
National Culture And Employee Participation In Decision-Making In Malaysia: A Conceptual Review

MASLINA BINTI MOHAMMED SHAED*, NOOR ALYANI NOR AZAZI, MOHAMAD SHAHARUDIN SAMSURIJAN

School of Social Sciences, Universiti Sains Malaysia, 11800 Penang, Malaysia

*Corresponding Author

Email: maslina.shaed@usm.my; msdin@usm.my

Abstract: The purpose of this paper is to review the influence of national culture on employee participation in decision-making in the organization. A conceptual review was conducted to identify the existing research and literature on national culture towards employee participation. The articles were searched based on important keywords and relevance. Based on the previous literature, the results suggested that national culture appears as one of the important variables on employee participation in decision-making.

Keywords: employee participation in decision-making; national culture

INTRODUCTION

The topic of employee participation in decision-making (PDM) has been widely used in different terms and concepts by previous scholars. This phenomenon has become one of the crucial issues in organizations around the world. Based on the classic definition by [1], participation can be described as involvement. Employee PDM is a process of involvement among employees and the administration in sharing information processing, decision-making and problem-solving in an organisation [2]. Giving opportunity to employees to get involved in managerial decisions is also called PDM [3].

Past literature indicates that PDM can contribute to various positive effects on employees and employers. For example, previous studies showed that high level of PDM leads to job satisfaction [4-7], job performance [8], job commitment [5, 9], increase the sense of belonging [10]; job control [11]; increase motivation [4, 12]; and enhance the quality of decision-making [13]. It also has a significant impact on organisational benefits such as reduced employee turnover and absenteeism [14, 15], increase productivity [9, 16], increase organisational commitment and effectiveness [9] and increase organisational performance [3, 17, 18].

Despite the fact that numerous studies have been investigated the relationship of national culture towards employee PDM, however, there are limited studies done in the Eastern countries especially in Malaysia. [19] stated that different national cultures tend to have different influences on PDM. The national culture and management system in the western countries might not applicable and not relevant in the Eastern countries such as Malaysia [20-22]. Previous studies indicate that the Malaysian culture is known to be very high power distance, low uncertainty avoidance, high collectivism and moderate masculinity culture [19, 21, 23], which might affect the low levels of employee PDM. [20, 22] also indicated that the Malaysian culture might not appropriate to implement PDM. Some studies indicated that national culture has crucial roles for the successfulness of employee PDM in the organisation [e.g. 21, 23; 24]. Countries with a high power distance, high masculinity, high uncertainty avoidance and high individualism are not appropriate for PDM.

National Culture and Employee Participation in Decision-making

National culture refers to the highest level of culture differentiation between countries, organisations or groups [25]. National culture also refers to beliefs, practises, norms and values shared by the majority of the people in one nation [19]. Hofstede in his well-known research on national culture defines national culture as a "collective programming of the mind that distinguishes the members of one group or category of people from others" [19]. Individuals within a national culture share many similarities such as language, religion, education, beliefs, values and behaviours.

In other words, national culture has greater influences on organisational culture and practises [20]. National culture also has a consequence on people's behaviour and action in a particular country [20] and about 50 percent of the differences in employee's behaviour can be described and explained by national culture [19]. Even though there are several numbers of the national culture construct that could be used for research [26], however, the concept of national culture developed by [19] is the most popular theory that has been cited and used by many scholars.

Previous scholars stated that national culture is one of the main factors in explaining organisational behaviour such as employee PDM [24]. National culture is a crucial factor that has influence and significant effects on employee PDM [20, 22] and the study on this relationship has been neglected in most studies [27]. According to [28], “cultural differences can exist between subcultures within one country and may lead to a differential effect of participation”. This study focuses on four dimensions of Hofstede’s national culture theory namely power distances, individual-collectivism, uncertainty avoidance and masculinity-femininity.

Later, Hofstede added another two dimensions called long-term vs. short-term orientation (or Confucian work dynamic) and indulgence culture. However, these new dimensions did not fit with the context of this study. The fifth dimension of Hofstede dimensions is long vs. short term orientation or called Confucian work dynamic, was conducted based on traditional Chinese cultural values and focuses on the country’s economic growth such as saving and investment, persistence and perseverance, past and present [29]. This dimension has been critiqued by former scholars because it leads to confusion not only for Western readers but also to Chinese (non-Western) mind too [30]. The original survey of the Confucian work dynamic also was distributed to university students in 22 different countries; therefore, the results did not fit with the management context. Therefore, this dimension excluded in this study. Meanwhile, the sixth dimension is more related to the importance of leisure time, happiness, and enjoying fun life. Hence, this dimension also excluded from this study.

Previous studies argued that Geert Hofstede [1980] four national culture dimensions have been acknowledged as the most well-known and broadly used in management and organisation research [e.g. 31] and most frequently studied with the decision-making process of organisations [28]. [32] also stated that power distance, uncertainty avoidance, masculinity-femininity and individualism are associated with participative management and these four dimensions have an effect for both employees and organisation [21]. He indicated that national culture influenced most of the employees and employer attitude and behaviour.

