

MANAGEMENT OF MULTICULTURAL TEAMS – SELECTED ISSUES

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Abstract: *In today's business world global expansion is increasingly achieved through alliances and joint ventures, as well as cross-border mergers and acquisitions. More and more often companies expect their employees to operate across borders, even for short periods of time or as members of multinational teams. Managers of diverse work teams need to understand that good communication, trust, norms and perfectly designed organizational culture are of vital importance in case of multicultural teams.*

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1. INTRODUCTION

The changes that are currently occurring all over the world, associated with the globalisation process - population migration and rapid technological development have resulted in the clash of cultures taking place in numerous organizations. Companies are seeking out new sales possibilities and market outlets as well as foreign, often cheaper workforce. Workers employed by such businesses have great opportunities for personal development and raising the level of their competences and skills through their cooperation with people of different nationalities. However, they may also face numerous problems arising from the clash of cultural values, norms and behaviours. Managing a multicultural enterprise can therefore be a real challenge for managers. They not only need to get familiar with cultural differences present in their team, but they also have to acknowledge that those differences do exist and what the diversity of their team mean to the enterprise. Good knowledge of all the team members contributes significantly to high levels of productivity, company's goals achievement as well as trust building. Since cultural factors may turn out to be a crucial determinant of company's success or failure, the present article aims at presenting selected aspects of multicultural team management.

2. MULTICULTURAL TEAMS - DEFINITION AND TYPES

In order to define a multicultural team, we would probably state that it is a group of individuals with different cultural background, interacting and being interdependent, who have come together to achieve particular objectives or goals. Adler sees a multicultural team as a group of employees selected from two or more countries who are brought together to coordinate, develop, or manage some aspect of a firm's global operations.

Multicultural teams may be divided into three types: token teams – which have only one member from another culture; bicultural teams that consist of two cultures; and multicultural teams that have members from three or more cultures (Adler, 2002 p.140).

Schneider and Barsoux in their book *Managing across cultures* listed various types of the so called transnational teams based on multiple purposes they serve for

international companies and organizations (Schneider and Barsoux, 2003, p.218):

- Business development / product launch teams – team members of multiple nationalities responsible for developing or launching a product which has multinational sales potential;
- Regional headquarters – several nationalities primarily from throughout a single region responsible for strategic coordination;
- Functional teams – team members of multiple nationalities working in a particular functional area (i.e. Research & Development, quality assurance)
- International joint venture – two or more nationalities are represented in nearly equal proportions;
- Corporate headquarters – a corporate-level team composed of multiple nationalities.

All types of multicultural teams need to recognize, integrate and respect all represented cultures in order to perform at most effectively. That is because cultural diversity at work can either have a positive, or a negative impact on team's performance. Only if team members are ready to acknowledge the diversity, will they benefit from it in a best possible way. As Adler suggests 'multicultural teams have the potential to achieve higher productivity than homogeneous teams, but they also risk experiencing greater losses due to faulty process' (Adler, 2002, p.141).

3. THE PROS AND CONS OF MULTICULTURAL TEAMS

The benefit of using multicultural team and utilising their inherent diversity has intuitive appeal. Given the greater complexity and speed of change in the international business environment, it may seem obvious that bringing together people with different cultural background will enhance the quality of decisions taken. Cultural differences provide a greater range of perspectives and options due to their uncertainty and ambiguity in decision-making process. There is also no doubt that cultural diversity contributes to new ways of looking at and solving old problems (every nation solves dilemmas in its unique way). This creates an opportunity for greater creativity and innovation, which in turn allows productivity to achieve higher levels (Schneider & Barsoux, 2003 p.218).

In their research study, Maddux & Galinsky showed that multicultural experience facilitates creative thinking and problem solving (Maddux & Galinsky, 2001). They claim that heterogeneous environments tend to facilitate creativity due to the fact that their individuals, being exposed to multicultural experiences, encode information in a variety of different ways. Moreover, workers with ability to speak more than one language tend to be more creative than monolinguals. It should not be forgotten that members of multinational teams are often people with experience of living or travelling in a foreign country. People with such multicultural experience may, because of their exposure to multiple sets of cultural norms and values, have access to a variety of behavioural and cognitive scripts for different situations and problems. Workers who are only exposed to one single culture are likely to have less awareness of the possibility of alternative realities as well as to be more narrow-minded.

