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The Mediation Effect Validation between Cross-Cultural Management and Employee Identification

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Abstract The study objective was to identify the Chinese cultural factors posing serious threats to cross-cultural diversity. For satisfying this purpose, primary research on American Industrial Group, which includes more than 30 companies, was carried out. The researcher used the questionnaire as an instrument for collecting data from a sample of 325 management staff members through online meetings, interviews, and telephonic communications. Before going to carry out the interviews, 15 hypotheses were developed to ascertain relationship between variables in different classifications. Subsequently, statistical/software analysis through the application of the following models was utilized to obtain meaningful results from the study.

Keywords Mediation effect; Cross-cultural management; Corporate culture conflict; Multinational Corporation; MNC

1. Introduction

Nations face various challenges for effectively managing the cross-cultural problems besides providing congenial workplace environment. Within a population of a certain community, there are numerous societies which are different and each has its distinct way of life, whereby, the nation have to develop and incorporate management strategies into its institutions and business world so as to ensure that each culture is integrated into the system (De, 2008). The process of managing different cultures within an institution poses a challenge, which requires strategic approaches to incorporate and implement a management technique that takes into consideration about the diversity of the cultures presented within the institution.

In modern society, the world has become a global society where people from different regions and countries that have different ways of life and cultures live collectively. Therefore, it is vital that the differences must be incorporated so as to enable the world to be harmonious and allow people from different parts of the world to interact freely, share common beliefs as well as values (Thomas & Mark,2014).

Recently, China has experienced a significant increase in its population due to the increased numbers of immigrants and investors who have been attracted by the progressive economic growth experienced in the People's Republic of China. Despite people and investors moving to the country, China has also extended its economic activities to the international level whereby, the nation is trading with other foreign nations (Chen & Hui 2008). In an attempt to gain maximum financial benefits from the international business and from the investors, the nation's business sector has to adopt appropriate strategies. The strategies must allow people of China and those from other parts

of the world to effectively interact, communicate, and to maximize the economic growth opportunities presented by cross-cultural factors. Additionally, because of effectively managing the cross-culture, China will be able to hire cheap labor from other nations, which will, help it in achieving its economic growth by reducing the cost of production while maximizing the production levels.

Incorporating the elements of cross-cultural factors into nations and into business activities has yielded positive results for the companies. For example, the Coca-Cola company is one of the companies operating in the global market, and its success in managing and maintaining its multinational relationship in economic activities have been influenced by the ability of the company to effectively manage cross-cultural elements with it multinational business partners (Thomas & Mark 2014).

Despite the fact that China has managed to spread to different nations, it has failed to achieve the expected revenue collection from its multinational economic activities. Additionally, China's failure to reap maximally from the international market has been associated with the nation's products inadequately meeting the cross-cultural elements of the host country (Chen and Hui 2008). In this case, the investors and the government should clearly understand its business partner's cultural practice and the way of life to produce goods and services that match the host country's cultural factors, needs, and preferences. Using this strategy, China will be able to effectively manage the cross-cultural factors while dealing with the multinational companies. Consequently, it will help the country to be effective and efficient in its interaction and business activities with other people from different parts of the world.

2. Literature Review

While focusing on cross-cultural management, the duties of managers involve understanding an organization's behavior in different countries and cultures, the organization's code of conduct across cultures, and developing appropriate strategies to effectively enable the employees, managers, and other stakeholders to interact effectively with people from different countries. In the current workplace environment, employees employed by the multinational companies come from different parts of the world and have diverse attitudes, values, reactions, and practices, which pose a challenge for the multinational companies on how to incorporate everybody and create the company's culture (Thomas and Mark 2014).

In such case, cross-cultural management involves eliminating or reducing the differences and barriers that arise from the diversity of culture in a workplace environment through cross-cultural awareness programs that enhance effective communication, and cooperation in the workplace. While focusing on cultural differences, it is essential to indicate that cultural differences arise from three factors which include the corporate company culture, professional industrial culture as well as national ethics culture.

Additionally, the corporate company culture involves the company's history, experience, leadership structure, stage of development, and ownership (Davel, Jean-Francois, & Dupuis, 2013). On the other hand, professional industry factors, such as technology, finances, marketing, change process, nature of customers and engineering factors are also relevant. Lastly, when considering the national culture, it is important to include such factors as history, the system of education, religion; social and philosophical factors are mostly considered (Thomas and Mark 2014).

Based on cross-cultural factors, it is important to indicate that it poses significant challenges to the organization besides influencing the success of the organization on the global market level. And, some of the challenges include communication difficulties when dealing with people from other countries and that hinder effective communication and good relationship among the employees (Primecz, Romani, & Sachmann, 2011).

Also, because of the ineffective communication, the organization might face errors arising from misleading information which in turn might affect the company's performances alongside hindering the organization from achieving its goals. Additionally, due to the diversity of cross-culture, most of the employees and managers in an organization suffer from ambiguity, interaction complexity, and confusion in a workplace environment (De, 2008). In an attempt to incorporate the diverse culture presented by employees in a multinational organization, managers and employees end up developing policies, methods of operations, practices and procedures, which in turn, hinder the organization achieving its goals due to the overgeneralization. Managers in today's global society have been faced with cultural differences, which arise from the enhanced multicultural business society, which is being experienced in the current marketplace. As China tries to find its position in the global market, it is experiencing significant and rapid growth in the economic sector. As a result of the economic growth, China has attracted many investors especially from the West. As a result, China and its corporate partners from the Western Nations have been faced with meaningful cross-cultural differences which are increasing with the expansion in the rate of interaction between these nations (Steele & Oliver, 2000).