Hence, these dimensions are the most relevant to the context of this study and it has been most cited in the organisation and management studies, especially to understand employee behaviour and employee participation in decision making [e.g. 24, 33-38]. Hofstede’s original dimensions also have been used in several studies in Malaysia. For examples, [39] compared the ethnic groups between Malay and Chinese; [25, 40] conducted a study in the Malaysian Government organisations; [41] examined organisational culture using Hofstede’s dimension at the top 100 Malaysian listed companies; [42] compared the culture between Malaysia and Korea.

Power distance refers to the unequal distribution of power. It can also be defined as how the society accepts inequality in power such as differentiating people based on class, authority and power [43]. In a high power distance culture, the leader is more autocratic, directive uses a top-down approach and is centralised rather than participative. Employees are afraid to argue or give an opinion, and they obey their leader’s instructions, rules and decisions [21]. Examples of high power distance countries are Malaysia, Jordan, United Arab Emirates (UAE), Taiwan, India, and Bangladesh. In contrast, in a low or small power distance culture, leaders are more participative, decentralised and delegated [44] and adopt a bottom-up approach. Employees are more independent and empowered in making decisions. In this culture, employees are more expected to get involved in PDM than in a high power distance culture. Examples of countries with low or average power distance cultures are America, Finland and Japan.

An earlier study by [45] argued that PDM cannot be implemented in high power distance culture. Generally, in power distance culture, employee does not have power or says in the decision-making process, and employees only have a little contribution or not allowed to PDM. Employees also tend to follow all the rules and orders, wait for instructions from the top management, feel fear to express their opinion or go against the authority, and have low levels of PDM [19, 21, 23]. In contrast, employees in a low power distance culture are free to share their ideas and opinion with their leaders, the organisation system is less hierarchical and more decentralised, and employees tend to have high levels of PDM.

The second dimension is uncertainty avoidance, which refers to the feeling of being threatened by uncertainty, problems or situation. In a culture with high uncertainty avoidance, employees are more stressed, try to avoid change, are afraid to handle new challenges or issues, and tend to formalise rules and procedures to reduce the job ambiguity of employees. While in the low uncertainty avoidance culture, employees are calmer and readier to take risks and make their own decisions without depending on formal rules and procedures [21]. The third dimension is the masculinity–femininity culture. The masculinity culture emphasises on aggressive, decisive and competitive characteristics, while the femininity culture emphasises on feminine values such as “friendly atmosphere, position security, physical conditions (and) security” [23]. Finally, individualism-collectivism refers to the degree of how society views their members, either as individuals or as a group [22]. In a highly individualistic culture, people are more concerned about their own interest, welfare and goals. On the other hand, a high collectivism culture is concerned about the group’s interest and approval or consensus from team members. The individualism-collectivism culture determines the type of decision-making process used in a society or organisation, either by group or individuals.

Previous studies supported that employees in a small power distance culture are more encourage and more comfortable to participate in decision-making at the workplace compared than employees at a high level of

power distance [43]. [21] found that Malaysian scored very high power distance, slightly high on collectivism, average on masculinity and low on uncertainty avoidance. He also described that high power distance in Malaysia as "...a situation where leaders have virtually ultimate power and authority and rules, laws and regulations developed by those in power, reinforce their own leadership and control" [23]. Even though this phenomenon has started to change and Malaysian employees are prepared to accept management technique like PDM, [46] indicated that there is a high tendency that national culture in Malaysia is still using top-down rather than a bottom-up management system.

This has been supported by the previous findings [e.g. 47-49] and several studies in Malaysian culture based on Hofstede's dimensions (refer to Table I). For examples, a study by [41] found that Malaysian culture scored a high power distance, moderate uncertainty avoidance, moderate masculinity-femininity and a moderate masculine. Another study by [42] showed that Malaysia had average power distance, high uncertainty avoidance, high collectivism and moderate masculinity-femininity. Meanwhile, other scholar found a moderate power distance, moderate masculine, high uncertainty avoidance and high collectivism in Malaysian culture [40]. These results demonstrated that there are not much different on the level of culture in Malaysia during these decades.

Furthermore, findings from a study by [24] provided a shred of clear evidence on how national culture have influenced on PDM, and the study has focused on two cultural dimensions by [19] (power distance and individual-collectivism) with employee PDM. These two dimensions were chosen due to the strongest relationship with PDM compared than other dimensions. Sagie and Aycan indicated that "power distance influences the extent to which participation is practised, whereas individual-collectivism helps to identify the participant(s) in the decision-making process" [24]. In high power distance culture, employees are not allowed to participate in the decision-making process and only top management has the right and control to make any decisions in the organisation.

