job-specific tasks and duties (i.e. ETP), can better deal with changing working environments (i.e. EAP), and are more likely to demonstrate prosocial and helping behaviour (i.e. ECP).

This research also confirms a significant positive relationship between ORG MR and JS (β= +0.186, p<0.001, t= 3.3) which supports our hypothesis that multiculturally-ready service organisations would have more satisfied service employees. Consistent with prior studies, in culturally diverse settings, service employees' perception of organisational cultural competence positively predicts their job satisfaction (Allensworth-Davies et al., 2007). Accordingly, employees working in organisations that support employee wellbeing, encourage social relations and decrease stress, have higher job satisfaction (Siu, 2002).

Furthermore, the results of this study confirm the significant positive impact of ORG MR on organisational performance (OP) (β= +0.276, p<0.001, t= 5.2) which supports our hypothesis that multiculturally-ready service organisations have better performance. Prior studies also found that organisational CQ has a positive relationship with organisational performance. Multi-culturally ready organisations have a better understanding of cultural diversity, can better manage intercultural interactions, reduce cultural conflict among their members, adjust activities to new norms and processes, and facilitate intercultural communication, which enables them to demonstrate better performance.

The analysis of the exploratory study (Study1) also proves that ORG MR positively improves organisational performance. For instance, in quotes such as "in my view diversity will increase the pace of work if it's managed properly; Because people from different cultures have different view to different stuff so if it is managed properly, they can actually work more productive together"; "if the team is welcoming of that sort of interaction interfaces, it can be a really,

really, really more effective place to be"; "the outcome of it is a better a better outcome than just if it was one culture", and other similar quotes, participants in the interviews emphasised on the importance of organisational readiness to deal with its multicultural ecosystem as a prerequisite of better organisational performance. However, this study did not find a significant relationship between ORG MR and organisational competitiveness (OCP) (β= +0.099, p=0.096, t= 1.66). This is unlike prior studies that report organisational CQ and cross-cultural competence make organisations capable to sustain their competitive advantages in the rapidly changing market (Moon, 2010; Søderberg and Holden, 2002) and have the opportunity to discover new markets (Schuette and Siebold, 2013).

9.3.6. ORG MR across various groups of respondents

This study found that there is no significant difference among various types of gender in their perception of ORG MR (conditions: F (2, 363) = 0.12, p= 0.88). Age vies, the results show a significant effect of respondents' age on their perception of ORG MR (conditions: F (4, 361) = 2.68, p= 0.031) in a way that people aged 18-24 (M= 4.6, SD= 1.09, N= 21) and 55-64 (M= 4.7, SD= 1.02, N= 71) perceived a lower level of ORG MR compared to other age groups. However, this study did not find a significant difference among different levels of education in their perception of ORG MR (conditions: F (9, 356) = 1.66, p= 0.09). This research confirms that there is a significant difference among various occupations and their perception of ORG MR (conditions: F (7, 358) = 4.19, p= 0.000). For instance, managers perceive a higher level of ORG MR (M= 5.42, SD= 0.88, N= 78) compared to clerical and administrative workers (M= 4.9, SD= 0.99, N= 72), community and personal workers (M= 4.7, SD= 0.93, N= 33), and sales workers (M= 4.5, SD= 1.1, N= 31). However, no significant difference was found across people working in different industries (conditions: F (15, 350) = 0.67, p= 0.80).

Furthermore, respondents' work experience was found to significantly affect their perception of ORG MR (conditions: F (12, 353) = 2.07, p= 0.018). To explain, the ORG MR as perceived by those with 3-6 months of work experience is significantly less than those with 5-10 years, 10-15 years, 20-25 years, and 25-30 years of work experience. However, there were only 4 responses for people with 3-6 months of work experience which makes it hard to conclude if work experience is impacting the responses. The size of the organisation in which respondents work, consisting of small, medium-sized, and large organisations were also found to impact their perception of ORG MR (conditions: F (2, 363) = 11.47, p= 0.000), in a way that respondents working in large organisations perceived a higher level of ORG MR (M= 5.2, SD=

0.96, N= 173) compared to those working in small (M= 4.6, SD=0.90, N= 54) or medium-size organisations (M= 4.9, SD= 0.82, N= 139). However, this study did not find a significant difference in perceived ORG MR based on the sector in which respondents work, consisting of Government, not-for-profit and private sector (conditions: F (2, 363) = 0.58, p= 0.56).

9.4. Contributions and Implications

9.4.1. Theoretical contributions

The economy in many counties is dominated by services with the services sector providing employment opportunities for a large group of individuals. Thus, overall economic productivity is a function of how stakeholders in the various service ecosystems across the economy work together in the most effective manner. The increasing trend of permanent and temporary immigration made many countries become a changing society in terms of their socio-cultural makeup. However, there is a poor understanding of how these changing demographics potentially affect the provision of services within the services sectors. Optimising value to all stakeholders in this ecosystem is thus a function of how culturally diverse people in the sector are able to interact more effectively with one another and how the service organisations can deal effectively with their culturally diverse stakeholders. Hence, there is a need to develop tools and benchmarks that enable service organisations to evaluate their readiness in dealing with culturally diverse stakeholders.

This research contributes to the services marketing and cross-cultural consumer behaviour literature that is impacted upon by the level and nature of multiculturalism within a society by reconceptualising the MR construct, and developing an instrument to measure it at the individual-level (i.e. IND MRI) and organisational level (i.e. ORG MRI). This study also developed and tested an original conceptual model consisting of several predictors as well as outcomes of MR, which helped to identify the effect of MR within the service sector and thus extends the current knowledge on this important topic, at the same time providing new theoretical insights.

Accordingly, the present study extends the concept of competence to ‘readiness’ and through this, addresses the existing gap in the intercultural service encounters literature. By redefining MR, this study introduces the principles of becoming ready to embrace multiculturalism at both individual and organisational levels and deal effectively with people and situations that involve cultural diversity. Next, instruments to measure MR (i.e. IND MRI and ORG MRI) are

developed and their reliability and validity is confirmed. This research adds to the services marketing literature that is impacted upon by the level and nature of multiculturalism by tapping into the propensity and actions of workforces in the service sector as well as service organisation to behave or perform in a way that suits the requirements of a multicultural environment to optimise service-related outcomes. Developing a new scale (MRI) to measure individual-level and organisational-level multicultural readiness is another contribution.

9.4.2. Managerial implications

The proposed study has several managerial implications. Since more than 25 percent of Australia's population in 2017 are immigrants which makes Australia a cosmopolitan and culturally diverse society (DESA, 2017), it is important to conduct researches to help Australian services organisations better understand how to take fuller advantage of such diversity within the service-scale in order to achieve positive individual and organisational outcomes. MRI enables service organisations performing in culturally diverse countries to evaluate their staff and organisational' level of MR, and identify their strengths and weaknesses in providing effective services to culturally diverse stakeholders.

Assessing the IND MR and ORG MR and understanding how service employees and organisations can improve their level of MR is critical to empower them deal effectively with their culturally diverse environments, which results in better performance, success, and higher job satisfaction. This is important to help service marketers develop their further multicultural service offerings accordingly. Moreover, organisational-level MR not only can help employees to accomplish their work in a better environment which helps them to flourish and be more successful, but also helps organisations to serve better services to a wide variety of customers coming from various cultures. This increase the organisation's performance and helps them to stand out among other competitors.

To explain, MRI enables service organisations that perform in culturally-diverse societies to evaluate the level of MR of their staff and organisation and identify their strengths and weakness in dealing effectively with stakeholders that are from different cultural backgrounds. This is important to help service marketers develop their further multicultural service offerings accordingly. Moreover, organisational-level MR not only can help employees to accomplish their work in a better environment which helps them to flourish and be more successful but also helps organisations to serve better services to a wide variety of customers coming from

various cultures. This increases the organisation's performance and helps them to stand out among other competitors.

This study presents that MR is a multi-level construct, which needs careful attention at both individual level and organisational level. This offers motivation to service managers that for improving service quality in a culturally diverse setting and to reap the benefits of multiculturalism, not only service employees need to be ready to engage with culturally and linguistically diverse customers, clients, and colleagues, but service organisations also need to be ready to deal effectively with their culturally diverse internal and external stakeholders. This research also confirms the hierarchical structure of the IND MR and ORG MR constructs, which are reflected by five dimensions consisting of awareness (AWR), motivation (MOT), acceptance (ACC), adaptation (ADT), and communication (COM).

The five-dimensional structure of MR would help managers to investigate the unique impact of each of the dimensions on both individual-level outcomes, such as customer satisfaction and employee performance, as well as organisational-level outcomes such as organisational performance, and competitiveness. This contributes to the identification of the strength and weaknesses of service employees and organisations and the development of relevant strategies and procedures in a way to improve MR in the workplace. To explain, at the individual level, service employees may be culturally aware and skilful, however, they may not be willing to adapt their behaviour. Moreover, although service employees may be competent in communicating with people from a different cultural background (e.g. customers, colleagues), they may still not feel confident or comfortable in intercultural interactions, which prevents them from providing quality services to culturally diverse customers and hinders them from effective performance in multicultural workplaces.

At the organisational level, service organisations may have a favourable approach towards cultural diversity and reflect this through recruiting employees from diverse cultural backgrounds or organising multicultural events. However, they may still fail to continuously improve their knowledge about the cultural diversity of their stakeholders, or they may not adjust their policies and services in a way to meet the expectations of service users from diverse cultural backgrounds. Moreover, they may not represent cultural diversity at the governing board and make decisions without seeking the opinions of their multicultural stakeholders. These shortcomings prevent service organisations from using the full potential of cultural diversity.

Moreover, this research confirms the influence of IND MR and ORG MR on various outcomes such as employee performance, job satisfaction, organisational performance, and competitiveness. Hence, ensuring service employees and organisations are multi-culturally ready becomes managers' responsibility, and it is imperative for decision-makers to be aware of the conditions leading to improved IND MR and ORG MR. Managers not only need to ensure that the strategies and practices for improving MR are taken into consideration, but they also need to monitor employees' and organisation's levels of MR and address the weaknesses.

Prior studies demonstrate that internal service quality (ISQ) leads to satisfaction and satisfied employees provide higher quality services to customers and have a higher contribution to organisational performance and competitiveness (Sharma et al., 2016). Considering that internal service customers (employees) are not free to choose their service provider (i.e. their colleagues), managers are the only source to support them in case a problem occurs (Sharma et al., 2016). Hence, service managers in multicultural organisations need to have effective solutions to improve engagement among employees from diverse cultural backgrounds and resolve intercultural conflict among them.

At the individual level, managers can assess service employees' MR through the IND MRI, and use the assessment outcome and scores on each dimension to decide about the suitable initiatives to improve IND MR. Through this assessment, managers can invest time and money to improve competencies which employees are not strong on. This can include developing programs for improving service employees' cultural awareness, such as educating them about the differences and similarities among cultures in terms of clothing, food preferences, celebrations, artistic expression, cultural values, social norms, and religious beliefs and sharing information and statistics with them about the history of cultural diversity in the country, the cultural diversity of people living in the country, and the trend of immigration to the country. Managers can also help service employees become motivated to learn about different cultures by facilitating the conditions for them, such as organising activities that people from diverse cultures can interact and learn about other cultures and provide them with resources to learn more about different cultures.

Moreover, if the assessment of IND MR shows poor scores on the ADT dimension, managers need to put emphasis on guiding employees to adapt their behaviour in a way to be suitable for a culturally diverse setting. Examples are respectful behaviour with people from different cultures, managing cultural misunderstanding, and seeking help from a person who is aware of

the other culture if there is a miscommunication. Moreover, managers need to train employees how to communicate effectively when interacting with people from different cultural backgrounds, such as avoiding complex idioms, choosing words carefully as not to hurt others, changing the language that may be considered offensive by other cultures, adjusting body language as not to offend others, and make an effort to listen carefully. Managers also need to improve employees' communication skills by training them on how to approach people from different cultures, initiate a conversation with them, maintain a satisfying level of communication, and work effectively with them. Considering that the IND MRI measures one's MR on five dimensions (i.e. AWR, MOT, ACC, ADT, and COM), the training can be more specific to the dimensions on which service employees did not get a high score.

At the organisational level, managers can assess ORG MR as perceived by employees through the ORG MRI, and use the assessment outcome and scores on each dimension to decide about the suitable initiatives to improve organisational-level MR. This can include improving organisational level cultural awareness through collecting information about cultural diversity in the country, cultural diversity of the stakeholders, and the influence of culture on people. Managers can also contribute to the continuous improvement of cultural knowledge in the organisation by engaging experts that can bring in cultural knowledge, conduct cultural training on an ongoing basis, and disseminate cultural materials among employees. Moreover, managers can improve organisational acceptance of cultural diversity through respecting diverse cultural practices (e.g. celebrate cultural festivals, provide prayer room), using culturally inclusive language in organisational written materials, and representing cultural diversity in organisational marketing materials (e.g. brochures, websites, videos, social media posts). It is also important for managers to acknowledge cultural diversity as a valuable source for increased creativity, improved decision-making and gaining access to multicultural markets.

Managers also need to adjust organisational policies in a way to support cultural diversity in the workplace, such as policies that reinforce cultural fairness (e.g. anti-discrimination policies), and organisational commitment to recruit and serve people from diverse cultural backgrounds. Not only in terms of policies, but managers should also adjust human resource practices in a way to be suitable for a culturally diverse setting, such as keeping the selection process, promotion, and performance review free of any cultural bias. Moreover, it is imperative for service managers to consider adjusting services to meet the expectations of their

culturally diverse stakeholders and by focusing on service design, prevent service failure (Sharma et al., 2015). This can include designing new services and customize existing services based on the expectations of people from diverse cultural backgrounds, providing language assistance services (e.g. bilingual staff, interpreters), translating information in languages used by its service users (e.g. service description, forms, webpages), customize service recovery tactics based on the preferences of people from diverse cultural backgrounds (e.g. replacement, apology), and provide extra information to ensure people from diverse cultural backgrounds fully understand the service(s) that is offered to them.

Managers should also develop procedures to nurture and encourage communication with culturally diverse stakeholders. Examples are organising multicultural events (e.g. cultural festivals, morning tea), bringing people from diverse cultural backgrounds together to share their experiences (e.g. multicultural workshops), organising meetings among employees and managers to discuss topics related to cultural diversity, involving culturally diverse employees in making important organisational decisions (e.g. service design, policies, etc.), building networks with diverse cultural groups among all stakeholders (e.g. networking with existing and target customers/clients, community representatives), involving culturally diverse stakeholders in making important organisational decisions (e.g. service design, policies, etc.), and sharing organisational multicultural policies with all the stakeholders (e.g. employees, customers, clients).

Moreover, the proposed models expand managers' understanding of how ethnocentrism and organisational culture affects the IND MR. Service managers need to understand the underlying reasons for service employees' ethnocentric attitudes and develop strategies to deal with their biased perceptions about those from a different culture. One such strategy is educating service employees, particularly front-line service providers, that cultural differences do not mean one's culture is better or worse. This helps employees to be more conscious of their stereotypical perceptions and judgments and try to overcome their ethnocentric attitudes.