At the same time, owing to these cultural differences, China has been identified as one of the most attractive countries for investors to invest but they are limited due to cross-cultural differences, and therefore, demonstrating the urgent need for China and its business partners to develop appropriate strategies that would reduce the cross-culture differences. It is important to indicate that nations, which have succeeded investing in China, have achieved their success due to good relationship with China, which arises from effective management of cross-cultural factors (Steele and Oliver 2000).

Despite the success in entering into a foreign nation through merging or acquisition, firms operating in a foreign nation together with those that they are merged face challenges that are attributed to differences in how the firms make decisions as the firm managers base their arguments and facts on their origin, as well as the culture and subcultures that each firm upholds (Primecz, Romani, & Sachmann, 2011). In this case, reaching a reasonable and an agreed decision between the firms is difficult due to cross-cultural differences.

The current available literature indicates that cultural differences between nations are one of the primary barriers that limit nations from entering into the global market; barriers that limit nations from multinational businesses such as law, language barrier, currency and price changes, delivery services, and the informational barrier (De, 2008). In this case, the ability of a firm to succeed on the global market depends on its management team that should be flexible and considerate of the host nation culture differences with the firm's origin culture.

Additionally, culture plays a significant role in shaping how people behave, retain tastes, and preferences. Therefore, a nation engaging in a business partnership with another nation's firm should design or develop products and services that match the host country's culture and be able to match the customer's tastes, preferences, and shopping behavior, which are primarily shaped by people's culture (Davel, Jean-Francois, & Dupuis, 2013).

More importantly, it is also essential to indicate that after merging or acquisition, the company, operating in a foreign country, should incorporate the host country's culture in its operations and activities, such as designing the advertisements, characteristics of products or services, offering after sales services, documentation, and developing the technical backup strategies (De, 2008). In this case, an organization that fails to meet cultural expectation in the advertisement and after-sales service increases its chances of failing in the specific market region. Additionally, existing facts indicate that at the multinational level, the existence of cross-cultural differences is unavoidable besides playing a major role in influencing individual behavior and thinking. However, some business organizations provide a perfect opportunity for people from different cultures to interact freely and share good values (Thomas & Mark, 2014). In this case, while dealing with different nations, an organization should base its values on the diverse cultures represented by their employees and their customers, even potential ones.

While focusing on cultural differences between nations, China and the US have significant differences in their political systems, economic activities, social values, and laws, despite the fact that China has, in the recent past, tried to reduce the difference gap in these factors (Reuvid, 2005).

It is also essential to indicate that based on the differences between China and the US in the Hofstadter's cultural dimensions, the management systems of the businesses operated in these two nations are significantly influenced by different aspects. For example, the management system is greatly influenced by the culture in matters that regards resolving conflicts, cooperative strategies, motivation techniques, features of the working groups, as well as the decision-making process (Wellein, 2008). For example, the Chinese managers are more likely to employ cooperative strategies than the US managers while managing an institution. On the other hand, the US managers prefer using contractual safeguards. In the event of amalgamation, acquisition, or merging, the cultural differences hinder their decision-making process, which influences how the organization performs while operating in a partnership between managers of different nations (Reuvid, 2005).

Additionally, cross culture factors also influence on behaviors, values, and attitudes of an organization's employees. Therefore, the managers of organizations in the multinational market should be keen to adopt the employee's culture so as to ensure that they are productive, which will in turn help increase the productivity of the company; and it is a right direction towards achieving success in a foreign nation (Wellein, 2008).

Also, training can also be used to incorporate cross-culture in an organization. The most appropriate training program is the management and value diversity program, which educates the managers and the employees about the cultural diversity and the most appropriate procedures to apply when managing cultural differences (De, 2008). In this case, the training takes two forms: Awareness training involves imparting knowledge to the managers and to the employees regarding cultural diversity. Second is about the skill –building training which involves impacting skills on how to effectively deal with cross- cultural differences. More specifically, some of the skills that can be taught in regard to managing cross-cultural differences are the problem-solving skills (Davel, Jean-Francois, & Dupuis, 2013). While using the problem-solving technique, a multinational company can utilize the approach to gain a competitive advantage over other companies that might face challenges due to their inability to manage cultural diversity in the organization.

Additionally, through training, managers and the employees acquire adequate knowledge about different ways of life of other people and that help the members of the organization to respect and appreciate other people's culture; therefore, effectively leading the organization and managing and reducing cross-cultural conflicts (Primecz, Romani, & Sachmann, 2011).

3. Methodology

While focusing on cross-cultural management, the duties of managers involve understanding an organization's behavior in different countries and cultures, the organization's code of conduct across cultures, and developing appropriate strategies to effectively enable the employees, managers, and other stakeholders to interact effectively with people from different countries. In the current workplace environment, employees employed by the multinational companies come from different parts of the world and have diverse attitudes, values, reactions, and practices, which pose a challenge for the multinational companies on how to incorporate everybody and create the company's culture (Thomas and Mark 2014).