Business specialists do not need to be convinced how important it is today to have someone within the organisation who can negotiate and speak the language of the country we are planning to expand to. Members of the team also help their organizations understand the needs and demands of international customers. They may bring international expertise to decision making, managerial and marketing actions that are otherwise missing in less diverse teams.

There has been a lot of research to prove that if managed properly, multicultural teams can even outperform homogenous teams. They develop a more global perspective on both company's working style and company's products and services. It provides companies with an opportunity to enter and compete successfully into a global market. What is also true about transnational teams is the fact that they may ensure better response to the needs of specific regions, their legal systems and customers' demands. They make it possible for a given company to enter a foreign market without facing cultural barriers.

According to Schneider & Barsoux, multicultural groups can also help to minimize the risk of uniformity and pressures for conformity that may occur in groups where there are too many like-minded individuals. Therefore, bringing together people with different cultural backgrounds is thought to be a good antidote to cope with stress, stuffiness and overformality in the workplace.

People involved in multicultural teams are usually known to be very efficient and devoted workers, as they need to spare no effort to achieve a common understanding with their diverse colleagues. Within the team, they learn to treat everyone equally, respect their diversity, and listen to each other's opinions and suggestions. As a result, multicultural team's members feel more a part of the team instead of outsiders with different views. What is more, they also turn out to be open-minded and non-judgmental as they are aware that other member's perspectives can contribute greatly to the team.

Finally, it is often said that multicultural teams enable organizations to reach at quality decisions through the variety of viewpoints available. Since due to globalization organizations are in a continuous quest to tap the opportunities inherent in the different areas of the world,

multicultural teams enable organizations to address to the needs and demands of specific markets. Being composed of individuals from different cultures, the multicultural teams provide solutions to problems which homogenous teams are unable to device. "Multicultural teams provide an opportunity to integrate widely differing social, cultural, and business perspectives into key decisions affecting the success of international operations" (Steers & Nordon, 2006, p.343).

The most distinguishing feature of multicultural teams that obviously affect their performance is their complexity. Multicultural teams play various roles depending on the kind of organisation they are part of, as well as the purpose for which they were initiated.

It is undeniable that when we expect people belonging to different cultures to work together on the same tasks and to solve common problems we may soon realise that their ideas of how should problems be solved differ significantly from person to person. That is why it is commonplace for members of multicultural teams to mistrust and stereotype each other. As a result, people are likely to form smaller sub-groups, which lead to separation and inflamed relationships within the team. When there is a negative atmosphere within the group, it becomes less coherent, less efficient and less productive. Lack of cohesion causes an inability to gain consensus on decisions and consequently slows down the decision-making process.

As members of multicultural teams belong to different cultures, their working styles and habits differ significantly from one another. "The way they approach even simple task at work not only differ significantly across cultures but can lead to considerable misunderstandings, conflict, and mistrust" (Steers & Nardon, 2006, p.345).

Furthermore, members of multicultural teams also experience more work-related stress, partly because they feel that they are not always understood in the right way. People get frustrated if they need to explain their thought and ideas over and over again (Adler, 2002). Undoubtedly, fluency has an enormous impact on group communication. So, if it is so frequent for team members to communicate in language which is non-native at least for the half of them, it is clear that the communication process will be disturbed. Hardly anyone knows that people coming from different countries may interpret foreign words and expressions differently. Difficulties in expressing yourself in a foreign language may result in both stress and a deteriorated communication.

Another threat present in intercultural communication relates to cultural differences. It is enough to mention differences in body languages, the range of expressed emotions and gestures, power distance, attitude to time obligations etc. that all affect business operations conducted by multicultural teams.

Therefore, the success of diverse teams depend on how well teams members are able to deal with cultural diversity and to understand, accept and respond to cultural differences. Moreover, we need to point out that a good leader and proper management style play fundamental roles in helping multicultural teams agree on their goals, gaining trust and respect but also providing a positive feedback in order to create a good team spirit that will in turn improve team's performance.