Since "intercultural encounters involve interactions between customers and employees from different cultural backgrounds" (Sharma & Wu, 2015, p. 93), to improve service quality, managers in multicultural and multinational organisations need to recruit employees who are multi-culturally ready, so that "they could identify and address various concerns and problems that may arise in intercultural service encounters due to language barriers, cultural misunderstandings etc." (Sharma & Wu, 2015, p. 100). To meet this aim, using the IND MRI

would help service managers to access a tool that can help them in making selection decisions to ensure they recruit people who can deal with cultural diversity in the workplace and hence can effectively perform and contribute to organisational success.

Accordingly, this research makes a meaningful contribution to the knowledge about the extent to which the services sector, in general, are ready and capable of dealing with their increasingly multicultural workplaces, consisting of employees, customers, suppliers, and other stakeholders from diverse cultural and linguistic backgrounds. Academic researchers could also use the MR scale in future studies, to study the challenges and opportunities posed by growing cultural diversity in workplaces around the world. Besides extending the current conceptual knowledge about the attitudes and behaviours of multicultural organisations and their employees, this study also helps Australian service organisations to evaluate their employees' ability to understand and manage the expectations of their multicultural customers and colleagues using a benchmarking system. In addition to these conceptual and managerial contributions, this research also has the potential to make a significant social contribution, by showcasing the growing cultural diversity in the broader society and the need to understand, adapt and manage it in our everyday lives. This helps to prepare individuals living and working in multicultural societies to also accept and embrace these social changes and be prepared to engage more effectively with their culturally diverse neighbours, service providers, civil servants, volunteers, foreign tourists, and visitors.

9.5. Limitation and Future Research

Although this study attempts to reconceptualise and operationalise MR, future research can attempt to improve this work in various ways. First, this research is based on the author's literature review of prior studies in the intercultural and cross-cultural domain and her own qualitative research with employees working in the services sector in Australia. Future research can create new insights by conducting qualitative research that targets people from diverse cultural backgrounds who live in multicultural countries around the world with the hope to explore new factors that contribute to the proposed MR dimensions. Second, for scale refinement and validation purposes, the present study collects data from employees working in the services sector in Australia. Future research is required to empirically test the newly proposed scales using a different research setting to further validate the instruments. Moreover, this study only focused on the services sector and future studies are required to test the validity and reliability of IND MRI and ORG MRI in non-services contexts.

Third, this research focused on conceptualising the MR construct, developing the MR instruments, and confirming their validity and reliability. To further test the strength of the MR instruments against the existing scales, future studies are required. Fourth, the scales developed in this research are long with many questions. Future researchers can focus on developing the short format of IND MRI and ORG MRI. Finally, future research can examine other predictors and outcomes of IND MR and ORG MR other than the ones we proposed in this study and empirical support is required to identify and test moderating and mediating variables that can influence the relationship between MR and its antecedents and outcomes.

9.6. Conclusion

This research builds upon a comprehensive review of the literature and semi-structured interviews and reconceptualises the MR construct at both individual and organisational levels. At the individual level, MR is conceptualised as 'individuals' preparedness- cognitively, affectively, and behaviourally- to engage effectively with people from cultural backgrounds other than their own in day-to-day life and at work'. At the organisational level, MR is defined as 'service organisation's preparedness- cognitively, affectively, and operationally- to engage effectively with stakeholders from diverse cultural backgrounds (as perceived by their employees)'.

This study developed IND MRI and ORG MRI to measure the MR construct at both levels and validated the instruments through different phases of empirical studies. In this process, the convergent and discriminant validity of the IND MR and ORG MR constructs were established and nomological validity and predictive validity were confirmed. The final structured of the IND MRI and ORG MRI resulted in 50-item and 39-item scales respectively that are reflected by five dimensions comprising of AWR, MOT, ACC, ADT, and COM.

This research also found a significant negative relationship between ETN and IND MR. However, OC was found to have a significant positive influence on IND MR. At the organisational level, the results show that while employees' ETN has no significant effect on their perception of ORG MR, the OC was found to have a significant positive impact. Moreover, this study demonstrates empirical evidence for the influence of IND MR and ORG MR on individual-level and organisational-level outcomes. The results show significant support for the positive impact of IND MR on EP, JS, OP, and OCP. Similarly, ORG MR was

found to have a significant positive impact on EP, JS, and OP. However, there was no significant relationship found between ORG MR and OCP.

This research also reported demographic differences in the way service employees perceive their level of MR and their organisation's level of MR. For example, it was found that females (compared to males), service employees with a university degree (compared to less educated ones), and those serving as managers or professionals (compared to machinery operators and drivers), scored higher on IND MR. At the organisational level, it was found that respondents who were within the youngest age group (aged 18-24) or the oldest (aged 55-64) perceived a lower level of ORG MR compared to other groups. In terms of role, it was found that managers perceive a higher level of ORG MR (compared to clerical and administrative, community and personal, and sales workers). The size of the organisation in which respondents work, consisting of small, medium-sized, and large organisations was also found to cause significant differences in responses in a way that respondents working in large organisations scored higher on IND MR and ORG MR compared to those working in small or medium-sized organisations.

Accordingly, this research contributes to the services marketing and cross-cultural consumer behaviour literature that is impacted upon by the level and nature of multiculturalism by extending the concept of competence and intelligence to 'readiness' and reconceptualising the MR construct, and developing an instrument measure MR at the individual-level (IND MRI) and organisational level (ORG MRI).

APPENDIX

Appendix 1. Protocol for Semi Structured Interviews

Purpose	Protocol for Interviews
Opening	A. Thanks to interviewee for taking part in this research. B. Inform interviewee it will be recorded / transcribed *C.* Provide the purpose of the study.
General questions about diversity/ cultural diversity	*This part of the interview will focus upon customers (employees) opinion about diversity in general and cultural diversity specifically* *In any of the questions if prompting is needed, then additional examples will be provided.* 1. What does diversity mean to you? *please elaborate* (e.g., diversity means that people are different from each other in terms of age, gender, ethnicity, culture etc.) 2. Given your understanding of diversity, what are some challenges and opportunities offered by diversity? (i.e., in what ways can diversity in age or gender help or hinder organisations and society? (e.g., positive: diversity of opinions, looking at a problem from different angles etc. negative: spend a lot of time in discussions and not reach a consensus, too many different opinions etc.) 3. What is your understanding of cultural diversity? *please elaborate* (e.g., cultural diversity means people are different from each other in terms of ethnicity, language, social norms, religion, food habits, beliefs and values etc.) 4. What are some challenges and opportunities offered by cultural diversity? (i.e., in what ways can diversity in cultural or ethnic background help or hinder organisations and society? (e.g., positive: diversity of opinions, looking at a problem from different angles etc. negative: spend a lot of time in discussions and not reach a consensus, too many different opinions etc.) 5. Do you think Australia has become a more multicultural society? What do you think about it? (e.g., what are the pros and cons of Australian becoming a multicultural society?) 6. In what way does living/working in a multicultural environment affect you personally? (e.g., both positive and negative perceptions)
Transaction-level MR:	*This section of the discussion will focus upon your experience with intercultural service encounters* 7. Do you ever experience, intercultural service encounters? How frequently do you experience intercultural service encounters (ICSE)? (e.g., ICSE). 8. When you receive (provide) services in an ICSE, does the cultural background of the provider (customer) make any difference for you? (e.g., is it more difficult? Do you feel any discomfort or uncertainty?) 9. What are some of the challenges that customers (employees) may face in intercultural service encounters? 10. How do you think these challenges can be overcome by the customers (employees) themselves?

	11. Can the service firms do anything to help the customers (employees) overcome the challenges posed by ICSE? 12. Do you think ICSE can also offer some opportunities to the service organisations? (e.g., gain knowledge and experience about customers from other cultures, generate additional revenues, develop new products and services etc.)
Individual-level MR:	*This section of the discussion will focus upon factors contribution to individual level multicultural readiness* 13. Do you consider yourself as having intercultural competence? (Please elaborate if required e.g., ICC means people accept cultural differences and are willing to adapt their behaviour when dealing with those from other cultures) 14. Have you heard of the term 'ethnocentrism'? What do you think it means? (Please elaborate if required e.g., perception of one's own culture being superior to others') Have you come across ethnocentric people in your everyday life? 15. In what ways can intercultural interactions be affected if people believe their culture is superior to others (ethnocentrism)? 16. What would it mean to you to be ready for a multicultural society/workplace? (please elaborate) (e.g., in the society at large and in your workplace in particular) 17. Based on your understanding of intercultural competence, do you perceive any difference between intercultural competence and multicultural readiness? (e.g., what is ICC vs. MR?) 18. What are the personal characteristics of customers (employees) that are multi-culturally ready? 19. In what ways have you tried to improve you ICC? Have you tried to improve your ICC and/or MR? Please explain how?
Organisational-level MR:	*This section of the discussion will focus upon factors contribution to organisational level multicultural readiness* 20. What do you understand from the term 'organisation culture'? (Please elaborate if required e.g., organisation culture is a set of shared values, beliefs, and expectations) 21. In what ways can organisational culture affect organisational multicultural readiness? Are some organisations more likely to be multi-culturally ready than others? Why? 22. How do you think organisation culture may guide staff to be multi-culturally ready? Are there any specific organisational characteristics or norms? 23. Can you name some organisations that you believe are multi-culturally ready? 24. Do you think organisations should also be multi-culturally ready? (please elaborate) 25. Can you describe some of the characteristics of multi-culturally ready organisations? (e.g., greater cultural diversity, open culture etc.) 26. What are some characteristics of organisations that are not multi-culturally ready?

	27. Are there any particular industries or sectors where the organisations are more likely to be multi-culturally ready? (e.g., tourism, travel, hospitality etc.) 28. What do you think organisations can do to improve their staff multi-culturally readiness? (e.g., recruitment, training, incentives etc.) 29. What should organisations do to improve themselves multi-culturally ready? (e.g., organisation structure, recruitment and promotion, policies and procedures, service design etc.) 30. How should services be designed to meet the need of culturally-diverse clients/customers? (e.g., using multiple languages, hiring culturally diverse staff, giving multicultural training etc.) 31. What are some the challenges facing organisations in becoming more multi-culturally ready? (e.g., customer/employee resistance, organisation culture etc.) 32. How do you think employees' multi-cultural readiness may influence their own performance and productivity? 33. How do you think employees' multi-cultural readiness may influence their organisation's performance? 34. How do you think an organisation's multicultural readiness may influence its employees' performance and productivity? 35. How do you think an organisation's multicultural readiness may influence its own performance? 36. How do you think multicultural readiness may influence an Australian organisation's competitive advantage in its domestic market? 37. How do you think multicultural readiness may influence an Australian organisation's competitive advantage in its international markets?
Demographic Information	Name, age, gender, education, country of birth, job, role, work experience (in years), frequency of contact with people from diverse cultural backgrounds, length of stay in Australia (in years), email

*****Thank respondents for their participation*****

Appendix 2. Interview Analysis

Code	Frequency-Code	Category	Frequency-Category	Theme	Frequency-Theme
B2B	8	B2B	8	B2B	8
Different ways of looking at things	7	Cultural Diversity	48	Cultural diversity, challenges and opportunities	270
Diversity of cultures	14				
Diversity of languages	6				
Diversity of nationalities/ races/ ethnicities	15				
Diversity of religions/beliefs	6				
Conflict with other culture	5	Negative outcomes of cultural diversity	64		
Conflict with own culture/ identity crisis	12				
Feel threatened by higher competition	2				
Intolerance	2				
Misunderstanding/miscommunication	13				
Presumption	3				
Racism	9				
Reversal	1				
Slow work speed	8				
Trust issue	1				
Unacceptable social behaviour	1				
Unacceptance of other cultures	7				
Better understanding of culturally-diverse customers	0	Opportunities of managed cultural diversity	60		
Confidence in being yourself	3				
Creates new business opportunities	3				
Cultural Richness/ Personal growth	16				
Different ideas and perspectives	7				
Having access to broad sets of skills	1				
Having more choices	2				
Immigrants' contribution: bringing businesses; networks of people; technology; etc.	9				
Learn new things	13				
Opportunity to attend cultural events/festivals	6				
Cultural distance	9	Source of Challenge of cultural diversity	98		
Different sense of humour	1				
Diversity of expectations	1				
Diversity of opinions	3				
Ethnocentrism/ In-group favouritism	14				
Language barrier (verbal and nonverbal)	22				
No motivation to interact with culturally-diverse people	20				
No motivation to learn and adapt	6				
Unknowns/ Unawareness/ Confusion/ Uncertainty	22				
Age	3	Antecedents of MR-Individual	60	MR, Antecedents and outcomes	163
Avoid ethnocentrism	4				
Education	2				
IQ	1				
Know different languages	1				
Length of stay in the host country	1				
Online search/ online social platforms	7				
Parents' and friends' influence (spill-over effect)	6				

Personality	4				
Psychological readiness	1				
Risk/challenge inclination	1				
Self-acceptance/ Confidence in your identity	11				
Sense of belonging to Australia	6				
Travel overseas	10				
Working experience in multicultural organisations	2				
Organisational culture	17	Antecedents of MR-organisational	22		
Organisational goal and customers' demographic	2				
Organisational size	3				
MR definition	13	MR definition	13		
Competitive advantage-international markets	6	Outcomes of MR	68		
Creativity	10				
Educate your kids	3				
Employee performance	7				
Feel included	6				
Happy staff and customers	3				
Help people from other cultures	7				
Manage the conflicts	4				
Organisational performance/ productivity	19				
Support other cultures	3				
Acceptance	17	MR-individual-Acceptance	63	MR-Individual	337
Avoid discrimination/judgement/generalisation	27				
Open-minded	19				
Adapt to the new culture	2	MR-individual-Adaptation	37		
Be balanced	1				
Be humble	2				
Be tolerant/ Patient	11				
Flexibility	2				
Respect	19				
Avoid unnecessary words/ use clear accent	5	MR-individual-Comfort with other cultures	41		
Be a team player	1				
Be comfortable with new thing	8				
Be mindful of language use	4				
Comfortable to be friend with people from other cultures	10				
Host language fluency	4				
listen carefully	4				
Make sure people understand you	2				
Non-verbal communication	1				
Understand how to work together	2				
Be aware of differences and similarities among cultures	20	MR-Individual-Cultural Awareness	53		
Cultural Awareness	6				
Cultural Knowledge	27				
Be curious	18	MR-Individual-Motivation	83		
Consistent ICC	2				
Forward motivation	3				
Watch movies/read book produced in other countries	3				