3.1. Introduction

Moderation and mediation strategic management research methods were conducted based on the American Industrial Group situated in Asia. This group has over 200 companies (Lee, 2007).

For satisfying this purpose, primary research on the group, which includes more than 30 companies in Asia, was carried out. The researcher used the questionnaire as an instrument for collecting data from a sample of 325 management staff members through online meetings, interviews, and telephonic communications.

3.2. Self-Perceptual Approaches

Various studies have been carried out to investigate the effects of cross-national cultures. Linan & Chen (2009) investigated the conceptual framework of cultural contingency relating to self-perceptual approach in Taiwan and Spain. For this objective, they applied the framework of Hofstede's cultural orientations (or manifestations). The application of this framework brought various findings about the cultural contingency relating to the self-perceptual theory; the cultural manifestations elucidates changes in the predictive capability of self-perceptual features on the motives related to entrepreneurship (Linan & Chen, 2009).

Furthermore, it has also been argued that existing social traditions are particular manifestations of social capital providing qualities which are transferred by social capital stock, such as "reference people" (Linan & Chen, 2009). More specifically, the constructive qualities of the referred individuals especially in connection to new venture development certainly empower potential entrepreneur to develop and retain strong and stable perceptive and mind-set especially for not only entrepreneurial self-sufficiency but also for entrepreneurship; consequently, they provide a basic infrastructure for developing and adopting intent for entrepreneurship. At the same time, the direct impact of considered social traditions on the intent of entrepreneurship was not assumed. As a result, although considered social traditions were taken as a stronger precursor for elucidating intent especially in the collectivist traditions or cultures than in individualistic societies. However, it is worth insisting that the authors (Linan & Chan) were unable to figure out the moderating impacts of individualism and collectivism on the effects of considered social traditions on the intent of entrepreneurship.

The results of Uslay, Teach & Schwartz (2002) have also been utilized by Linan and Chen in their work. While evaluating the work of Uslay, Teach, & Schwartz, they found different perspectives of participants from Taiwan and Spain especially on whether meaning to life and sense of employment contentment are provided by new venture conception. More specifically, the assumption that personal inclination for entrepreneurship considerably puts more impact on the Spanish entrepreneurial intent than on the Taiwanese entrepreneurial intent was not built on a solid foundations of academic conceptual frameworks relating to cultural orientation. However, many Spanish participants highly agreed to the assumption strength but the consequent findings failed to substantiate the strength of the assumption.

In spite of feeble assumption backing, the work of Linan and Chen (2009) has provided an additional testing framework relating to both cultural and circumstantial likelihood in the cognitive model of entrepreneurial intent. For instance, both entrepreneurial proficiency and self-perceptual theories have generated the following findings in figures one and two respectively.

Figure 1. Forecasting Power of Cognitive Factors- Moderated by (or Contingent to) Cultural Manifestations in Self-Perceptual Theory 1

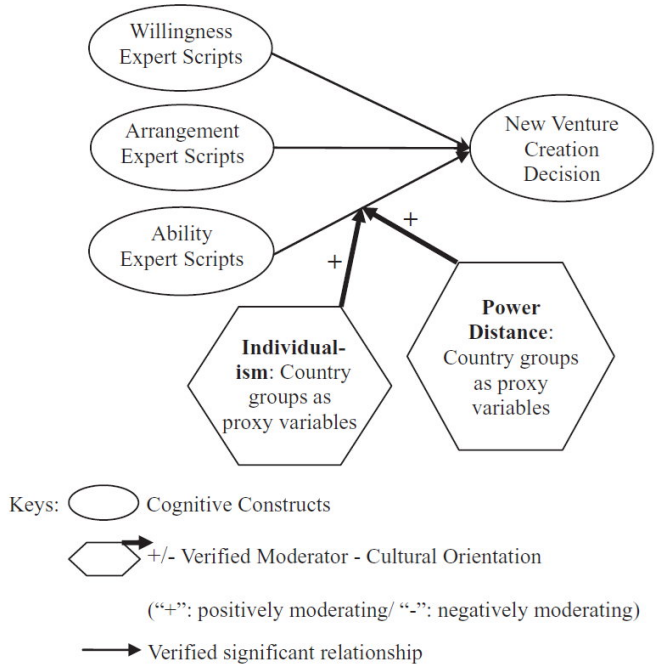
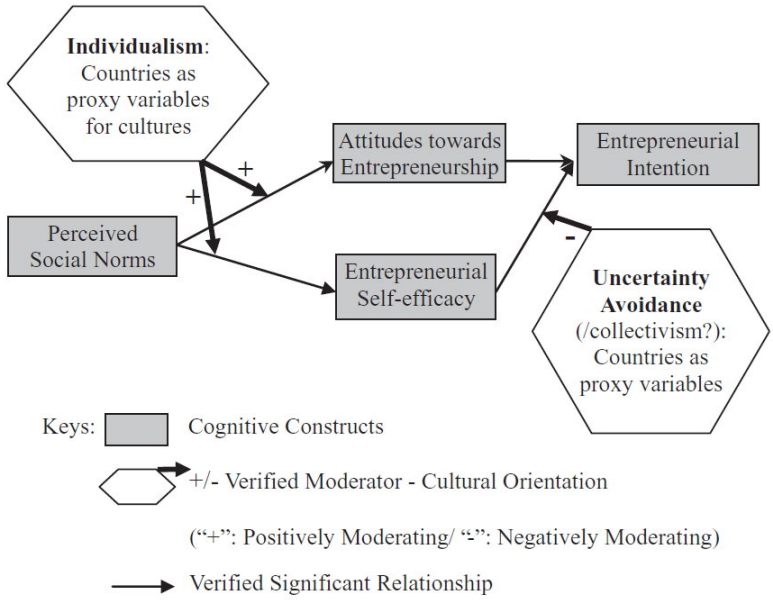