Besides, employees in power distance culture tend to passively follow all the orders from the higher rank authority (usually practices autocratic leadership) and accept the inequality distribution of power in the hierarchy systems. [20] also indicated that low employee participation has an impact on low job performance, job satisfaction and motivation. While in low power distance culture, employees have an equal right to PDM and they are encouraged to involve in the decision-making process due to flat organisation structure and decentralisation. In fact, their ideas and suggestions are always welcomed by their leader and employees always feel empowered to make decisions [23]. Hence, the quality of decisions is higher and more valuable for employees. Table II shows the influences of power distance on PDM adopted from [24].

In high collectivism culture, [24] added that decision-making is made by consensus and a group of employees. The individual decision is not allowed, and all the team members are responsible for the consequences of the decisions made by the group. Malaysia is the countries that emphasis on collectivism culture and harmony at the workplace, and Malaysian employees also believed that they could make a good decision in group work than individual [50]. In contrast, in high individual culture, employees are more concern about their own benefits instead of other members and individuals are responsible for their own action and decision [24]. Also, employees in this type of culture are more independent and self-sufficiency.

Another study by [51] focused on power distance and uncertainty avoidance with employee participation. However, this study failed to find a significant relationship between power distance and employee participation, while uncertainty avoidance has found to have a negative correlation with the amount of participation. Thus, this supported that in high uncertainty avoidance culture, the amount of employee participation will be reduced due to the threatened feeling of uncertainty situation and conflict avoidance. Employees usually are not ready and feel afraid to accept unpredictable circumstances and changes [20]. They are more preferred to make decisions based on standard rules and procedures that have been provided to them rather than to find other solutions or alternatives for the new problems. Employees also tend to have a high resistance to change and always trying to avoid the risky situation. In contrast, employees in low uncertainty avoidance are more active to participate in the decision-making process, and they always ready to accept any situations or problems arise in their organisation [20, 23]. Employees also have creative solutions to solve the problem and do not fear of any changes.

Furthermore, masculinity-femininity culture also has influenced on employee PDM. For examples, countries with strong masculinity culture such as Japan, Austria, and Mexico. Meanwhile, countries with strong femininity culture such as Sweden, Norway, and Denmark [52]. In high femininity culture, the employee is more encourage on PDM due to the nature of the femininity culture that emphasises on gender equality in the workplace and low domination of men power and control [53]. While, high masculinity culture focus on competitiveness, achievement, success, and employees are more prefer to men as a leader in the organisation compared than women leader [21-23]. Therefore, the gap between men and women involved in decision-making positions tend to be higher due to inequality and discrimination between gender in masculinity culture. Past literature also stated that masculinity culture does not support PDM compared to femininity culture [54].

DISCUSSION AND CONCLUSION

The aim of this paper is to review the influence of national culture on employee PDM, especially in the Malaysian context. Overall, it can be concluded that previous scholars indicated that Hofstede's national culture dimensions (power distance, uncertainty avoidance, collectivism and masculinity) have a significant role in employee PDM. Different level of national culture might have different influence on the management setting, organizational practices and employees' behavior. Practitioners need to consider the national culture impact to improve the level of employee PDM in the organization. However, this study did not provide a detailed discussion of the mixed and inconsistent findings of national culture on employee PDM. Hence, the future researcher should provide a deeper understanding and comprehensive study on this topic. After all, national culture may change over time because of globalization. Therefore, further empirical research should also explore whether this conclusion remains relevant in the future.

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Table 1: Malaysian culture based on Hofstede's four dimensions

Author	National culture dimension			
	Power Distance	Uncertainty Avoidance	Collectivism	Masculinity
Hofstede (1984; 2005; 2019)	Very high	Low	High Collectivism	Moderate Masculinity
Lim (2001)	High	High	Moderate	Moderate
Kennedy (2002)	Somewhat high	Somewhat high	Somewhat high	Moderate to somewhat low
Haniffa & Cooke (2002)	High	High	High	Low
Hadi (2004)	High	High	High Collectivism	High Feminine
Maslina (2017)	Moderate	High	High Collectivism	Moderate Masculinity
Wan Yusof (2011)	High	Moderate	Moderate Collectivism	Moderate Masculinity
Tzu Ting & Yeh Ying (2013)	Moderate	High	High Collectivism	Moderate Masculinity

Table 2: The effect of power distance on PDM

Level of Power Distance	Effect on employee participation
High	Decision-making vested in the hands of a few at the top
	Delegation is avoided
	Decision-making is perceived as a privilege of management
	Believes that parties are unequal – those at the top of the hierarchy are more knowledgeable and experienced. This creates fear of punishment if subordinates question, challenge or disagree with their manager's decision.
Low	Everyone is perceived to have the potential to participate in decision-making
	Interdependencies between management and subordinates are valued
	Everyone is assumed to have equal decision-making rights
	Participation is encouraged and at times rewarded

Source: Adopted by Sagie and Aycan (2003)