Willingness to interact with people from diverse cultural backgrounds	35				
Willingness to learn about other cultures	21				
Willingness to share your culture to others	1				
Acknowledge diversity as an asset for the organisation	1	MR-Individual-Perceived Benefits	16		
Acknowledge migrants' contribution to Australia	3				
Appreciate/like other cultures; bold the positives	7				
Embracing and celebrating diversity	5				
Be ready to change	5	MR-individual-Willingness to adapt	26		
Be ready to emulate parts of other cultures	2				
Be responsible to mitigate racism	1				
demonstrate your objection to culturally inappropriate behaviour	3				
Like everything you like for yourself for others	1				
Make everyone feel welcomed and included	12				
Question your judgements	2				
Confidence	11	MR-individual-Communication Confidence	18		
find mutual interest between your culture and other in order to build relationship	7				
Advertisement Include different languages	4	MR-Organisational-Acceptance	25	MR-organisational	288
Advertisement show diverse faces	2				
Celebrating customers' festivals	3				
Make culturally-diverse customers feel comfortable	4				
Represent diversity on social media	1				
Understand multicultural staff and act in a way to meet their cultural requirement	11				
Be upfront with staff and explain issues related to cultural diversity	1	MR-Organisational-Communication	52		
Inclusion and engagement	7				
Initiate the relationship with multicultural customers	1				
Multicultural events/festivals/ gathering	21				
Provide more detailed information about organisation decisions	2				
Provide the possibility for staff to share their cultural knowledge and experience in a safe environment	18				
Staff Engagement	2				
Acknowledge their success in a culturally-diverse workplace	1	MR-Organisational-HR	82		
Equity, equal opportunity	12				
Leadership	28				
Recruiting multicultural staff	31				
Recruiting multi-culturally ready staff	5				
Staff assessment free of cultural judgments	3				
Utilizing staff diversity to understand different customers	2				
Intention to act/Act	32	MR-Organisational-Motivation	64		
Knowledge management system	1				

Promote cultural diversity and shared values in the organisation	1				
Seek cultural advice from external counsellors	2				
Support staff in the process of becoming multi-culturally ready	1				
Training, mentoring	27				
Consider budget for multicultural activities	1	MR-Organisational-Policy	26		
Consider consequences for culturally-inappropriate behaviour	4				
Create a safe multicultural environment for staff to be themselves and raise questions	2				
Multicultural rules, policies, and procedure	19				
Assure customers service are similar no matter who is providing it	1	MR-Organisational-Services	39		
Choose promotion type based on diverse cultures	1				
Gather information about multicultural customers, understand them, target them, and meet their needs	20				
Interpreter/ Translator	8				
Providing service advice based on general culture	1				
Technology: Website, portal, platforms (Include different languages)	8				
Airline	2	Industries where organisations are perceived to be multi-culturally ready	21	Other	50
Casino/ Crown	2				
Educations/institutions	7				
Government departments	6				
Health centre	1				
Mining Co	1				
Tourism	1				
Zoo	1				
Staff resistance	1	Organisational problems in becoming more multicultural	1		
Be more precise in job description and job expectation	2	Other	28		
Be ready even unconsciously	2				
build trust	2				
Empathy	7				
Other	7				
Resource levelling	1				
Share cultural experiences and knowledge with others	2				
Technology: Rating system	2				
Technology: Self-service	1				
Utilize the multicultural capacity within the organisation	2				
Experiencing new things	1	Antecedents of choosing a service provider from a different cultural background or host country	3	Receiving and providing services to people from diverse cultural backgrounds	69
More expert in the host country's rules	1				
Service orientation	1				
Authenticity (similar experiences)	16	Antecedents of choosing a service	34		
Comfort	1				

Critical service; prompt reply	4	provider from a similar cultural background			
Language similarity	4				
Psychological safety/trust	9				
Knowledge sharing	1	Antecedents of wanting to serve customers with different cultural background	2		
More interesting	1				
Being able to predict customer's expectation	2	Antecedents of wanting to serve customers with similar cultural background	10		
Common grounds; mutual understanding	4				
Similar language	4				
Hedonic and less important services	2	No preference for a service provider based on cultural difference	20		
Know the service provider is qualified and communication ability is there	18				

Appendix 3. Descriptive Statistics: IND MRI (Pilot Study, Study 3)

Items/ MRI Individual-level	Mean	Std. Deviation	Skewness	Kurtosis	Items/ MRI Individual-level	Mean	Std. Deviation	Skewness	Kurtosis	Items/ MRI Individual-level	Mean	Std. Deviation	Skewness	Kurtosis
CulAware1	5.90	0.969	-0.488	-0.721	MotBenefit7	5.02	1.334	-0.874	1.278	Adapt7	5.30	1.169	-0.880	1.609
CulAware2	5.70	1.030	-0.418	-0.518	MotBenefit8	4.75	1.422	-0.602	0.770	Adapt8	5.28	1.091	-0.433	0.091
CulAware3	5.77	1.110	-0.670	-0.304	MotBenefit9	5.35	1.300	-0.641	0.559	WillAdapt1	4.90	1.037	-0.077	-0.068
CulAware4	5.68	1.157	-0.703	0.174	MotBenefit10	5.27	1.351	-0.976	1.480	WillAdapt2	4.97	1.089	-0.177	-0.170
CulAware5	5.58	1.124	-0.437	-0.688	MotBenefit11	5.43	1.240	-1.001	1.937	WillAdapt3	5.02	1.242	-0.307	-0.436
CulAware6	5.67	1.084	-0.529	-0.689	Cognition1	5.15	1.039	-0.029	-0.878	WillAdapt4	5.35	1.087	-0.174	-0.807
CulAware7	5.53	1.157	-0.220	-1.169	Cognition2	5.25	1.068	-0.178	-0.589	WillAdapt5	4.97	1.327	-0.657	0.298
CulAware8	5.57	1.140	-0.205	-1.103	Cognition3	5.05	1.281	-0.396	0.581	CommEff1	5.52	1.017	-0.497	-0.197
CulAware9	6.02	1.066	-1.252	2.091	Cognition4	5.23	1.031	-0.011	-1.002	CommEff2	5.23	0.998	-0.068	-0.465
CulAware10	5.80	1.070	-0.957	1.302	Cognition5	5.07	1.148	-0.343	0.212	CommEff3	5.42	1.109	-0.592	0.243
CulAware11	5.93	0.972	-0.551	-0.660	Cognition6	5.33	1.174	-0.039	-1.127	CommEff4	5.27	1.191	-0.541	0.079
ContAware1	5.62	0.976	-0.510	-0.246	Cognition7	5.23	1.079	0.183	-0.986	CommEff5	5.45	1.032	-0.053	-1.139
ContAware2	5.55	1.032	-0.426	-0.643	Cognition8	5.23	1.155	-0.408	0.440	CommEff6	5.43	1.047	-0.229	-0.867
ContAware3	5.58	1.211	-0.793	0.108	Cognition9	5.23	1.110	-0.098	-0.205	CommEff7	5.28	1.010	-0.094	-0.889
ContAware4	5.75	1.114	-1.079	1.226	Cognition10	5.17	1.011	-0.143	0.457	CommEff8	5.58	1.030	-0.328	-0.625
ContAware5	5.68	1.000	-0.580	-0.248	Accept1	5.42	1.225	-0.458	-0.353	CommEff9	5.68	0.948	-0.304	-0.743
ContAware6	5.57	0.963	-0.196	-0.871	Accept2	5.35	1.388	-0.937	0.890	CommConf1	5.57	1.170	-1.053	2.375
MotSelf1	4.57	1.619	-0.743	0.087	Accept3	5.47	1.321	-0.975	1.218	CommConf2	5.30	1.046	-1.190	3.351
MotSelf2	3.77	1.779	0.011	-0.731	Accept4	5.43	1.267	-0.672	0.076	CommConf3	5.10	1.115	-0.810	1.778
MotSelf3	4.75	1.653	-0.726	-0.081	Accept5	5.55	1.254	-0.730	0.279	CommConf4	5.20	1.162	-1.077	2.241
MotSelf4	4.40	1.649	-0.392	-0.277	Accept6	5.32	1.334	-0.743	0.650	CommConf5	5.23	1.110	-0.790	2.047
MotSelf5	5.27	1.364	-0.919	1.358	Accept7	5.18	1.347	-0.648	-0.297	CommConf6	5.50	1.017	-0.250	-1.074
MotSelf6	4.85	1.471	-0.856	0.764	Accept8	5.33	1.298	-0.558	-0.221	CommConf7	5.32	1.081	-0.505	0.232
MotSelf7	4.82	1.652	-0.911	0.367	Accept9	5.25	1.348	-0.604	-0.167	CommComfort1	5.30	1.139	-0.267	-0.941
MotSelf8	5.22	1.342	-0.803	0.843	Accept10	5.22	1.316	-0.416	-0.438	CommComfort2	5.13	1.200	-0.631	0.880
MotSelf9	4.95	1.512	-0.917	0.680	Accept11	5.27	1.351	-0.507	-0.470	CommComfort3	5.25	1.083	-0.274	-0.780
MotSelf10	4.87	1.420	-0.271	-0.223	Accept12	5.32	1.242	-0.580	-0.019	CommComfort4	5.47	1.033	-0.194	-1.152
MotBenefit1	5.18	1.372	-0.954	1.367	Adapt1	5.02	1.255	-0.670	0.844	CommComfort5	5.43	1.047	-0.138	-1.216
MotBenefit2	5.32	1.334	-1.187	1.954	Adapt2	5.23	1.254	-0.673	1.157	CommComfort6	5.38	1.151	-0.325	-0.849
MotBenefit3	5.32	1.432	-0.835	0.923	Adapt3	5.23	1.170	-0.605	0.339	CommComfort7	4.60	1.380	-0.035	-0.160
MotBenefit4	5.42	1.522	-0.867	0.304	Adapt4	5.18	1.200	-0.731	1.207	CommComfort8	4.37	1.414	-0.166	-0.017
MotBenefit5	4.95	1.478	-0.596	0.229	Adapt5	5.32	1.282	-0.724	0.746	CommComfort9	4.05	1.346	0.079	0.178
MotBenefit6	5.08	1.357	-0.830	1.228	Adapt6	5.38	1.136	-0.526	-0.053	CommComfort10	4.33	1.410	-0.285	-0.095

N=60, CulAware= Cultural Awareness; ContAware= Contextual Awareness; MotSelf= Motivation to acquire cultural knowledge; MotBenefi= acceptance of the benefits of cultural diversity (Perceived benefits); Accept= acceptance of cultural diversity, Adapt= Ability to adapt; WillAdap= Willingness to adapt; CommEff= Intercultural Communication Adaptation; CommConf= Communication confidence; CommComfort= Communication comfort.

Appendix 4. Descriptive Statistics: ORG MRI (Pilot Study, Study 3)

Items/ MRI Organisational-level	Mean	Std. Deviation	Skewness	Kurtosis	Items/ MRI Organisational-level	Mean	Std. Deviation	Skewness	Kurtosis	Items/ MRI Organisational-level	Mean	Std. Deviation	Skewness	Kurtosis
Aware1	4.73	1.765	-0.727	-0.074	Accept2	5.12	1.508	-0.419	-0.350	AdaptHR2	4.85	1.505	-0.384	-0.043
Aware2	4.68	1.780	-0.396	-0.621	Accept3	4.80	1.538	-0.201	-0.374	AdaptHR3	4.83	1.428	-0.455	0.159
Aware3	4.58	1.670	-0.523	-0.125	Accept4	5.07	1.274	-0.230	0.296	AdaptHR4	4.83	1.463	-0.473	0.142
Aware4	4.47	1.512	-0.725	0.528	Accept5	4.73	1.376	-0.023	-0.248	AdaptHR5	4.92	1.510	-0.801	0.624
Aware5	4.67	1.623	-0.642	0.233	Accept6	4.65	1.424	-0.260	0.301	AdaptHR6	4.85	1.571	-0.530	0.009
Aware6	4.70	1.629	-0.687	0.244	Accept7	4.63	1.551	-0.314	-0.019	AdaptHR7	4.75	1.601	-0.575	0.129
Aware7	4.55	1.672	-0.574	0.069	PerBenefit1	4.70	1.510	-0.230	-0.215	AdaptHR8	4.85	1.505	-0.415	-0.012
Motivation1	4.38	1.497	-0.504	0.531	PerBenefit2	4.83	1.416	-0.361	0.373	AdaptService1	4.52	1.662	-0.328	-0.397
Motivation2	4.47	1.610	-0.455	-0.083	PerBenefit3	4.87	1.359	-0.379	0.592	AdaptService2	4.68	1.513	-0.440	-0.115
Motivation3	4.40	1.649	-0.439	-0.350	PerBenefit4	4.88	1.391	-0.449	0.636	AdaptService3	4.92	1.488	-0.492	0.146
Motivation4	4.42	1.619	-0.589	0.022	PerBenefit5	4.80	1.412	-0.230	0.195	AdaptService4	4.67	1.602	-0.582	-0.266
Motivation5	4.58	1.576	-0.669	0.323	PerBenefit6	4.83	1.509	-0.380	-0.061	AdaptService5	4.62	1.595	-0.505	-0.303
Motivation6	4.38	1.698	-0.330	-0.451	AdaptPolicy1	4.80	1.614	-0.715	0.180	AdaptService6	4.78	1.508	-0.323	-0.168
Motivation7	4.32	1.771	-0.312	-0.479	AdaptPolicy2	4.87	1.599	-0.443	-0.381	AdaptService7	4.75	1.525	-0.480	0.101
Cognition1	4.48	1.732	-0.528	-0.427	AdaptPolicy3	4.87	1.467	-0.595	0.625	Communication1	4.45	1.702	-0.338	-0.607
Cognition2	4.65	1.665	-0.511	-0.219	AdaptPolicy4	5.00	1.473	-0.395	0.031	Communication2	4.60	1.659	-0.320	-0.629
Cognition3	4.55	1.523	-0.560	0.166	AdaptPolicy5	4.95	1.478	-0.433	0.111	Communication3	4.62	1.563	-0.348	-0.393
Cognition4	4.62	1.519	-0.815	0.440	AdaptPolicy6	4.92	1.441	-0.377	0.129	Communication4	4.67	1.526	-0.506	-0.170
Cognition5	4.67	1.602	-0.762	0.430	AdaptPolicy7	4.75	1.492	-0.505	0.170	Communication5	4.63	1.529	-0.379	-0.343
Cognition6	4.78	1.595	-0.824	0.366	AdaptPolicy8	4.93	1.483	-0.495	0.264	Communication6	4.62	1.606	-0.384	-0.399
Cognition7	4.62	1.627	-0.814	0.395	AdaptPolicy9	4.78	1.415	-0.492	0.408	Communication7	4.43	1.588	-0.439	-0.194
Accept1	4.77	1.619	-0.474	-0.180	AdaptHR1	4.82	1.652	-0.420	-0.459	Communication8	4.72	1.606	-0.509	-0.229

N= 60, Aware= Awareness; Accept= Acceptance of cultural diversity; PerBenefit= Acceptance of the benefits of cultural diversity (Perceived benefits); AdaptPolicy= Adaptation, organisational policy, AdaptHR= Adaptation, Human Resource practices, AdaptService= Adaptation, service.