Figure 2. Forecasting Power of Cognitive Factors- Moderated by (or Contingent to) Cultural Manifestations in Self-Perceptual Theory 2



3.3. Mediation- Cross-cultural evaluation model & hypothesis

Figure three and table one illustrated the requirements analysis and research hypothesis items.

Figure 3. Requirements Analysis

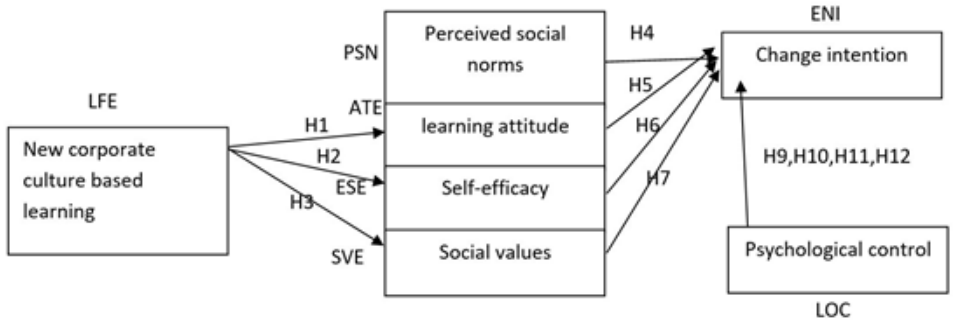


Table 1. Requirements Analysis

Variable	Hypothesis
Argument：New corporate culture based learning	H1: new corporate culture based learning has a positive effect on learning attitude. H2: New corporate culture based learning has a positive effect on self-efficacy. H3: new corporate culture based on the study of social values have a positive effect.
Dependent variable：Change intention	H4: perceived social norms have a positive effect on changing intention. H5: Learning attitude has a positive effect on changing intention. H6: Self-efficacy plays a positive role in changing intention. H7: Social values have a positive effect on changing intention. H8: New corporate culture Basic learning has a positive effect on changing intention.
Moderator：Internal & external control	H9: internal and external control play a regulatory role between social norms and the attitude of change intention. H10: internal and external control play a regulatory role between the new corporate culture and the attitude of change intention. H11: internal and external control play a regulatory role between self-efficacy and the attitude of change intention H12: internal and external control play a regulatory role between social value and the attitude of change intention
Mediation	H13: new corporate culture attitudes play an intermediary role in the new corporate culture based on the change in the impact of learning. H14: new corporate culture self-efficacy play an intermediary role in the new corporate culture based on the change in the impact of learning. H15: Social values play an intermediary role in the impact of new corporate culture learning on change intention.

Note. LOC，Q1-5 internal，Q6-10 external

4. Mediation Effect Analysis

4.1. Exploratory factor analysis and confirmatory factors analysis and comparison

The confirmatory factor analysis is based on exploratory factor analysis (EFA). From the application point of view, the difference is that the purpose of the study is different, so the theoretical hypothesis would not be the same.

Exploratory factor analysis attempts to explore the properties of unobservable variables through the correlation between multiple observable variables, providing the researcher with a practical and feasible statistical method that cannot be neglected in the history of psychology. However, the EFA only considers the pure digital features of the data without any theoretical premise. Since the number of factors and the relationship between the factors are unknown, all the factor load, factor correlation and uniqueness variance are all parameters.

The confirmatory factor analysis is a modern statistical method that makes reasonable assumption about the relationship between potential variables and observed variables based on certain theories. The theoretical assumptions include: (1) the correlation between the common factors and the relevant factors; (2) observation variables can only be affected by one or several public factors without being affected by all public factors; (3) special factors can be related, there can be no error factors observed variables; (4) public factors and special factors Are independent of each other.

The confirmatory factor analysis is based on an understanding of the research problem, which can be based on theoretical research, experimental research, or a combination of the two. In CFA, research can be based on the existing knowledge and experience assuming that a part of the factor load or factor correlation, the variance of the specific value, and estimation of the remaining unknown parameters, and further test hypothesis models can be carried out and established as well.