4. MANAGING MULTICULTURAL TEAMS

Having considered all the merits and demerits of multicultural workforce, both managers and team members are therefore faced with the challenge of how to access and benefit from individual member's strengths, while at the same time minimizing coordination losses from communication problems, cultural and language differences, varying work styles, and misunderstandings. Thus transactional teams require managers to have a diverse set of intercultural competences and be extremely good leaders. As the varieties existing within the group can create serious problems if not properly managed, it is very much up to the manager, whether or not the teams are effective or not.

It is fundamental to consider the evolving portrait of an international manager. What makes a good international leader? Which skills and competences are necessary? What personal characteristics predispose managers to work well with diversity?

Managers of diverse work teams need to understand that good communication, trust, norms and perfectly designed organizational culture are of vital importance in case of multicultural teams. It is crucial for work teams to "be able to see situations from another person's perspective, create a shared social reality, explain problems appropriately, and establish agreed-upon norms for interaction. They must also be motivated to communicate and confident that other team members are skilled enough to work effectively together." (Adler, 2002 p.153).

What might be surprising is the fact that being a good international leader does not only mean developing complicated theories, policies, strategies reserved for multicultural teams. There are some basic personal efforts managers can make in order to manage their teams successfully. First of all, managers should make a concerted effort to understand and learn about their employees' culture. By understanding their culture, managers are able to use more effective motivation tools as well as supervisory techniques. Secondly, managers should do their best as to build a culture of inclusion. Good managers use all opportunities to discuss employees' experiences informally. The main idea is to be proactive as a manager and spare no efforts as to help employees become more comfortable in their work environment. It means providing as many opportunities as possible to have constructive informal dialogues. Visibility is an important factor for managers trying to create a healthy work environment.

Thirdly, managers of diverse teams have to be open to new ideas and accessible. They need a lot of patience to listen to sometimes completely different and opposite points of view. At the same time they need to make sure everyone, from top to bottom, knows how valuable their team is to the company. It is vital that people feel they are important and are contributing to the overall success of the company.

"Teams generally produce more and better ideas if all members participate" (Adler 2002, p.154). Each member of the team should be given the chance to express their ideas. If a person feels, that his ideas are dismissed time after time, his motivation will decrease, and it may create some negative atmosphere inside the group as well. Therefore, a good leader always makes sure that everyone's input is

appreciated and taken into consideration. The power should be distributed according to each member's ability to contribute to the task at hand, not based on cultural superiority.

Finally, due to fluency problems and language barriers, it is extremely important for multicultural team managers to summarize, paraphrase, and keep a visual record. "Leaders of multicultural groups have to learn to rephrase questions in a number of ways to continuously monitor that everyone understands the same thing by what is being said and agreed. A more low-context approach may be necessary, as it cannot be assumed that people can read between the lines, or will understand the allusions and sous-entendus (implied meaning) of another culture" (Schneider & Barsoux, 2003 p.232).

According to current management education thinking, the personal competences and qualities responding to cultural diversity at work include flexibility, resourcefulness, tolerance for ambiguity, and ability to articulate a vision, as well as 'global' competences including (Egan, 2007):

- cultural self-awareness – an understanding of the conditioning shaping the manager's own values, assumptions and beliefs;
- cultural consciousness – that is a sensibility and adaptability to operate the comfort of the manager's own culture;
- ability to collaborate with and lead individuals with diverse cultural background;
- ability to understand individuals' varying negotiating approaches, styles and 'rules of the game';
- 'global thinking' – an appreciation of the strategic implications of global commerce.

Table 1 shows four strategies for dealing with problems when managing multicultural teams. They were worked out by Brett et al. (2006) based on interviews conducted with the most successful teams and managers: adaptation (acknowledging cultural gaps openly and working around them), structural intervention (changing the shape of the team), managerial intervention (setting norms early or bringing in a higher-level manager), and exit (removing a team member when other options have failed). Due to the complexity of multicultural problems, the managers have to accept that there is no one right way to deal with a particular kind of problem. The first step is to identify the challenge and then to assess the circumstances under which the team is working. As soon as the situational conditions have been analyzed, the leader's role is to identify an appropriate response (Table 1).