Appendix 5. Descriptive Statistics: IND MRI (Main Study, Study 3)

Items/ MRI Individual-level	Mean	Std. Deviation	Skewness	Kurtosis	Items/ MRI Individual-level	Mean	Std. Deviation	Skewness	Kurtosis	Items/ MRI Individual-level	Mean	Std. Deviation	Skewness	Kurtosis
CulAware1	5.85	1.15	-1.18	1.84	MotBenefit7	5.20	1.19	-0.46	0.13	Adapt7	5.39	1.15	-0.79	0.80
CulAware2	5.66	1.11	-0.82	0.99	MotBenefit8	5.08	1.23	-0.52	0.18	Adapt8	5.48	1.06	-0.53	0.20
CulAware3	5.76	1.12	-0.88	0.61	MotBenefit9	5.38	1.17	-0.46	-0.21	WillAdapt1	5.10	1.26	-0.69	0.58
CulAware4	5.79	1.13	-0.88	0.58	MotBenefit10	5.44	1.15	-0.63	0.21	WillAdapt2	5.16	1.23	-0.62	0.50
CulAware5	5.51	1.18	-0.60	0.07	MotBenefit11	5.62	1.13	-0.70	0.35	WillAdapt3	5.26	1.21	-0.60	0.20
CulAware6	5.61	1.16	-0.62	-0.23	Cognition1	5.28	1.08	-0.64	0.73	WillAdapt4	5.62	1.13	-0.71	0.39
CulAware7	5.47	1.20	-0.62	0.01	Cognition2	5.25	1.14	-0.67	0.55	WillAdapt5	5.13	1.33	-0.68	0.54
CulAware8	5.39	1.20	-0.49	-0.24	Cognition3	5.11	1.09	-0.24	-0.26	CommEff1	5.60	1.13	-0.88	0.99
CulAware9	5.79	1.28	-1.16	1.25	Cognition4	5.25	1.11	-0.49	0.28	CommEff2	5.47	1.14	-0.44	-0.38
CulAware10	5.66	1.15	-0.78	0.33	Cognition5	5.19	1.11	-0.46	0.02	CommEff3	5.54	1.12	-0.77	0.63
CulAware11	5.78	1.13	-1.07	1.28	Cognition6	5.32	1.16	-0.62	0.41	CommEff4	5.51	1.14	-0.79	0.71
ContAware1	5.51	1.20	-0.98	1.15	Cognition7	5.25	1.12	-0.43	-0.27	CommEff5	5.58	1.12	-0.81	1.02
ContAware2	5.56	1.10	-0.69	0.46	Cognition8	5.25	1.11	-0.47	0.16	CommEff6	5.52	1.15	-0.61	0.05
ContAware3	5.61	1.11	-0.82	0.84	Cognition9	5.20	1.19	-0.62	0.11	CommEff7	5.36	1.16	-0.77	0.98
ContAware4	5.56	1.08	-0.50	-0.37	Cognition10	5.24	1.17	-0.54	-0.09	CommEff8	5.74	1.06	-0.79	0.67
ContAware5	5.44	1.07	-0.58	0.43	Accept1	5.67	1.15	-0.91	1.03	CommEff9	5.75	1.09	-0.84	0.80
ContAware6	5.50	1.04	-0.40	-0.30	Accept2	5.71	1.16	-1.01	1.24	CommConf1	5.67	1.22	-1.10	1.58
MotSelf1	4.96	1.35	-0.66	0.19	Accept3	5.75	1.11	-0.71	-0.11	CommConf2	5.52	1.10	-0.57	-0.10
MotSelf2	4.31	1.56	-0.38	-0.52	Accept4	5.65	1.15	-0.70	-0.03	CommConf3	5.31	1.15	-0.43	-0.20
MotSelf3	5.16	1.35	-0.81	0.62	Accept5	5.75	1.12	-0.88	0.84	CommConf4	5.50	1.04	-0.36	-0.24
MotSelf4	4.74	1.50	-0.67	0.13	Accept6	5.73	1.18	-0.98	0.94	CommConf5	5.48	1.06	-0.34	-0.49
MotSelf5	5.48	1.12	-0.47	-0.17	Accept7	5.51	1.20	-0.72	0.22	CommConf6	5.60	1.11	-0.65	0.54
MotSelf6	5.16	1.27	-0.66	0.39	Accept8	5.60	1.14	-0.76	0.66	CommConf7	5.59	1.06	-0.42	-0.27
MotSelf7	5.47	1.29	-0.95	0.98	Accept9	5.49	1.15	-0.76	0.62	CommComfort1	5.55	1.21	-1.09	1.65
MotSelf8	5.40	1.15	-0.46	-0.07	Accept10	5.46	1.22	-0.93	1.20	CommComfort2	5.44	1.21	-0.94	1.31
MotSelf9	5.06	1.41	-0.76	0.30	Accept11	5.63	1.15	-0.79	0.44	CommComfort3	5.65	1.05	-0.56	-0.08
MotSelf10	5.07	1.33	-0.65	0.35	Accept12	5.38	1.21	-0.71	0.49	CommComfort4	5.59	1.12	-0.60	-0.02
MotBenefit1	5.40	1.18	-0.68	0.51	Adapt1	5.22	1.15	-0.66	0.53	CommComfort5	5.72	1.16	-0.71	0.06
MotBenefit2	5.45	1.19	-0.69	0.43	Adapt2	5.18	1.23	-0.62	0.37	CommComfort6	5.77	1.09	-0.79	0.59
MotBenefit3	5.52	1.16	-0.64	0.39	Adapt3	5.37	1.17	-0.44	-0.05	CommComfort7	4.46	1.53	-0.34	-0.30
MotBenefit4	5.56	1.21	-0.75	0.42	Adapt4	5.29	1.25	-0.80	0.80	CommComfort8	4.54	1.49	-0.43	-0.38
MotBenefit5	5.15	1.33	-0.45	-0.24	Adapt5	5.65	1.11	-0.58	-0.19	CommComfort9	4.44	1.53	-0.38	-0.46
MotBenefit6	5.16	1.19	-0.41	-0.01	Adapt6	5.65	1.14	-0.83	0.59	CommComfort10	4.67	1.42	-0.48	-0.16

N= 416, CulAware= Cultural Awareness; ContAware= Contextual Awareness; MotSelf= Motivation to acquire cultural knowledge; MotBenefi= acceptance of the benefits of cultural diversity (Perceived benefits); Accept= acceptance of cultural diversity, Adapt= Ability to adapt; WillAdap= Willingness to adapt; CommEff= Intercultural Communication Adaptation; CommConf= Communication confidence; CommComfort= Communication comfort.

Appendix 6. Descriptive Statistics: ORG MRI (Main Study, Study 3)

Items/ MRI Organisational-level	Mean	Std. Deviation	Skewness	Kurtosis	Items/ MRI Organisational-level	Mean	Std. Deviation	Skewness	Kurtosis	Items/ MRI Organisational-level	Mean	Std. Deviation	Skewness	Kurtosis
Aware1	5.25	1.421	-0.953	0.841	Accept2	5.54	1.386	-1.057	0.841	AdaptHR2	5.19	1.290	-0.605	0.087
Aware2	4.91	1.391	-0.528	-0.038	Accept3	5.24	1.380	-0.707	0.232	AdaptHR3	5.00	1.311	-0.420	-0.312
Aware3	5.21	1.330	-0.557	-0.098	Accept4	5.50	1.313	-0.925	0.825	AdaptHR4	5.41	1.281	-0.827	0.596
Aware4	5.07	1.305	-0.534	0.005	Accept5	5.03	1.443	-0.605	-0.026	AdaptHR5	5.46	1.258	-0.743	0.307
Aware5	5.26	1.266	-0.612	0.026	Accept6	4.84	1.479	-0.456	-0.353	AdaptHR6	5.35	1.305	-0.733	0.275
Aware6	5.12	1.301	-0.598	0.127	Accept7	5.04	1.498	-0.662	-0.017	AdaptHR7	5.39	1.238	-0.707	0.577
Aware7	5.19	1.333	-0.615	0.313	PerBenefit1	5.11	1.342	-0.678	0.435	AdaptHR8	5.22	1.298	-0.547	-0.113
Motivation1	4.88	1.407	-0.483	-0.010	PerBenefit2	5.23	1.267	-0.709	0.659	AdaptService1	4.81	1.428	-0.487	-0.076
Motivation2	4.79	1.432	-0.420	-0.258	PerBenefit3	5.21	1.247	-0.615	0.483	AdaptService2	4.92	1.313	-0.588	0.128
Motivation3	4.75	1.472	-0.415	-0.251	PerBenefit4	5.18	1.292	-0.702	0.653	AdaptService3	5.16	1.250	-0.559	0.283
Motivation4	4.73	1.389	-0.443	-0.188	PerBenefit5	5.12	1.301	-0.447	-0.083	AdaptService4	4.81	1.522	-0.545	-0.196
Motivation5	5.11	1.317	-0.552	0.119	PerBenefit6	5.02	1.433	-0.527	-0.107	AdaptService5	4.79	1.504	-0.454	-0.373
Motivation6	4.81	1.444	-0.343	-0.468	AdaptPolicy1	5.28	1.401	-0.902	0.571	AdaptService6	4.83	1.368	-0.422	-0.252
Motivation7	4.78	1.452	-0.442	-0.230	AdaptPolicy2	5.20	1.331	-0.607	-0.036	AdaptService7	5.06	1.317	-0.499	0.097
Cognition1	4.80	1.422	-0.515	-0.142	AdaptPolicy3	5.18	1.310	-0.593	0.032	Communication1	4.70	1.584	-0.463	-0.480
Cognition2	4.82	1.406	-0.455	-0.234	AdaptPolicy4	5.37	1.300	-0.638	0.126	Communication2	4.87	1.471	-0.534	-0.194
Cognition3	4.83	1.376	-0.422	-0.108	AdaptPolicy5	5.24	1.231	-0.506	-0.040	Communication3	4.77	1.480	-0.464	-0.288
Cognition4	4.85	1.353	-0.515	-0.035	AdaptPolicy6	5.18	1.246	-0.536	0.157	Communication4	4.91	1.414	-0.622	0.172
Cognition5	4.96	1.302	-0.471	-0.052	AdaptPolicy7	5.12	1.316	-0.558	0.177	Communication5	4.91	1.366	-0.551	0.056
Cognition6	4.88	1.368	-0.564	0.106	AdaptPolicy8	5.38	1.260	-0.722	0.347	Communication6	4.86	1.403	-0.587	0.167
Cognition7	4.92	1.370	-0.510	-0.045	AdaptPolicy9	5.19	1.252	-0.463	-0.039	Communication7	5.00	1.400	-0.638	0.222
Accept1	5.17	1.398	-0.828	0.592	AdaptHR1	5.28	1.400	-0.763	0.170	Communication8	5.10	1.351	-0.655	0.203

N= 680, Aware= Awareness; Accept= Acceptance of cultural diversity; PerBenefit= Acceptance of the benefits of cultural diversity (Perceived benefits); AdaptPolicy= Adaptation, organisational policy, AdaptHR= Adaptation, Human Resource practices, AdaptService= Adaptation, service.

Appendix 7: Structure Matrix of EFA output: IND MRI (Main Study, Study 3)

Factor → / Items ↓	Motivation Perceived Benefits	Communication Effectiveness	Cultural Awareness	Acceptance	Communication Confidence Communication Comfort	Communication Comfort	Contextual Awareness	Adaptation Ability Willingness to Adapt	9	Cognition	Adaptation Ability	12	13	14
CulAware1		0.526	**0.655**	0.506	0.473		0.555		0.765		0.417		0.433	
CulAware2		0.460	**0.701**	0.420	0.406		0.531		0.646					
CulAware3		0.437	**0.755**	0.477	0.417		0.540		0.588					
CulAware4		0.483	**0.766**	0.489	0.492		0.564		0.596		0.479		0.433	
CulAware5	0.451	0.456	**0.756**	0.501	0.453		0.542		0.477		0.407			
CulAware6		0.421	**0.842**	0.456	0.453		0.510		0.445					
CulAware7		0.403	**0.769**	0.404	0.429		0.514							
CulAware8			**0.669**	0.422			0.447							
CulAware9		0.443	**0.793**	0.439	0.455		0.542		0.497				0.457	0.465
CulAware10		0.486	**0.870**	0.496	0.461		0.566		0.450	0.413			0.438	
CulAware11		0.482	**0.797**	0.493	0.499		0.514		0.506	0.401			0.499	0.450
ContextAware1	0.428	0.491	0.553	0.460	0.525		**0.756**	0.479	0.573	0.433			0.512	
ContextAware2	0.473	0.521	0.575	0.477	0.531		**0.821**	0.458	0.573				0.534	
ContextAware3	0.436	0.517	0.579	0.502	0.532		**0.787**		0.615	0.436			0.487	
ContextAware4		0.431	0.510	0.411			**0.730**		0.499					
ContextAware5	0.477	0.447	0.461		0.416		**0.806**		0.407				0.401	
ContextAware6	0.483	0.463	0.504		0.409		**0.763**							
Motivation1	**0.758**				0.454		0.430	0.471	0.414	0.412				
Motivation2	**0.610**													
Motivation3	**0.733**	0.443		0.482	0.467		0.420	0.415	0.416	0.430				
Motivation4	**0.637**													
Motivation5	**0.658**	0.540	0.426	0.538	0.641		0.551		0.603	0.510	0.610		0.558	0.459
Motivation6	**0.741**	0.435			0.566		0.404		0.409	0.449	0.409			
Motivation7	**0.548**	0.497		0.443	0.588		0.406		0.419	0.409	0.460			0.468
Motivation8	**0.736**	0.561	0.403	0.489	0.573		0.474		0.528	0.446	0.479		0.497	
Motivation9	**0.785**	0.429												
Motivation10	**0.757**	0.444			0.432			0.425		0.424				
PercBenefit1	**0.668**	0.522		0.467	0.611		0.543	0.553	0.641	0.547			0.649	
PercBenefit2	**0.736**	0.564		0.563	0.611		0.504	0.530	0.640	0.593	0.458		0.582	
PercBenefit3	**0.737**	0.532		0.518	0.583		0.526	0.465	0.607	0.516	0.471		0.582	
PercBenefit4	**0.594**	0.438		0.461	0.476		0.551		0.580	0.419	0.424		0.458	
PercBenefit5	**0.791**	0.436		0.447	0.423		0.493							
PercBenefit6	**0.723**	0.426		0.427	0.409		0.476						0.443	
PercBenefit7	**0.693**	0.454		0.424	0.483		0.435	0.409					0.593	
PercBenefit8	**0.698**	0.466		0.429	0.463		0.408	0.451		0.463			0.598	
PercBenefit9	**0.753**	0.545		0.559	0.532		0.519	0.528	0.480	0.564	0.484		0.625	
PercBenefit10	**0.683**	0.552	0.408	0.541	0.574		0.488	0.494	0.565	0.531	0.552		0.601	
PercBenefit11	**0.683**	0.557		0.557	0.596		0.535	0.496	0.581	0.482	0.473		0.656	
Cognition1	0.650	0.570		0.547	0.601		0.511	0.608	0.633	**0.684**			0.597	
Cognition2	0.689	0.555		0.476	0.561		0.492	0.593	0.522	**0.696**			0.645	