With the help of the relevant statistical software, the path analysis including the latent variables can be further carried out on the basis of the confirmatory factor analysis model. Additionally, the technical advantages with the traditional path analysis can be further studied: (1) it can consider and deal with multiple dependent variables; (2) it is allowable argument and dependent variable containing measurement error; (3) The latent variable is allowed to be composed of multiple indicators (project) besides their reliability and validity of the index can be estimated at the same time (this is widely used in the test preparation); (4) the use of more flexible than the traditional method of measurement mode is also accepted; (5) researchers can predict the relationship between latent variables and estimate whether the entire model is consistent with the data. Therefore, these are the major features of the confirmatory factor analysis in the psychological, educational and other areas of the study popular.

4.2. The basic principles of verification factor analysis

In the late 1960s, statisticians Polk, Bagman and Jonas Keger developed a confirmatory factor analysis method in the hypothesis testing of parameters in the study of factor analysis models. Confirmatory factor analysis and exploratory factor analysis have the same mathematical model, namely: $Y = Ax + z$

When choosing a CFA model, the goodness of fit is an important indicator, that is, according to the data obtained model number and the theoretical model of the degree of matching between the parameters. Simultaneously, CFA model has the real population variance, covariance, estimated total covariance, sample covariance and estimated covariance, corresponding to the existence of the overall difference, approximate difference, estimated difference and sample differences in the four categories. However, the fitting degree is an indicator of the similarity between the covariance matrix and the sample covariance.

χ 2/df is the statistic that directly checks the similarity between the sample covariance matrix and the estimated covariance matrix. The theoretical expectation of X2/df is 1. The closer the X2/df is to 1, the better the degree of similarity between the sample covariance and the estimated covariance matrix, and the better the model fit. In the actual study, when X2/df <5, it can be considered that the fitting degree of the model is better.

4.3. Verification Factor Analysis

According to the original hypothesis of mental control source, the model is established:

Figure 3. Model path diagram

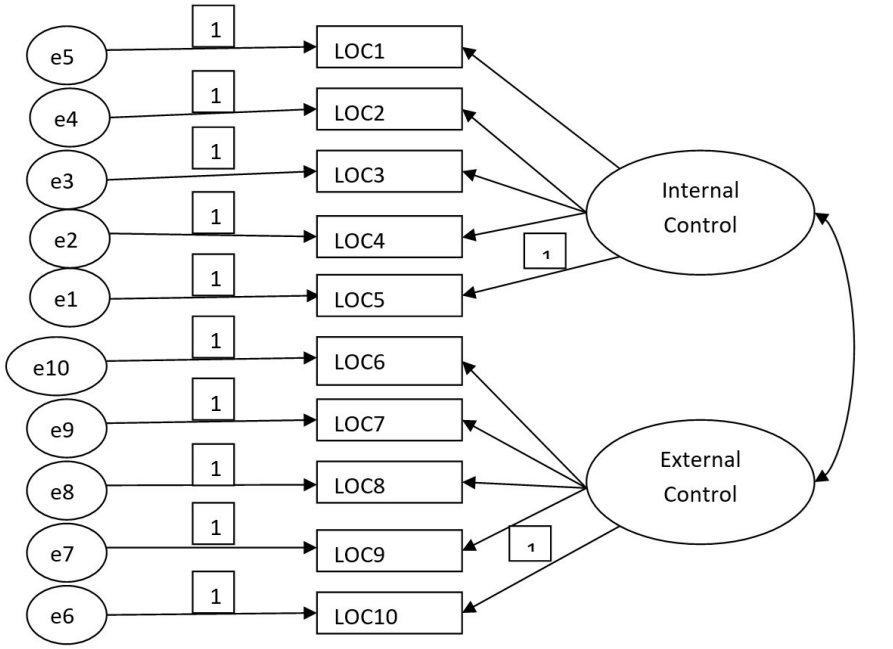


Table 2. Parameter Estimation

Path	S-Estimate	Non-s-Estimate	S.E.	C.R.	P
LOC5 <-- internal control	0.444	1			
LOC4 <-- internal control	0.698	1.581	0.239	6.621	***
LOC3 <-- internal control	0.67	1.649	0.253	6.527	***
LOC2 <-- internal control	0.68	1.457	0.222	6.562	***
LOC1 <-- internal control	0.714	1.566	0.235	6.666	***
LOC10<-- external control	0.56	1			
LOC9 <-- external control	0.351	0.683	0.14	4.886	***
LOC8 <-- external control	0.703	1.161	0.147	7.874	***
LOC7 <-- external control	0.587	0.889	0.124	7.167	***
LOC6 <-- external control	0.743	1.14	0.142	8	***

Table 3. Model Adaptability Summary

Index	χ^2	df	χ^2/df	RMSEA	PGFI	CFI	NFI	IFI
Model	55.528	25	2.221	0.064	0.539	0.957	0.956	0.958
Ideal standard			<5	<0.08	>0.5	>0.95	>0.95	>0.95

Based on the literature, the above theory is presented. The result of the deductive factor analysis assumes that the model can be used to identify the convergence. The non-standardized estimation model does not show negative error term variance, which means that there is no violation of the model identification rule. Additionally, the overall fit of the initial model of the chi-square degree of freedom ratio of 2.221, which is less than 5 standards, RMSEA is equal to 0.064, meeting the adaptation standard of less than 0.08. So, the model fit is good, that the internal and external part of the psychological efficiency. According to the cultural scale, the model is established, as shown below:

Figure 4. Model path diagram

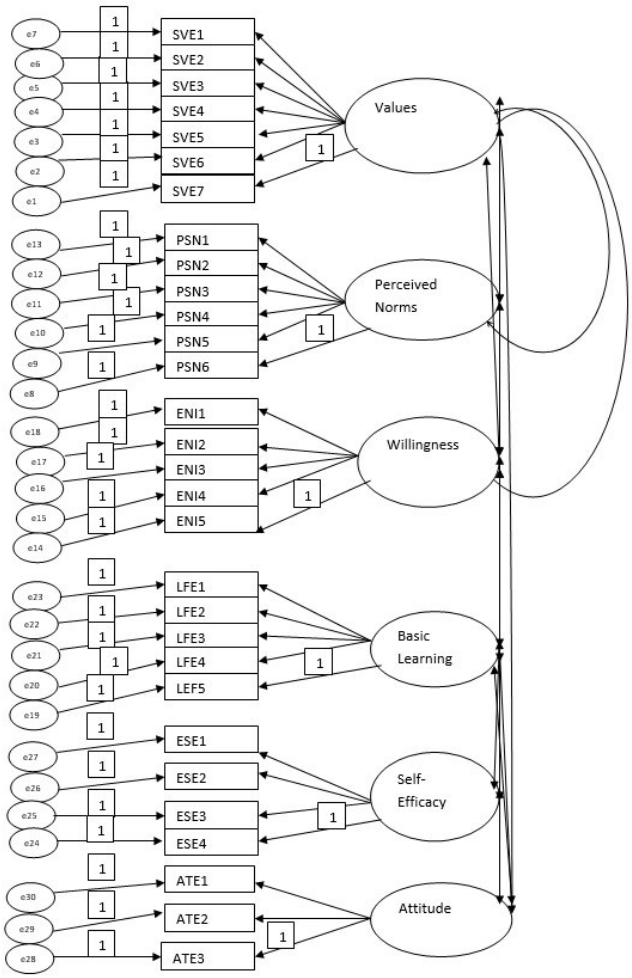


Table 4. Parameter Estimation

Path	S-Estimate	Non-s-Estimate	S.E.	C.R.	P
SVE7 <-- Values	0.011	1			
SVE6 <-- Values	0.542	34.186	197.188	0.173	***
SVE5 <-- Values	0.69	41.293	238.16	0.173	***
SVE4 <-- Values	0.624	45.013	259.623	0.173	***
SVE3 <-- Values	0.639	47.796	275.673	0.173	***
SVE2 <-- Values	0.668	51.931	299.518	0.173	***
SVE1 <-- Values	0.753	54.448	314.03	0.173	***
PSN6 <-- Perceived norms	0.836	1			
PSN5 <-- Perceived norms	0.77	1.062	0.069	15.315	***
PSN4 <-- Perceived norms	0.861	1.032	0.057	18.056	***
PSN3 <-- Perceived norms	0.775	0.956	0.062	15.467	***
PSN2 <-- Perceived norms	0.704	1.045	0.077	13.536	***
PSN1 <-- Perceived norms	0.673	0.925	0.072	12.76	***
ENI5 <-- Intention	0.76	1			
ENI4 <-- Intention	0.823	1.187	0.078	15.137	***
ENI3 <-- Intention	0.896	1.193	0.071	16.748	***
ENI2 <-- Intention	0.918	1.19	0.069	17.226	***
ENI1 <-- Intention	0.705	0.945	0.075	12.638	***
LFE5 <-- Basic learning	0.907	1			
LFE4 <-- Basic learning	0.898	1.009	0.041	24.526	***
LFE3 <-- Basic learning	0.907	0.979	0.039	25.203	***
LFE2 <-- Basic learning	0.87	0.931	0.041	22.674	***
LFE1 <-- Basic learning	0.861	0.894	0.04	22.125	***
ESE4 <-- Self-efficacy	0.929	1			
ESE3 <-- Self-efficacy	0.902	0.941	0.036	26.122	***
ESE2 <-- Self-efficacy	0.887	0.934	0.037	24.977	***
ESE1 <-- Self-efficacy	0.837	0.852	0.039	21.603	***
ATE3 <-- Attitude	0.436	1			
ATE2 <-- Attitude	0.791	2.643	0.417	6.332	***
ATE1 <-- Attitude	0.743	2.401	0.376	6.381	***

Table 5. Model Adaptability Summary

Index	χ^2	df	χ^2/df	RMSEA	PGFI	CFI	NFI	IFI
Model	862.88	360	2.397	0.068	0.649	0.957	0.963	0.958
Ideal standard			<5	<0.08	>0.5	>0.95	>0.95	>0.95

Based on the literature, the above theory is presented. The result of the deductive factor analysis assumes that the model can be used to identify the convergence. The non-standardized estimation model does not show negative error term variance, which means that there is no violation of the model identification rule. Overall, the model is fit to the chi-square degree of freedom ratio of 2.3976, which did not meet to the standard of less than 5; RMSEA is equal to 0.068, in line with less than 0.08 adaptation standards. Additionally, CFI / NFI / IFI have reached the standard clearly making the model fit is good and indicating that the cultural learning questionnaire part of the effectiveness of good.