Cognition3	0.676	0.506		0.485	0.514		0.512	0.491	0.473	**0.700**			0.544	
Cognition4	0.591	0.528		0.497	0.495		0.493	0.415	0.479	**0.755**	0.408		0.505	
Cognition5	0.586	0.471		0.461	0.520		0.438	0.407	0.405	**0.744**	0.409			
Cognition6	0.706	0.536		0.561	0.588		0.481	0.493	0.455	**0.693**	0.471		0.468	
Cognition7	0.680	0.481		0.532	0.505		0.481	0.496		**0.563**	0.470	0.473	0.432	
Cognition8	0.671	0.510		0.523	0.533		0.511	0.479		**0.511**	0.444	0.527	0.452	
Cognition9	0.679	0.534		0.517	0.506		0.488	0.514	0.416	**0.550**		0.589	0.528	
Cognition10	0.703	0.549		0.509	0.492		0.495	0.544	0.438	**0.569**		0.473	0.542	
Accept1	0.443	0.476		**0.637**	0.665		0.523	0.491	0.706	0.536	0.463		0.483	0.428
Accept2	0.420	0.520		**0.683**	0.640		0.458		0.691	0.502	0.449			0.482
Accept3		0.539	0.428	**0.708**	0.619		0.494		0.700	0.498	0.478		0.445	0.568
Accept4	0.427	0.499		**0.746**	0.593		0.429		0.604	0.419	0.425		0.472	0.532
Accept5	0.415	0.573	0.437	**0.745**	0.590		0.464		0.721	0.448	0.473		0.505	0.573
Accept6	0.418	0.546	0.449	**0.733**	0.615		0.468		0.580	0.449	0.492			0.523
Accept7	0.442	0.446	0.438	**0.800**	0.462						0.450			
Accept8	0.482	0.505	0.489	**0.853**	0.529		0.451	0.419	0.480	0.423	0.533		0.431	
Accept9	0.503	0.475		**0.851**	0.532		0.439	0.457	0.410	0.430	0.436		0.476	
Accept10	0.494	0.479	0.437	**0.856**	0.562		0.431	0.516	0.479	0.530	0.435		0.498	
Accept11	0.449	0.467		**0.782**	0.524		0.465	0.506	0.571	0.509	0.459		0.501	
Accept12	0.476	0.465		**0.719**	0.452		0.427	0.498	0.436				0.424	
Adapt1	0.543	0.577		0.507	0.535		0.464	**0.640**	0.573	0.480			0.455	
Adapt2	0.453	0.516	0.428	0.524	0.467		0.416	**0.660**	0.487	0.479	0.406		0.420	
Adapt3	0.536	0.574		0.611	0.591		0.511	**0.658**	0.482	0.530	0.493		0.539	0.408
Adapt4	0.534	0.544		0.550	0.554		0.492	**0.662**	0.451	0.497	0.525		0.590	
Adapt5	0.445	0.647	0.409	0.569	0.614		0.461	0.462	0.524	0.451	**0.697**		0.471	
Adapt6	0.463	0.637		0.571	0.640		0.454	0.442	0.564	0.488	**0.695**		0.441	
Adapt7	0.551	0.549		0.602	0.575		0.467	0.433	0.452	0.460	**0.657**		0.460	
Adapt8	0.560	0.640		0.570	0.616		0.526	0.446	0.555	0.473	**0.598**		0.502	
WillAdapt1	0.545	0.466		0.427	0.459			**0.754**		0.419			0.468	
WillAdapt2	0.602	0.469		0.419	0.430			**0.636**		0.435			0.410	
WillAdapt3	0.593	0.504		0.466	0.482			**0.533**	0.429	0.403			0.466	
WillAdapt4	0.505	0.614		0.536	0.655		0.457	**0.487**	0.573	0.427	0.601		0.567	0.472
WillAdapt5	0.479	0.428		0.440	0.564			**0.432**	0.401				0.448	
CommEffect1		**0.694**			0.489		0.492		0.547				0.420	0.421
CommEffect2	0.470	**0.794**		0.408	0.514		0.476	0.474	0.496	0.434			0.472	
CommEffect3	0.486	**0.786**		0.462	0.539		0.479		0.521	0.431			0.461	
CommEffect4	0.419	**0.710**		0.464	0.462		0.423		0.428	0.400	0.464			
CommEffect5	0.434	**0.722**		0.433	0.504		0.400	0.415		0.434	0.494			
CommEffect6	0.424	**0.740**	0.428	0.538	0.558		0.453	0.441	0.421	0.433	0.492		0.409	
CommEffect7	0.500	**0.661**		0.410	0.446		0.409	0.512			0.410		0.473	
CommEffect8	0.454	**0.753**	0.471	0.546	0.630		0.553		0.606		0.519		0.524	
CommEffect9	0.435	**0.708**	0.410	0.531	0.559		0.449		0.613		0.458		0.490	0.417
CommConfid1		0.626		0.455	**0.617**		0.510	0.458	0.647				0.533	
CommConfid2	0.551	0.711		0.430	**0.693**		0.528	0.427	0.563				0.601	
CommConfid3	0.606	0.657		0.402	**0.634**		0.457	0.426	0.466	0.461			0.546	
CommConfid4	0.544	0.734		0.460	**0.696**		0.461	0.468	0.500	0.512			0.598	
CommConfid5	0.555	0.710		0.493	**0.675**		0.440	0.444	0.416	0.518	0.442		0.512	

CommConfid6	0.422	0.690		0.482	**0.696**		0.420	0.451	0.450				0.487	
CommConfid7	0.410	0.682		0.458	**0.666**		0.456	0.403	0.403				0.548	0.410
CommComfort1		0.570	0.402	0.475	**0.710**		0.455	0.433	0.499				0.489	
CommComfort2	0.494	0.582		0.527	**0.716**				0.463				0.418	
CommComfort3	0.526	0.595		0.544	**0.772**		0.463		0.498	0.427	0.516		0.431	
CommComfort4	0.574	0.609	0.407	0.580	**0.801**		0.518		0.526	0.488	0.529		0.505	
CommComfort5	0.483	0.594		0.561	**0.832**		0.477	0.453	0.589	0.550	0.512		0.558	0.476
CommComfort6	0.466	0.582		0.546	**0.786**		0.449	0.434	0.561	0.536	0.469		0.483	0.479
CommComfort7						**0.682**								
CommComfort8						**0.877**								
CommComfort9						**0.930**								
CommComfort10						**0.769**								

Extraction Method: Principal Axis Factoring; Rotation Method: Promax with Kaiser Normalization.

N= 416, CulAware= Cultural Awareness; ContextAware = Contextual Awareness; Motivation = Motivation to acquire cultural knowledge; PercBenefit= Acceptance of the benefits of cultural diversity (Perceived benefits); Accept= Acceptance of cultural diversity, Adapt= Ability to adapt; WillAdapt= Willingness to adapt; CommEffect= Intercultural communication adaptation; CommConfid= Communication confidence; CommComfort= Communication comfort.

Appendix 8: Structure Matrix of EFA output: ORG MRI (Main Study, Study 3)

Factor → / Items ↓	Adaptation-policy / Adaptation-HR	Adaptation-services / Communication	Motivation / Cognition	Awareness	Acceptance / Perceived Benefits	6	7
Awareness1	0.466		0.450	**0.759**	0.437	0.500	
Awareness2	0.423	0.406	0.496	**0.715**	0.442	0.400	
Awareness3	0.532		0.503	**0.787**	0.476		
Awareness4	0.514	0.445	0.561	**0.797**	0.531		
Awareness5	0.470	0.410	0.527	**0.760**	0.461		
Awareness6	0.464	0.467	0.567	**0.743**	0.486		
Awareness7	0.487	0.410	0.531	**0.713**	0.479		0.429046
Motivation1	0.460	0.540	**0.735**	0.553	0.533	0.440	
Motivation2	0.442	0.615	**0.772**	0.550	0.550		
Motivation3	0.446	0.650	**0.801**	0.530	0.539		
Motivation4	0.534	0.617	**0.779**	0.519	0.542		
Motivation5	0.615	0.593	**0.742**	0.572	0.611		
Motivation6	0.540	0.649	**0.805**	0.510	0.560		
Motivation7	0.531	0.654	**0.792**	0.498	0.517		
Cognition1	0.584	0.618	**0.769**	0.513	0.576	0.463	
Cognition2	0.551	0.621	**0.790**	0.492	0.583		
Cognition3	0.544	0.632	**0.810**	0.487	0.612		
Cognition4	0.508	0.602	**0.796**	0.474	0.595		
Cognition5	0.517	0.597	**0.783**	0.471	0.539		
Cognition6	0.509	0.589	**0.761**	0.501	0.553		0.5035962
Cognition7	0.472	0.606	**0.776**	0.467	0.590		0.4548892
Acceptance1	0.633	0.494	0.535	0.586	**0.598**	0.636	
Acceptance2	0.632			0.496	**0.530**	0.566	
Acceptance3	0.589	0.540	0.523	0.493	**0.692**	0.432	
Acceptance4	0.620	0.411	0.442	0.556	**0.653**	0.459	
Acceptance5	0.435	0.591	0.534	0.404	**0.652**		
Acceptance6		0.632	0.590		**0.640**		
Acceptance7	0.465	0.619	0.597	0.443	**0.684**		
PercBenefit1	0.577	0.526	0.557	0.463	**0.713**	0.479	
PercBenefit2	0.614	0.614	0.637	0.492	**0.796**		
PercBenefit3	0.647	0.573	0.574	0.480	**0.755**		
PercBenefit4	0.615	0.588	0.603	0.441	**0.778**		
PercBenefit5	0.627	0.593	0.610	0.479	**0.714**		
PercBenefit6	0.532	0.595	0.584		**0.601**		
AdaptPolicy1	**0.687**	0.459	0.510	0.529	0.525	0.632	
AdaptPolicy2	**0.758**	0.576	0.534	0.487	0.549	0.581	
AdaptPolicy3	**0.736**	0.603	0.599	0.501	0.607	0.464	
AdaptPolicy4	**0.722**	0.528	0.534	0.487	0.582	0.401	

AdaptPolicy5	**0.709**	0.633	0.575	0.447	0.608		0.4156386
AdaptPolicy6	**0.700**	0.674	0.581	0.424	0.628		0.4299846
AdaptPolicy7	**0.679**	0.607	0.557	0.431	0.588		0.5013532
AdaptPolicy8	**0.729**	0.487	0.494	0.472	0.514		0.4845547
AdaptPolicy9	**0.713**	0.639	0.586	0.489	0.597		0.4495917
AdaprHR1	**0.632**	0.475	0.463	0.423	0.490	0.520	
AdaprHR2	**0.702**	0.610	0.544		0.540		
AdaprHR3	**0.622**	0.692	0.608		0.537		
AdaprHR4	**0.807**	0.462	0.490	0.461	0.490		
AdaprHR5	**0.833**	0.461	0.452	0.445	0.498		
AdaprHR6	**0.792**	0.492	0.511	0.457	0.536		
AdaprHR7	**0.769**	0.457	0.406	0.454	0.457		
AdaprHR8	**0.739**	0.642	0.582	0.410	0.497		
AdaptService1	0.589	**0.735**	0.641	0.443	0.574	0.513	
AdaptService2	0.657	**0.735**	0.607	0.448	0.574	0.447	
AdaptService3	0.657	**0.635**	0.548	0.489	0.519		
AdaptService4		**0.711**	0.505		0.402		
AdaptService5	0.420	**0.737**	0.533		0.464		
AdaptService6	0.507	**0.756**	0.568		0.494		
AdaptService7	0.511	**0.751**	0.577		0.508		
Communication1	0.458	**0.765**	0.579		0.524		
Communication2	0.489	**0.771**	0.562		0.556		
Communication3	0.467	**0.782**	0.601		0.542		
Communication4	0.602	**0.801**	0.641		0.613		
Communication5	0.616	**0.778**	0.624		0.564		
Communication6	0.637	**0.796**	0.647	0.408	0.584		
Communication7	0.651	**0.801**	0.664	0.420	0.555		
Communication8	0.657	**0.703**	0.592	0.438	0.491		

Extraction Method: Principal Axis Factoring; Rotation Method: Promax with Kaiser Normalization.

N= 680, PerBenefit= Acceptance of the benefits of cultural diversity (Perceived benefits); Acceptance= Acceptance of cultural diversity; AdaptPolicy= Adaptation, organisational policy, AdaptHR= Adaptation, Human Resource practices, AdaptService= Adaptation, services

Appendix 9. Descriptive Statistics: IND Level (Pilot Study, Study 4)

Items/ IND Level	Mean	Std.	Skewness	Kurtosis	Items/ IND Level	Mean	Std.	Skewness	Kurtosis	Items/ IND Level	Mean	Std.	Skewness	Kurtosis
CulAware1	5.93	1.188	-1.558	2.604	Adapt5	5.34	1.512	-1.108	0.893	OrgCulture 10	5.04	1.343	-0.730	0.512
CulAware2	5.76	1.173	-1.523	3.877	Adapt6	5.24	1.613	-1.078	0.628	OrgCulture 11	5.09	1.346	-1.148	1.930
CulAware3	5.76	1.108	-1.821	5.474	Adapt7	5.19	1.668	-1.048	0.387	OrgCulture 12	4.85	1.558	-0.945	0.440
CulAware4	5.91	1.129	-1.999	5.928	Adapt8	5.29	1.487	-1.256	1.619	OrgCulture 13	5.10	1.478	-0.697	0.004
CulAware5	5.68	1.227	-1.297	2.724	WillAdapt1	4.91	1.463	-0.991	0.812	EmployeeTasks_Performance1	5.63	1.105	-1.611	4.695
CulAware6	5.75	1.138	-0.990	0.944	WillAdapt2	4.93	1.605	-0.814	0.124	EmployeeTasks_Performance2	5.82	1.171	-1.082	0.897
CulAware7	5.60	1.199	-0.840	0.441	WillAdapt3	4.99	1.607	-0.954	0.244	EmployeeTasks_Performance3	5.51	1.440	-1.312	1.641
CulAware8	5.49	1.203	-0.918	0.647	WillAdapt4	5.18	1.424	-0.992	0.925	EmployeeTasks_Performance4	5.74	1.277	-1.655	4.000
CulAware9	6.01	1.191	-1.833	4.842	WillAdapt5	5.25	1.530	-0.978	0.886	EmployeeTasks_Performance5	5.75	1.070	-0.757	-0.109
CulAware10	5.74	1.141	-1.071	0.958	CommEffect1	5.29	1.436	-1.006	0.547	EmployeeTasks_Performance6	5.53	1.139	-0.605	0.057
CulAware11	5.88	1.086	-1.128	1.564	CommEffect2	5.18	1.701	-0.997	0.044	EmployeeAdaptive_Performance7	5.41	1.054	0.043	-1.198
ContextAware1	5.51	1.178	-1.108	1.209	CommEffect3	5.24	1.556	-1.165	1.027	EmployeeAdaptive_Performance8	5.54	1.251	-1.281	2.537
ContextAware2	5.60	1.306	-1.288	2.151	CommEffect4	5.24	1.527	-0.903	0.333	EmployeeAdaptive_Performance9	5.51	1.072	-0.489	0.279
ContextAware3	5.65	1.143	-1.239	1.946	CommEffect5	5.24	1.546	-1.181	1.124	EmployeeAdaptive_Performance10	5.59	1.175	-0.844	0.403
ContextAware4	5.66	1.074	-0.622	-0.049	CommEffect6	5.25	1.661	-1.137	0.833	EmployeeAdaptive_Performance11	5.63	1.196	-0.917	0.374
ContextAware5	5.56	1.164	-0.820	0.411	CommEffect7	5.16	1.522	-1.250	1.441	EmployeeAdaptive_Performance12	5.47	1.190	-0.831	0.731
ContextAware6	5.35	1.324	-0.963	1.775	CommEffect8	5.32	1.606	-1.262	1.350	EmployeeContextual_Performance13	5.78	1.063	-0.617	-0.501
Motivation1	4.74	1.724	-0.763	-0.048	CommEffect9	5.26	1.561	-1.160	1.038	EmployeeContextual_Performance14	5.24	1.394	-1.083	1.190
Motivation2	5.15	1.721	-1.012	0.475	CommConfid1	5.62	1.316	-1.356	2.101	EmployeeContextual_Performance15	5.47	1.152	-0.710	0.265
Motivation3	4.68	1.840	-0.764	-0.488	CommConfid2	5.41	1.341	-1.298	2.287	EmployeeContextual_Performance16	5.41	1.249	-1.025	1.571
Motivation4	5.41	1.576	-1.234	1.167	CommConfid3	5.18	1.465	-0.872	0.659	EmployeeContextual_Performance17	5.49	1.152	-0.807	0.298
Motivation5	5.12	1.570	-1.012	0.820	CommConfid4	5.24	1.351	-1.043	1.817	EmployeeContextual_Performance18	5.35	1.358	-0.895	0.224
Motivation6	5.51	1.461	-1.376	2.106	CommConfid5	5.26	1.378	-0.918	1.223	EmployeeContextual_Performance19	5.51	1.240	-1.076	1.911
Motivation7	4.63	1.819	-0.610	-0.461	CommConfid6	5.44	1.408	-1.299	1.933	EmployeeContextual_Performance20	5.46	1.215	-0.692	0.293
Motivation8	5.13	1.683	-0.930	0.131	CommConfid7	5.40	1.405	-1.146	1.420	EmployeeContextual_Performance21	5.31	1.213	-0.572	0.107
Motivation9	5.09	1.751	-0.912	-0.041	CommComfort1	5.26	1.400	-0.827	0.421	EmployeeContextual_Performance22	5.47	1.190	-1.487	4.174
Motivation10	5.24	1.649	-1.068	0.723	CommComfort2	5.40	1.488	-0.915	0.394	JobSatisfaction1	5.46	1.332	-1.406	2.606
PercBenefit1	5.54	1.376	-1.458	2.476	CommComfort3	5.40	1.478	-1.380	1.904	JobSatisfaction12	5.22	1.573	-0.686	-0.455
PercBenefit2	5.54	1.450	-1.573	2.295	CommComfort4	5.43	1.449	-1.215	1.481	JobSatisfaction13	5.40	1.394	-1.262	1.720
PercBenefit3	5.46	1.520	-1.423	1.853	CommComfort5	5.29	1.497	-0.909	0.525	JobSatisfaction14	4.87	1.573	-0.510	-0.332
PercBenefit4	5.51	1.531	-1.341	1.322	CommComfort6	5.35	1.514	-1.080	0.797	JobSatisfaction15	4.75	1.490	-0.476	-0.097
PercBenefit5	5.29	1.575	-1.238	0.969	Ethnocentrism1	3.60	1.797	0.193	-1.027	JobSatisfaction16	5.25	1.460	-0.836	0.178

PercBenefit6	5.16	1.551	-1.094	0.880	Ethnocentrism2	3.74	1.750	0.230	-0.752	OrgPerformance1	5.41	1.082	-0.676	0.478
PercBenefit7	5.25	1.578	-1.297	1.402	Ethnocentrism3	3.79	1.733	0.274	-0.963	OrgPerformance2	5.13	1.233	-0.407	0.838
PercBenefit8	5.28	1.534	-1.051	0.905	Ethnocentrism4	4.16	1.792	-0.026	-0.903	OrgPerformance3	5.18	1.064	-0.441	-0.032
PercBenefit9	5.29	1.612	-1.290	1.092	Ethnocentrism5	5.19	1.363	-0.831	0.719	OrgPerformance4	5.00	1.197	-0.699	0.964
PercBenefit10	5.26	1.663	-1.199	0.831	Ethnocentrism6	3.99	1.775	0.006	-0.955	OrgPerformance5	5.35	1.143	-0.429	-0.113
PercBenefit11	5.44	1.539	-1.239	1.323	Ethnocentrism7	3.62	1.909	0.278	-0.995	OrgPerformance6	5.06	1.359	-0.808	0.748
Cognition1	5.19	1.489	-1.289	1.465	Ethnocentrism8	4.04	1.510	0.164	-0.465	OrgPerformance7	5.31	1.249	-0.898	1.041
Cognition2	5.01	1.501	-1.253	1.448	Ethnocentrism9	4.90	1.488	-0.659	0.172	OrgCompetitiveness1	4.75	1.549	-0.486	-0.351
Cognition3	5.15	1.641	-1.161	1.059	Ethnocentrism10	3.66	1.698	0.250	-0.770	OrgCompetitiveness2	4.78	1.582	-0.673	-0.062
Cognition4	5.15	1.479	-1.174	1.237	Ethnocentrism11	4.26	1.561	-0.287	-0.581	OrgCompetitiveness3	4.68	1.559	-0.656	0.114
Cognition5	5.15	1.438	-1.259	1.631	Ethnocentrism12	3.68	2.011	0.233	-1.195	OrgCompetitiveness4	4.66	1.570	-0.440	-0.259
Cognition6	5.16	1.532	-1.076	0.979	Ethnocentrism13	4.06	1.665	-0.236	-0.653	FreCont1	4.63	1.868	-0.476	-0.716
Cognition7	5.19	1.557	-1.037	0.856	Ethnocentrism14	4.29	1.536	-0.234	-0.776	FreCont2	4.04	1.799	0.075	-0.775
Cognition8	5.09	1.590	-1.043	0.796	Ethnocentrism15	3.71	2.030	0.227	-1.171	FreCont3	4.35	1.930	-0.020	-1.191
Cognition9	5.16	1.542	-0.934	0.584	Ethnocentrism16	3.62	1.932	0.232	-1.098	FreCont4	4.44	1.705	-0.204	-0.594
Cognition10	5.18	1.525	-1.009	0.966	Ethnocentrism17	3.49	1.841	0.209	-1.185	OrgDiversity1	4.82	1.692	-0.876	0.251
Accept1	5.49	1.461	-1.080	0.797	Ethnocentrism18	3.84	1.913	0.001	-1.101	OrgDiversity2	4.88	1.715	-1.001	0.422
Accept2	5.43	1.499	-1.045	0.591	Ethnocentrism19	4.99	1.671	-0.827	0.114	OrgDiversity3	4.94	1.485	-1.051	1.077
Accept3	5.41	1.518	-1.421	1.762	Ethnocentrism20	4.07	1.748	-0.254	-0.731	OrgDiversity4	4.63	1.629	-0.745	0.193
Accept4	5.50	1.451	-1.420	2.000	Ethnocentrism21	4.69	1.499	-0.382	-0.063	OrgDiversity5	4.87	1.611	-0.728	0.218
Accept5	5.53	1.398	-1.295	1.492	Ethnocentrism22	4.29	1.621	-0.451	-0.311	UnitDiversity1	4.76	1.575	-0.684	0.104
Accept6	5.47	1.430	-1.170	1.039	Ethnocentrism23	5.41	1.395	-0.916	0.623	UnitDiversity2	4.78	1.610	-0.779	0.270
Accept7	5.26	1.462	-0.861	0.450	Ethnocentrism24	4.31	1.822	-0.125	-1.035	UnitDiversity3	4.78	1.582	-0.696	0.081
Accept8	5.46	1.398	-1.208	1.113	OrgCulture 1	5.38	1.234	-1.021	1.645	UnitDiversity4	4.59	1.839	-0.583	-0.668
Accept9	5.40	1.437	-1.079	0.719	OrgCulture 2	4.97	1.393	-0.732	0.221	UnitDiversity5	4.66	1.698	-0.579	-0.481
Accept10	5.41	1.374	-1.144	1.320	OrgCulture 3	5.21	1.617	-0.803	-0.236	CustomerDiversity1	4.82	1.736	-0.761	-0.083
Accept11	5.41	1.567	-1.559	2.097	OrgCulture 4	4.87	1.535	-0.639	-0.341	CustomerDiversity2	4.88	1.766	-0.703	-0.259
Accept12	5.28	1.629	-1.173	0.759	OrgCulture 5	5.32	1.202	-0.445	-0.238	CustomerDiversity3	4.84	1.599	-0.789	0.216
Adapt1	5.18	1.435	-1.101	1.160	OrgCulture 6	4.99	1.511	-0.643	0.055	CustomerDiversity4	4.93	1.713	-0.874	0.201
Adapt2	5.15	1.595	-0.975	0.523	OrgCulture 7	4.72	1.629	-0.557	-0.418	CustomerDiversity5	4.74	1.733	-0.694	-0.091
Adapt3	5.25	1.596	-0.968	0.196	OrgCulture 8	4.71	1.658	-0.627	-0.322					
Adapt4	5.19	1.623	-1.204	0.925	OrgCulture 9	4.76	1.585	-0.504	-0.516					

N=68, CulAware= Cultural Awareness; ContextAware= Contextual Awareness; PercBenefi= Acceptance of the benefits of cultural diversity (perceived benefits); Accept= Acceptance of cultural diversity, Adapt= Ability to adapt; WillAdapt= Willingness to adapt; CommEffect= Intercultural communication adaptation; CommConfid= Communication Confidence; CommComfort= Communication comfort; OrgCulture= Organisational culture; FreCont= Frequency of contact with people from diverse cultural backgrounds; OrgDiversity= extent of cultural distance in the organisation; UnitDiversity= extent of cultural distance in the unit; CustomerDiversity= extent of cultural distance among customers and clients.

Appendix 10. Descriptive Statistics: ORG Level (Pilot Study, Study 4)

Items/ ORG Level	Mean	Std.	Skewness	Kurtosis	Items/ ORG Level	Mean	Std.	Skewness	Kurtosis	Items/ ORG Level	Mean	Std.	Skewness	Kurtosis
Awareness1	5.24	1.490	-0.597	0.450	AdaptService4	4.96	1.374	-0.199	0.040	EmployeeTasks_Performance6	5.44	1.102	-0.005	-1.322
Awareness2	4.96	1.374	-0.555	0.836	AdaptService5	4.82	1.600	-0.424	-0.295	EmployeeAdaptive_Performance7	5.38	1.163	0.004	-1.231
Awareness3	5.11	1.487	-0.615	0.543	AdaptService6	4.67	1.564	-0.333	-0.389	EmployeeAdaptive_Performance8	5.44	1.198	-0.112	-1.096
Awareness4	5.11	1.474	-0.627	0.556	AdaptService7	4.84	1.584	-0.446	-0.195	EmployeeAdaptive_Performance9	5.31	1.303	-0.136	-1.258
Awareness5	5.13	1.479	-0.619	0.583	Communication1	4.78	1.641	-0.549	-0.273	EmployeeAdaptive_Performance10	5.18	1.292	-0.192	-0.817
Awareness6	5.22	1.449	-0.662	0.745	Communication2	4.84	1.596	-0.602	-0.042	EmployeeAdaptive_Performance11	5.33	1.320	-0.186	-1.156
Awareness7	5.18	1.565	-0.765	0.689	Communication3	4.78	1.652	-0.507	-0.296	EmployeeAdaptive_Performance12	5.31	1.169	-0.133	-0.890
Motivation1	4.80	1.580	-0.359	-0.313	Communication4	4.78	1.512	-0.683	0.376	EmployeeContextual_Performance13	5.55	1.119	-0.077	-1.346
Motivation2	4.58	1.707	-0.330	-0.423	Communication5	4.84	1.549	-0.275	-0.227	EmployeeContextual_Performance14	5.04	1.290	-0.445	0.322
Motivation3	4.45	1.719	-0.272	-0.519	Communication6	4.85	1.520	-0.401	-0.125	EmployeeContextual_Performance15	5.42	1.134	-0.027	-1.119
Motivation4	4.55	1.665	-0.407	-0.200	Communication7	4.82	1.541	-0.472	-0.165	EmployeeContextual_Performance16	5.11	1.487	-0.545	-0.191
Motivation5	4.95	1.592	-0.508	-0.224	Communication8	4.89	1.606	-0.428	-0.359	EmployeeContextual_Performance17	5.33	1.123	0.043	-1.126
Motivation6	4.75	1.635	-0.416	-0.203	Ethnocentrism1	3.56	1.893	0.153	-1.042	EmployeeContextual_Performance18	5.15	1.145	-0.065	-1.082
Motivation7	4.84	1.607	-0.556	0.074	Ethnocentrism2	3.78	1.572	-0.159	-0.495	EmployeeContextual_Performance19	5.35	1.236	-0.394	-0.415
Cognition1	4.76	1.610	-0.456	-0.023	Ethnocentrism3	3.85	1.715	0.143	-0.663	EmployeeContextual_Performance20	5.42	1.100	-0.044	-1.003
Cognition2	4.73	1.533	-0.608	0.324	Ethnocentrism4	4.24	1.539	-0.192	-0.112	EmployeeContextual_Performance21	5.11	1.315	-0.513	0.606
Cognition3	4.62	1.672	-0.423	-0.187	Ethnocentrism5	5.24	1.347	-0.072	-1.332	EmployeeContextual_Performance22	5.35	1.250	-0.814	1.296
Cognition4	4.87	1.678	-0.597	-0.286	Ethnocentrism6	4.05	1.638	-0.248	-0.312	JobSatisfaction1	5.31	1.260	-0.385	-0.458
Cognition5	4.80	1.638	-0.428	-0.279	Ethnocentrism7	3.87	1.954	0.015	-1.080	JobSatisfaction2	5.18	1.634	-0.780	-0.021
Cognition6	4.75	1.713	-0.459	-0.285	Ethnocentrism8	4.22	1.487	-0.180	-0.555	JobSatisfaction3	5.22	1.423	-0.601	-0.131
Cognition7	4.91	1.567	-0.684	0.304	Ethnocentrism9	4.89	1.227	-0.284	0.695	JobSatisfaction4	4.29	1.696	-0.169	-0.777
Acceptance1	5.29	1.474	-0.742	0.674	Ethnocentrism10	3.87	1.733	0.092	-0.630	JobSatisfaction5	4.84	1.259	-0.258	0.651
Acceptance2	5.13	1.263	-0.534	1.116	Ethnocentrism11	4.15	1.325	0.169	0.127	JobSatisfaction6	4.85	1.520	-0.893	0.555
Acceptance3	4.89	1.606	-0.428	-0.210	Ethnocentrism12	3.51	1.720	0.154	-0.944	OrgPerformance1	5.29	1.272	-0.519	0.844
Acceptance4	5.24	1.453	-0.919	1.016	Ethnocentrism13	4.31	1.489	0.002	-0.113	OrgPerformance2	5.04	1.347	-0.352	0.348
Acceptance5	4.84	1.607	-0.501	-0.348	Ethnocentrism14	4.47	1.274	-0.020	-0.006	OrgPerformance3	5.20	1.223	-0.398	1.021
Acceptance6	4.69	1.665	-0.485	-0.406	Ethnocentrism15	3.80	1.778	0.027	-0.803	OrgPerformance4	5.00	1.232	0.308	-1.038
Acceptance7	5.09	1.418	-0.530	0.146	Ethnocentrism16	3.69	1.632	0.070	-0.435	OrgPerformance5	5.22	1.243	-0.492	0.966
PercBenefit1	5.04	1.539	-0.506	0.001	Ethnocentrism17	3.87	1.656	-0.196	-0.756	OrgPerformance6	4.93	1.345	-0.242	0.252
PercBenefit2	4.91	1.519	-0.400	-0.061	Ethnocentrism18	3.84	1.596	-0.375	-0.631	OrgPerformance7	5.09	1.159	0.261	-0.815
PercBenefit3	5.04	1.414	-0.271	-0.164	Ethnocentrism19	4.75	1.468	-0.559	0.265	OrgCompetitiveness1	4.71	1.329	0.218	-0.638
PercBenefit4	5.00	1.515	-0.464	0.138	Ethnocentrism20	4.04	1.539	-0.095	-0.439	OrgCompetitiveness2	4.69	1.245	-0.037	0.336
PercBenefit5	5.15	1.393	-0.440	0.036	Ethnocentrism21	4.58	1.100	0.217	0.297	OrgCompetitiveness3	4.45	1.412	-0.047	0.305
PercBenefit6	4.98	1.408	-0.422	0.086	Ethnocentrism22	4.31	1.245	0.336	0.326	OrgCompetitiveness4	4.38	1.284	0.382	0.041
AdaptPolicy1	5.25	1.391	-0.605	0.264	Ethnocentrism23	5.20	1.282	-0.007	-1.076	FreCont1	4.80	1.966	-0.392	-1.047
AdaptPolicy2	5.11	1.356	-0.297	-0.302	Ethnocentrism24	4.07	1.585	-0.182	-0.426	FreCont2	3.85	2.068	0.098	-1.203
AdaptPolicy3	5.20	1.393	-0.457	0.195	OrgCulture1	5.20	1.311	-0.231	-0.579	FreCont3	4.78	1.912	-0.303	-1.168
AdaptPolicy4	5.24	1.527	-0.707	0.047	OrgCulture2	4.85	1.268	-0.339	0.636	FreCont4	4.31	1.904	-0.045	-0.868
AdaptPolicy5	5.04	1.333	-0.410	0.410	OrgCulture3	5.02	1.545	-0.469	-0.333	OrgDiversity1	5.04	1.677	-0.597	-0.340
AdaptPolicy6	4.84	1.512	-0.445	0.072	OrgCulture4	5.04	1.387	-0.585	0.284	OrgDiversity2	5.11	1.583	-0.622	-0.004
AdaptPolicy7	5.02	1.521	-0.654	0.262	OrgCulture5	5.09	1.175	-0.395	-0.053	OrgDiversity3	5.02	1.446	-0.528	0.508