4.4. Structural Model of the Studied Model

According to the assumption, the structural equation model for constructing the mediator is as follows:

Figure 5. Schematic diagram of the intermediary 1

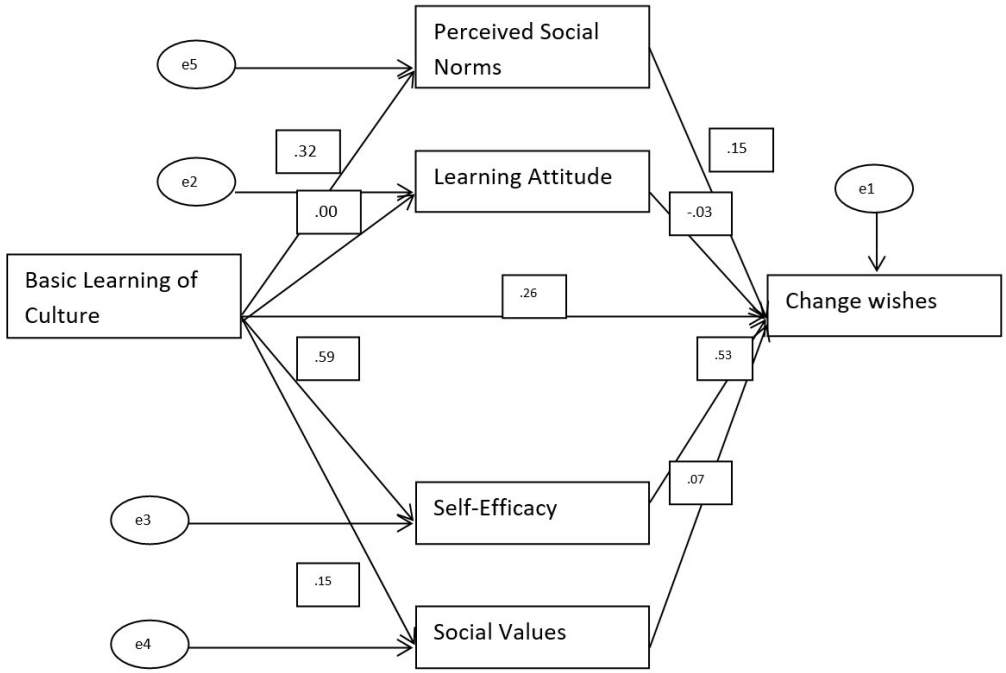


Table 6. Parameter Estimation

Path	S-Estimate	Non-s-Estimate	S.E.	C.R.	P
Learning attitude <-- Culture Basic learning	0.003	0.002	0.044	0.046	0.963
Self-efficacy <-- Culture Basic learning	0.588	0.613	0.049	12.578	***
Social values <-- Culture Basic learning	0.155	0.085	0.031	2.705	0.007
Perceived social norms <-- Culture Basic learning	0.324	0.184	0.031	5.914	***
Change intention <-- Social values	0.067	0.122	0.067	1.827	0.068
Change intention <-- Self-efficacy	0.533	0.516	0.043	11.974	***
Change intention <-- Learning attitude	-0.033	-0.044	0.048	-0.911	0.362
Change intention <-- Perceived social norms	0.151	0.267	0.067	3.958	***
Change intention <-- Culture Basic learning	0.26	0.262	0.047	5.587	***

According to the results, it can be seen that there is no significant difference between the learning attitude and the learning attitude in the study of learning attitude, P = 0.963> 0.05, the difference is not statistically significant as learning attitude to cultural basis of learning and change between the play assumption is not true. Additionally, for self-efficacy, the impact of cultural basic learning on self-efficacy is significant, and self-efficacy has a significant effect on change willingness as self-efficacy is an intermediary variable.

Similarly, perceived social norms have a significant impact on the willingness to change as the perceived social norms are mediating variables. For the social values, the basic learning of culture has a significant effect on social values, but the social values are not significant to the change. At present, the social effect is not significant between the cultural foundation and the willingness to change. Further assumptions, psychological internal control and psychological well-being play a regulatory role in the path of social values to change the will?

Based on the above assumptions, the model is further amended, so the following model is established:

Figure 6. Schematic diagram of the intermediary 2

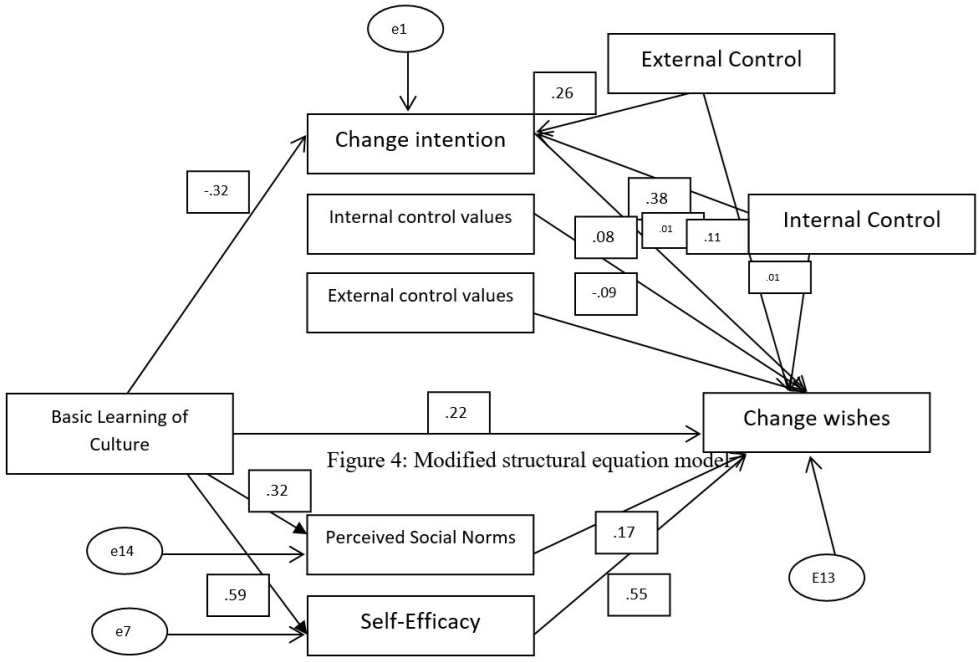


Table 7. Parameter Estimation

Path	S-Estimate	Non-s-Estimate	S.E.	C.R.	P
Social values <-- Culture basic learning	-0.102	-0.057	0.028	-2.005	0.045
Self-efficacy <-- Culture basic learning	0.588	0.613	0.049	12.578	***
Social values <-- Culture basic learning	0.384	0.298	0.04	7.545	***
Social values <-- Culture basic learning	0.23	0.18	0.035	5.107	***
Perceived social norms <-- Culture basic learning	0.324	0.184	0.031	5.914	***
Change intention <-- Perceived social norms	0.171	0.297	0.066	4.466	***
Change intention <-- Self-efficacy	0.546	0.519	0.042	12.218	***
Change intention <-- Social values	0.006	0.011	0.073	0.153	0.878
Change intention <-- Culture basic learning	0.225	0.222	0.046	4.826	***
Change intention <-- Internal control	0.014	0.019	0.054	0.348	0.728
Change intention <-- External control	0.115	0.14	0.046	3.043	0.002
Change intention <-- Internal control value	-0.089	-0.067	0.027	-2.463	0.014
Change intention <-- External control value	0.076	0.059	0.028	2.097	0.036

According to the results analysis, it can be seen that the social effect of social values to change the willingness of the mind, psychological internal control and psychological control of the regulatory effect (pay the item) significantly, that the psychological internal control and psychological control of social values to change the will path play a regulatory effect. For self-efficacy, the impact of cultural basic learning on self-efficacy is significant, and self-efficacy has a significant effect on change willingness as self-efficacy is an intermediary variable. For the perception of social norms, the impact of cultural basic learning on the perception of social norms is significant as the perceived social norms have a significant impact on the willingness to change as perceived social norms are mediating variables. And learning attitude does not affect change intention.

5. Conclusion

As already indicated, the world has become a global village where people from different social backgrounds come together to trade. The development in technology has made it easier for companies from different countries to penetrate the markets that were once seen to be too far to reach. Intrinsically, China has emerged as one of the top nations competing for the world market. However, most of the Chinese companies face the challenge of having to adapt to the new cultures found in the countries they expand their businesses. It is vital that the Chinese firms planning to grow their businesses to the global level must incorporate their systems to enable them to manage the cultural differences and eliminate the cultural barriers. This way, China will be able to hire cheap labor from other nations, which will help to reduce the cost of production and maximize the production, thereby, competing at a global level with the multinational companies from the West. The objective of this study is to identify the factors associated with the culture that the Chinese companies would need to pay attention to as they manage and eliminate threats posed by the cross-cultural diversity.

For China and its business partners to develop appropriate strategies that would reduce the cross-culture differences, they would need too first understand how the cross-cultural factors are related. From the study, it can be understood that cultural differences arise from three factors which include the corporate company culture, professional industrial culture and national ethics culture. However, the three factors are further dependent on the employee and customers' intentions, their intention to adapt to each other's cultural diversity and the employees' self-efficacy. As such, the study identified the factors that affect the aspects, which when addressed will amount to proper management of cultural diversity.

The study found that new corporate culture based learning affects the learning attitude. To encourage the employees to learn the new culture and the customers to adapt to the company cultures, companies must cultivate a new corporate culture based learning. The companies must be ready to change their cultures to adopt to the culture of the people in the country in which they are expanding their business. The corporate culture based learning is also found to have a positive effect on self-efficacy. Therefore, the companies should not shy away from using new corporate culture based learning to influence the customers and employees. They need to study the population to see if they are the kind with a positive of learning a new culture. If so, then the company can enter the market with its traditional culture, expecting that the customers will adapt to it. However, if the market population is that which does not have the learning attitude, then it is upon the company to change its culture to reflect what the customers are used to.

The most important element in the management of cross-cultural diversity is the willingness of the concerned parties to adopt and embrace people from other cultures. The study revealed that perceived social norms, social values, and self-efficacy had positive effects on changing intentions. The intent to venture into the new market is, therefore, dependent on the social values, social norms, and self-efficacy of the workforce. The results, thus, show that before venturing into a given country, a multinational company should focus on the social values, social norms and self-efficacy of the country and its population.

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