AdaptPolicy8	5.13	1.454	-0.717	0.748	OrgCulture6	4.91	1.281	-0.099	0.310	OrgDiversity4	4.76	1.551	-0.547	0.175
AdaptPolicy9	4.84	1.475	-0.425	0.101	OrgCulture7	4.80	1.325	-0.262	0.296	OrgDiversity5	5.04	1.453	-0.705	0.608
AdaprHR1	5.27	1.407	-0.466	-0.108	OrgCulture8	4.62	1.484	-0.468	0.339	UnitDiversity1	4.98	1.569	-0.655	-0.010
AdaprHR2	4.96	1.490	-0.563	0.287	OrgCulture9	4.82	1.454	-0.534	0.136	UnitDiversity2	5.11	1.571	-0.870	0.400
AdaprHR3	5.00	1.347	-0.141	-0.070	OrgCulture10	4.98	1.254	-0.023	-0.762	UnitDiversity3	5.15	1.545	-0.816	0.449
AdaprHR4	5.05	1.568	-0.870	0.686	OrgCulture11	5.04	1.217	-0.072	-0.148	UnitDiversity4	4.87	1.528	-0.973	0.600
AdaprHR5	5.24	1.333	-0.599	0.632	OrgCulture12	4.80	1.393	-0.694	0.208	UnitDiversity5	4.96	1.440	-0.746	0.806
AdaprHR6	5.11	1.356	-0.482	0.349	OrgCulture13	4.80	1.660	-0.577	-0.216	CustomerDiversity1	5.27	1.471	-0.928	1.048
AdaprHR7	5.13	1.348	-0.522	0.458	EmployeeTasks_Performance1	5.53	1.152	-0.031	-1.433	CustomerDiversity2	5.20	1.544	-0.880	0.518
AdaprHR8	5.13	1.334	-0.581	0.381	EmployeeTasks_Performance2	5.49	1.413	-0.901	0.660	CustomerDiversity3	5.24	1.465	-0.867	0.697
AdaptService1	4.80	1.458	-0.048	-0.320	EmployeeTasks_Performance3	5.02	1.394	-0.161	-0.817	CustomerDiversity4	5.15	1.603	-0.749	0.056
AdaptService2	4.76	1.440	-0.109	-0.335	EmployeeTasks_Performance4	5.35	1.220	-0.451	-0.343	CustomerDiversity5	5.15	1.557	-0.801	0.347
AdaptService3	5.11	1.370	-0.293	-0.120	EmployeeTasks_Performance5	5.67	1.123	-0.369	-0.911					

N= 55, PerBenefit= Acceptance of the benefits of cultural diversity (perceived benefits); AdaptPolicy= Adaptation, organisational policy, AdaptHR= Adaptation, Human Resource practices, AdaptService= Adaptation, service; OrgCulture= Organisational culture; FreCont= Frequency of contact with people from diverse cultural backgrounds; OrgDiversity= extent of cultural distance in the organisation; UnitDiversity= extent of cultural distance in the unit; CustomerDiversity= extent of cultural disctance among customers and clients.

Appendix 11. Descriptive Statistics: IND Level (Main Study, Study 4)

Items/ IND Level	Mean	Std.	Skewness	Kurtosis	Items/ IND Level	Mean	Std.	Skewness	Kurtosis	Items/ IND Level	Mean	Std.	Skewness	Kurtosis
CulAware1	5.81	1.430	-1.676	2.771	Adapt5	5.60	1.354	-1.266	1.494	OrgCulture 10	5.14	1.444	-0.779	0.354
CulAware2	5.73	1.318	-1.505	2.537	Adapt6	5.52	1.393	-1.139	0.874	OrgCulture 11	5.17	1.425	-0.816	0.396
CulAware3	5.79	1.286	-1.491	2.577	Adapt7	5.41	1.423	-1.152	1.232	OrgCulture 12	5.03	1.486	-0.771	0.086
CulAware4	5.82	1.279	-1.437	2.241	Adapt8	5.55	1.291	-1.220	1.907	OrgCulture 13	5.11	1.535	-0.837	0.116
CulAware5	5.53	1.365	-1.167	1.529	WillAdapt1	5.20	1.425	-1.022	0.902	EmployeeTasks_Performance1	5.78	1.238	-1.492	3.037
CulAware6	5.56	1.365	-1.102	1.178	WillAdapt2	5.14	1.420	-1.022	0.871	EmployeeTasks_Performance2	5.73	1.271	-1.172	1.222
CulAware7	5.51	1.303	-1.060	1.350	WillAdapt3	5.25	1.356	-0.964	0.979	EmployeeTasks_Performance3	5.46	1.379	-1.014	0.746
CulAware8	5.37	1.350	-0.855	0.414	WillAdapt4	5.43	1.343	-1.170	1.542	EmployeeTasks_Performance4	5.63	1.289	-1.193	1.577
CulAware9	5.81	1.376	-1.564	2.494	WillAdapt5	5.59	1.315	-1.264	1.911	EmployeeTasks_Performance5	5.74	1.139	-1.300	2.188
CulAware10	5.57	1.320	-1.183	1.468	CommEffect1	5.57	1.324	-1.233	1.516	EmployeeTasks_Performance6	5.46	1.244	-0.792	0.345
CulAware11	5.78	1.347	-1.477	2.292	CommEffect2	5.44	1.406	-1.083	0.872	EmployeeAdaptive_Performance7	5.45	1.204	-0.954	1.115
ContextAware1	5.42	1.439	-1.298	1.610	CommEffect3	5.57	1.302	-1.172	1.612	EmployeeAdaptive_Performance8	5.49	1.256	-1.100	1.584
ContextAware2	5.46	1.327	-1.175	1.369	CommEffect4	5.55	1.326	-1.063	0.968	EmployeeAdaptive_Performance9	5.56	1.158	-0.959	1.453
ContextAware3	5.61	1.285	-1.341	2.107	CommEffect5	5.65	1.300	-1.248	1.665	EmployeeAdaptive_Performance10	5.56	1.215	-1.038	1.190
ContextAware4	5.44	1.251	-1.066	1.249	CommEffect6	5.50	1.427	-1.182	1.145	EmployeeAdaptive_Performance11	5.62	1.260	-1.117	1.278
ContextAware5	5.36	1.345	-1.029	1.023	CommEffect7	5.39	1.399	-1.085	1.079	EmployeeAdaptive_Performance12	5.45	1.236	-1.034	1.234
ContextAware6	5.37	1.383	-1.086	1.120	CommEffect8	5.70	1.314	-1.462	2.539	EmployeeContextual_Performance13	5.72	1.187	-1.156	1.826
Motivation1	4.89	1.637	-0.730	-0.156	CommEffect9	5.68	1.301	-1.304	1.805	EmployeeContextual_Performance14	5.24	1.389	-0.852	0.323
Motivation2	5.13	1.526	-0.846	0.164	CommConfid1	5.74	1.309	-1.428	2.286	EmployeeContextual_Performance15	5.57	1.264	-0.997	1.010
Motivation3	4.97	1.610	-0.831	-0.029	CommConfid2	5.45	1.339	-1.114	1.300	EmployeeContextual_Performance16	5.48	1.240	-0.962	1.074
Motivation4	5.43	1.393	-1.098	1.195	CommConfid3	5.31	1.326	-0.876	0.889	EmployeeContextual_Performance17	5.59	1.221	-1.166	1.703
Motivation5	5.24	1.474	-0.980	0.799	CommConfid4	5.47	1.309	-0.965	0.938	EmployeeContextual_Performance18	5.40	1.342	-1.051	1.002
Motivation6	5.60	1.365	-1.377	2.057	CommConfid5	5.38	1.411	-1.046	1.108	EmployeeContextual_Performance19	5.63	1.230	-1.209	1.690
Motivation7	4.90	1.702	-0.624	-0.401	CommConfid6	5.61	1.274	-1.295	2.080	EmployeeContextual_Performance20	5.65	1.181	-1.141	1.492
Motivation8	5.42	1.375	-1.091	1.204	CommConfid7	5.60	1.290	-1.191	1.606	EmployeeContextual_Performance21	5.42	1.284	-0.845	0.761
Motivation9	5.13	1.563	-0.901	0.200	CommComfort1	5.45	1.458	-1.193	1.137	EmployeeContextual_Performance22	5.63	1.238	-1.258	2.059
Motivation10	5.22	1.571	-0.959	0.382	CommComfort2	5.33	1.417	-0.856	0.248	JobSatisfaction1	5.55	1.373	-1.354	1.774
PercBenefit1	5.50	1.499	-1.350	1.507	CommComfort3	5.62	1.281	-1.291	2.171	JobSatisfaction12	5.19	1.547	-0.827	0.031
PercBenefit2	5.50	1.349	-1.307	1.709	CommComfort4	5.50	1.258	-1.049	1.360	JobSatisfaction13	5.50	1.345	-1.012	0.912
PercBenefit3	5.49	1.398	-1.277	1.631	CommComfort5	5.63	1.334	-1.295	1.823	JobSatisfaction14	4.99	1.574	-0.632	-0.364
PercBenefit4	5.60	1.402	-1.296	1.420	CommComfort6	5.67	1.316	-1.298	1.844	JobSatisfaction15	5.07	1.417	-0.598	-0.209
PercBenefit5	5.38	1.433	-1.182	1.380	Ethnocentrism1	3.92	1.865	0.030	-1.091	JobSatisfaction16	5.22	1.545	-0.934	0.225
PercBenefit6	5.20	1.427	-0.865	0.444	Ethnocentrism2	4.09	1.612	0.053	-0.685	OrgPerformance1	5.53	1.301	-1.050	1.422
PercBenefit7	5.39	1.415	-1.092	1.083	Ethnocentrism3	4.04	1.641	-0.029	-0.829	OrgPerformance2	5.20	1.248	-0.697	0.705
PercBenefit8	5.41	1.420	-1.098	1.058	Ethnocentrism4	4.26	1.684	-0.099	-0.737	OrgPerformance3	5.25	1.287	-0.559	0.101
PercBenefit9	5.44	1.394	-1.288	1.760	Ethnocentrism5	5.24	1.460	-0.960	0.644	OrgPerformance4	5.15	1.383	-0.779	0.270
PercBenefit10	5.52	1.374	-1.273	1.729	Ethnocentrism6	4.08	1.795	-0.072	-1.018	OrgPerformance5	5.45	1.228	-0.803	0.714
PercBenefit11	5.64	1.351	-1.174	1.216	Ethnocentrism7	3.80	1.906	0.139	-1.128	OrgPerformance6	5.24	1.396	-0.824	0.455
Cognition1	5.32	1.421	-1.129	1.186	Ethnocentrism8	4.07	1.646	-0.073	-0.766	OrgPerformance7	5.43	1.312	-0.963	0.984

Cognition2	5.27	1.352	-1.128	1.347	Ethnocentrism9	5.13	1.411	-0.762	0.462	OrgCompetitiveness1	4.67	1.510	-0.473	-0.152
Cognition3	5.26	1.351	-1.008	1.102	Ethnocentrism10	3.89	1.809	-0.037	-1.071	OrgCompetitiveness2	4.72	1.422	-0.516	-0.056
Cognition4	5.30	1.305	-1.020	1.301	Ethnocentrism11	4.25	1.626	-0.278	-0.674	OrgCompetitiveness3	4.61	1.493	-0.355	-0.267
Cognition5	5.33	1.331	-1.084	1.178	Ethnocentrism12	3.55	2.020	0.210	-1.262	OrgCompetitiveness4	4.55	1.519	-0.337	-0.358
Cognition6	5.45	1.308	-1.147	1.714	Ethnocentrism13	4.14	1.710	-0.202	-0.841	FreCont1	4.64	1.623	-0.327	-0.612
Cognition7	5.37	1.346	-0.976	0.962	Ethnocentrism14	4.43	1.584	-0.322	-0.713	FreCont2	4.07	1.581	-0.050	-0.743
Cognition8	5.29	1.358	-0.942	0.757	Ethnocentrism15	3.72	1.852	0.120	-1.107	FreCont3	4.59	1.635	-0.339	-0.556
Cognition9	5.28	1.392	-0.993	0.751	Ethnocentrism16	3.80	1.809	0.102	-1.033	FreCont4	4.40	1.537	-0.153	-0.634
Cognition10	5.34	1.422	-1.069	1.104	Ethnocentrism17	3.77	1.849	0.045	-1.171	OrgDiversity1	4.78	1.589	-0.774	-0.023
Accept1	5.50	1.429	-1.325	1.804	Ethnocentrism18	4.10	1.723	-0.118	-0.891	OrgDiversity2	4.85	1.603	-0.817	-0.006
Accept2	5.54	1.387	-1.201	1.338	Ethnocentrism19	5.20	1.502	-0.910	0.462	OrgDiversity3	4.87	1.545	-0.849	0.291
Accept3	5.56	1.381	-1.364	1.864	Ethnocentrism20	4.31	1.595	-0.292	-0.657	OrgDiversity4	4.64	1.681	-0.644	-0.362
Accept4	5.56	1.362	-1.256	1.633	Ethnocentrism21	4.70	1.414	-0.405	0.037	OrgDiversity5	5.00	1.477	-0.666	0.177
Accept5	5.66	1.349	-1.381	1.957	Ethnocentrism22	4.29	1.543	-0.283	-0.403	UnitDiversity1	4.73	1.620	-0.740	-0.135
Accept6	5.61	1.304	-1.141	1.129	Ethnocentrism23	5.43	1.431	-1.124	1.125	UnitDiversity2	4.78	1.600	-0.798	0.013
Accept7	5.47	1.381	-1.098	1.083	Ethnocentrism24	4.28	1.717	-0.172	-0.889	UnitDiversity3	4.85	1.631	-0.740	-0.097
Accept8	5.54	1.325	-1.178	1.425	OrgCulture 1	5.43	1.393	-1.149	1.410	UnitDiversity4	4.61	1.720	-0.631	-0.533
Accept9	5.41	1.375	-1.166	1.361	OrgCulture 2	5.08	1.347	-0.589	-0.008	UnitDiversity5	4.88	1.581	-0.712	-0.093
Accept10	5.38	1.384	-1.148	1.350	OrgCulture 3	5.36	1.420	-0.960	0.686	CustomerDiversity1	5.05	1.551	-0.868	0.263
Accept11	5.51	1.367	-1.317	1.879	OrgCulture 4	5.16	1.407	-0.752	0.224	CustomerDiversity2	5.04	1.513	-0.858	0.286
Accept12	5.35	1.436	-1.006	0.728	OrgCulture 5	5.41	1.278	-0.972	1.096	CustomerDiversity3	5.18	1.445	-0.944	0.740
Adapt1	5.40	1.469	-1.223	1.318	OrgCulture 6	4.93	1.420	-0.551	-0.026	CustomerDiversity4	5.03	1.550	-0.903	0.345
Adapt2	5.35	1.410	-1.004	0.720	OrgCulture 7	4.99	1.497	-0.654	-0.049	CustomerDiversity5	5.14	1.514	-0.866	0.411
Adapt3	5.44	1.399	-1.169	1.178	OrgCulture 8	5.07	1.524	-0.804	0.089					
Adapt4	5.43	1.441	-1.201	1.214	OrgCulture 9	4.98	1.565	-0.706	-0.100					

N=414, CulAware= Cultural Awareness; ContextAware= Contextual Awareness; PercBenefi= Acceptance of the benefits of cultural diversity (perceived benefits); Accept= Acceptance of cultural diversity, Adapt= Ability to adapt; WillAdapt= Willingness to adapt; CommEffect= Intercultural communication adaptation; CommConfid= Communication Confidence; CommComfort= Communication comfort; OrgCulture= Organisational culture; FreCont= Frequency of contact with people from diverse cultural backgrounds; OrgDiversity= extent of cultural distance in the organisation; UnitDiversity= extent of cultural distance in the unit; CustomerDiversity= extent of cultural distance among customers and clients.

Appendix 12. Descriptive Statistics: ORG Level (Main Study, Study 4)

Items/ ORG Level	Mean	Std.	Skewness	Kurtosis	Items/ ORG Level	Mean	Std.	Skewness	Kurtosis	Items/ ORG Level	Mean	Std.	Skewness	Kurtosis
Awareness1	5.31	1.440	-1.067	1.045	AdaptService4	4.83	1.546	-0.587	-0.195	EmployeeTasks_Performance6	5.34	1.267	-0.793	0.609
Awareness2	4.90	1.359	-0.512	0.254	AdaptService5	4.85	1.549	-0.601	-0.163	EmployeeAdaptive_Performance7	5.31	1.205	-0.464	-0.311
Awareness3	5.23	1.352	-0.745	0.547	AdaptService6	4.73	1.399	-0.530	0.035	EmployeeAdaptive_Performance8	5.39	1.285	-0.707	-0.045
Awareness4	5.13	1.311	-0.731	0.737	AdaptService7	4.97	1.396	-0.595	0.049	EmployeeAdaptive_Performance9	5.43	1.251	-0.744	0.332
Awareness5	5.17	1.325	-0.807	0.674	Communication1	4.65	1.658	-0.459	-0.561	EmployeeAdaptive_Performance10	5.52	1.204	-0.797	0.412
Awareness6	5.00	1.297	-0.583	0.355	Communication2	4.78	1.576	-0.514	-0.391	EmployeeAdaptive_Performance11	5.52	1.236	-0.767	0.246
Awareness7	5.31	1.401	-0.839	0.607	Communication3	4.66	1.598	-0.575	-0.333	EmployeeAdaptive_Performance12	5.33	1.222	-0.711	0.359
Motivation1	4.70	1.440	-0.514	-0.122	Communication4	4.81	1.459	-0.637	0.062	EmployeeContextual_Performance13	5.62	1.250	-0.900	0.546
Motivation2	4.63	1.539	-0.403	-0.427	Communication5	4.86	1.428	-0.469	-0.190	EmployeeContextual_Performance14	5.15	1.275	-0.568	0.187
Motivation3	4.66	1.533	-0.453	-0.268	Communication6	4.80	1.395	-0.480	-0.018	EmployeeContextual_Performance15	5.56	1.159	-0.773	0.257
Motivation4	4.80	1.434	-0.554	0.002	Communication7	5.00	1.404	-0.722	0.213	EmployeeContextual_Performance16	5.37	1.292	-0.758	0.117
Motivation5	5.05	1.419	-0.839	0.442	Communication8	5.10	1.337	-0.568	0.068	EmployeeContextual_Performance17	5.53	1.188	-0.834	0.710
Motivation6	4.73	1.486	-0.616	0.005	Ethnocentrism1	3.36	1.899	0.371	-1.038	EmployeeContextual_Performance18	5.31	1.256	-0.694	0.448
Motivation7	4.72	1.482	-0.614	0.016	Ethnocentrism2	3.8661	1.52822	0.009	-0.577	EmployeeContextual_Performance19	5.58	1.216	-0.782	0.237
Cognition1	4.78	1.424	-0.542	0.036	Ethnocentrism3	4.2077	1.66858	-0.133	-0.767	EmployeeContextual_Performance20	5.48	1.236	-0.777	0.315
Cognition2	4.76	1.416	-0.542	0.003	Ethnocentrism4	4.01	1.595	-0.149	-0.562	EmployeeContextual_Performance21	5.32	1.193	-0.618	0.408
Cognition3	4.72	1.350	-0.408	-0.008	Ethnocentrism5	2.6230	1.35885	0.635	-0.225	EmployeeContextual_Performance22	5.55	1.142	-0.728	0.326
Cognition4	4.87	1.339	-0.719	0.529	Ethnocentrism6	3.91	1.599	-0.147	-0.644	JobSatisfaction1	5.20	1.485	-0.987	0.527
Cognition5	4.91	1.298	-0.570	0.398	Ethnocentrism7	3.53	1.876	0.324	-1.027	JobSatisfaction2	4.94	1.561	-0.677	-0.230
Cognition6	4.91	1.369	-0.635	0.217	Ethnocentrism8	3.9126	1.57480	0.073	-0.633	JobSatisfaction3	5.29	1.387	-0.994	0.724
Cognition7	4.85	1.382	-0.568	0.145	Ethnocentrism9	2.8388	1.28158	0.422	-0.308	JobSatisfaction4	4.66	1.604	-0.348	-0.700
Acceptance1	5.52	1.348	-1.067	1.024	Ethnocentrism10	3.52	1.773	0.211	-0.954	JobSatisfaction5	4.91	1.344	-0.446	-0.195
Acceptance2	5.35	1.240	-0.822	0.682	Ethnocentrism11	3.8552	1.51461	0.204	-0.490	JobSatisfaction6	4.99	1.417	-0.847	0.515
Acceptance3	5.01	1.524	-0.611	-0.248	Ethnocentrism12	3.21	1.853	0.417	-0.987	OrgPerformance1	5.24	1.207	-0.655	0.746
Acceptance4	5.51	1.144	-0.777	0.910	Ethnocentrism13	3.89	1.641	-0.054	-0.756	OrgPerformance2	5.04	1.204	-0.349	-0.055
Acceptance5	5.08	1.409	-0.661	-0.074	Ethnocentrism14	4.31	1.542	-0.315	-0.287	OrgPerformance3	5.02	1.230	-0.431	0.053
Acceptance6	4.76	1.498	-0.464	-0.290	Ethnocentrism15	4.4563	1.76325	-0.274	-0.907	OrgPerformance4	4.95	1.291	-0.333	-0.286
Acceptance7	5.04	1.352	-0.682	0.134	Ethnocentrism16	4.2896	1.66947	-0.114	-0.848	OrgPerformance5	5.32	1.080	-0.341	0.214
PercBenefit1	5.02	1.360	-0.659	0.309	Ethnocentrism17	3.53	1.785	0.178	-0.989	OrgPerformance6	5.00	1.283	-0.420	0.000
PercBenefit2	5.07	1.266	-0.530	0.136	Ethnocentrism18	3.9454	1.56056	0.143	-0.543	OrgPerformance7	5.23	1.201	-0.459	-0.029
PercBenefit3	5.10	1.284	-0.562	0.129	Ethnocentrism19	2.8306	1.42338	0.783	0.298	OrgCompetitiveness1	4.64	1.400	-0.336	-0.242
PercBenefit4	5.04	1.321	-0.532	0.063	Ethnocentrism20	3.8525	1.57900	0.140	-0.555	OrgCompetitiveness2	4.66	1.324	-0.311	-0.284
PercBenefit5	5.13	1.291	-0.566	0.103	Ethnocentrism21	4.51	1.277	-0.143	0.156	OrgCompetitiveness3	4.48	1.326	-0.189	-0.001
PercBenefit6	4.83	1.436	-0.600	0.208	Ethnocentrism22	4.25	1.411	-0.171	-0.043	OrgCompetitiveness4	4.48	1.396	-0.198	-0.073
AdaptPolicy1	5.32	1.419	-0.966	0.756	Ethnocentrism23	2.6093	1.32534	0.732	0.127	FreCont1	4.75	1.522	-0.342	-0.338
AdaptPolicy2	5.25	1.337	-0.613	-0.129	Ethnocentrism24	4.03	1.509	-0.104	-0.499	FreCont2	4.05	1.694	-0.037	-0.787
AdaptPolicy3	5.15	1.277	-0.472	-0.331	OrgCulture1	5.21	1.425	-0.896	0.477	FreCont3	4.49	1.683	-0.246	-0.771
AdaptPolicy4	5.37	1.358	-0.705	-0.136	OrgCulture2	4.91	1.378	-0.622	0.126	FreCont4	4.26	1.540	0.038	-0.565
AdaptPolicy5	5.23	1.290	-0.607	0.103	OrgCulture3	5.19	1.388	-0.664	-0.033	OrgDiversity1	4.76	1.482	-0.526	-0.130
AdaptPolicy6	5.06	1.362	-0.735	0.412	OrgCulture4	5.04	1.412	-0.585	-0.099	OrgDiversity2	4.83	1.484	-0.627	-0.002
AdaptPolicy7	5.18	1.282	-0.634	0.173	OrgCulture5	5.23	1.243	-0.772	0.676	OrgDiversity3	4.82	1.459	-0.584	-0.010
AdaptPolicy8	5.33	1.329	-0.916	0.859	OrgCulture6	4.68	1.336	-0.314	-0.290	OrgDiversity4	4.63	1.607	-0.389	-0.539
AdaptPolicy9	5.19	1.271	-0.740	0.770	OrgCulture7	4.78	1.480	-0.495	-0.239	OrgDiversity5	4.86	1.428	-0.605	0.159
AdaprHR1	5.26	1.468	-0.827	0.231	OrgCulture8	4.64	1.534	-0.593	-0.228	UnitDiversity1	4.69	1.567	-0.543	-0.332

AdaprHR2	5.07	1.410	-0.633	0.117	OrgCulture9	4.60	1.627	-0.469	-0.469	UnitDiversity2	4.81	1.523	-0.558	-0.270
AdaprHR3	4.83	1.425	-0.378	-0.348	OrgCulture10	4.83	1.435	-0.562	-0.055	UnitDiversity3	4.79	1.473	-0.527	-0.117
AdaprHR4	5.27	1.312	-0.764	0.289	OrgCulture11	4.98	1.454	-0.784	0.464	UnitDiversity4	4.56	1.595	-0.476	-0.526
AdaprHR5	5.43	1.307	-0.897	0.787	OrgCulture12	4.80	1.439	-0.663	0.144	UnitDiversity5	4.73	1.504	-0.480	-0.302
AdaprHR6	5.31	1.265	-0.698	0.519	OrgCulture13	4.89	1.503	-0.675	-0.058	CustomerDiversity1	5.06	1.453	-0.838	0.361
AdaprHR7	5.37	1.296	-0.863	0.750	EmployeeTasks_Performance1	5.57	1.369	-1.224	1.660	CustomerDiversity2	5.12	1.380	-0.671	0.102
AdaprHR8	5.15	1.273	-0.554	0.224	EmployeeTasks_Performance2	5.64	1.316	-1.065	0.869	CustomerDiversity3	5.23	1.341	-0.688	0.117
AdaptService1	4.75	1.431	-0.452	-0.159	EmployeeTasks_Performance3	5.25	1.426	-0.764	0.024	CustomerDiversity4	5.00	1.444	-0.725	0.248
AdaptService2	4.86	1.383	-0.661	0.156	EmployeeTasks_Performance4	5.54	1.213	-0.903	0.826	CustomerDiversity5	5.14	1.380	-0.639	-0.034
AdaptService3	5.16	1.287	-0.596	0.180	EmployeeTasks_Performance5	5.71	1.193	-1.042	0.903					

N= 366, PerBenefit= Acceptance of the benefits of cultural diversity (perceived benefits); AdaptPolicy= Adaptation, organisational policy, AdaptHR= Adaptation, Human Resource practices, AdaptService= Adaptation, service; OrgCulture= Organisational culture; FreCont= Frequency of contact with people from diverse cultural backgrounds; OrgDiversity= extent of cultural distance in the organisation; UnitDiversity= extent of cultural distance in the unit; CustomerDiversity= extent of cultural disctance among customers and clients.

Appendix 13. Guide for future researches to use MR instruments

IND MRI help researches and organisations that perform in multicultural environments to measure the extent to which service employees are ready to engage effectively with people from cultural backgrounds other than their own. IND MRI is a 50-item scale that measures individual-level MR on five dimensions including awareness (AWR), motivation (MOT), Acceptance (ACC), Adaptation (ADT), and Communication (COM). All of the items are measured on a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

ORG MRI assist researches and organisations that perform in multicultural environments to measure the extent to which service organisations are ready to engage effectively with stakeholders from diverse cultural backgrounds (as perceived by their employees). ORG MRI is a 39-item scale that measures organisational-level MR on five dimensions including AWR, MOT, ACC, ADT, and COM. All of the items are measured on a 7-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

In IND MRI and ORG MRI, the average of scores for the items under each dimension provides the score for that dimension and the average of scores for all dimensions provides an average score for the whole scale.

These two instruments are subject to copyright and to access the full version of them, please contact one of the research team listed below:

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