Though multicultural teams face challenges that are not only and not directly attributable to cultural differences, such differences underlay each problem the team needs to deal with and therefore cannot be ignored. If the cultural challenges are serious and not managed accordingly, they will undoubtedly have a negative effect on team functioning and integrity. However, experienced multicultural managers, who are aware of and trained in strategies referring to diversity management, know very well how to get the most out of their diverse workforce and how to face challenges with humour and creativity.

Table 1 Identifying the right strategy

Representative Problems	Enabling Situational Conditions	Strategy	Complicating Factors
<ul style="list-style-type: none"> • conflict arises from decision-making differences • misunderstanding or stone-walling arises from communication differences 	<ul style="list-style-type: none"> • - team members can attribute a challenge to culture rather than personality • - higher-level managers are not available or the team would be embarrassed to involve them 	Adaptation	<ul style="list-style-type: none"> • team members must be exceptionally aware • negotiating a common understanding takes time
<ul style="list-style-type: none"> • the team is affected by emotional tensions relating to fluency issues or prejudice • team members are inhibited by perceived status differences among teammates 	<ul style="list-style-type: none"> • the team can be subdivided to mix cultures or expertise • tasks can be subdivided 	Structural Intervention	<ul style="list-style-type: none"> • if team members aren't carefully distributed, subgroups can strengthen pre-existing differences • subgroups solutions have to fit back together
<ul style="list-style-type: none"> • violations of hierarchy have resulted in loss of face • an absence of ground rules is causing conflict 	<ul style="list-style-type: none"> • the problem has produced a high level of emotion • the team has reached a stalemate • a higher-level manager is able and willing to intervene 	Managerial Intervention	<ul style="list-style-type: none"> • the team becomes overly dependent on the manager • team members may be sidelined or resistant
<ul style="list-style-type: none"> • a team member cannot adjust to the challenge at hand and has become unable to contribute to the project 	<ul style="list-style-type: none"> • the team is permanent rather than temporary • emotions are beyond the point of intervention • too much face has been lost 	Exit	<ul style="list-style-type: none"> • talent and training costs are lost

Source: Brett, J., Behfar, K., Kern, M, 'Managing Multicultural Teams', Harvard Business Review, November 2006, p.4.

5. PRACTICAL ASPECTS OF MULTICULTURAL TEAM MANAGEMENT

In order to find out whether some of the myths and theoretical assumptions about multicultural teams are true the research questionnaire was carried out by the authors. A total of 30 people, both managers and members of multicultural teams from all over the world were interviewed. On average, the interviewees have been working as members of multicultural organizations for 5-10 years and have been living in the UK for 7-9 years. The nationalities represented in the research study were as follows: British, Irish, Portuguese, Swedish, Slovak, Polish, French, Italian, Uzbek, Russian, American, Bangladeshi and Spanish. The questionnaire consisted of four parts: Culture and Organization, Working in a Multicultural Environment, Leadership in a Multicultural Team, and Personal Information. Some of the research questions that were posed in the study included:

- Are all cultures treated equally by a multicultural organization?
- Do people have troubles adapting to a multicultural organization?
- What are advantages and disadvantages of working in a multinational team?
- How do individuals benefit from working with people from different cultures?
- What role does diversity play in the team's activity?
- What is the overall climate at work like?
- Are there any obstacles to diversity?
- What skills should a member of multicultural team possess to be able to work efficiently?

- What are the most important qualities of a good leader of a multicultural team?

The authors' research has proved that though multicultural teams represent very complex work groups, they may be really productive, creative and if managed properly can provide organizations with an opportunity to enter and compete successfully into a global market. Thanks to diversity, members of multicultural teams produce a greater number of ideas and their different prospective helps the team to come up with creative solutions both to solve organizational challenges and complex business problems. Majority of the respondents believe that managing multicultural teams is in fact more difficult and thus their leaders are more skilled than those managing homogenous work teams. The group has also named the three most important traits of a good leader, namely 1) the leader has to respect people working under him, 2) treat everyone equally, and 3) know how to motivate his/her followers.

The overwhelming majority admitted that they prefer working in a multicultural environment to working in a homogenous one and that they are completely comfortable working with people of different cultural backgrounds. At the same time, they would not prefer to have more people of their nationality in their work team. In general, they feel that different cultures are taken into consideration in their work place and that multiculturalism is valued in their organization. Some of them, however, believe that some cultures are yet viewed as superior to others. All of the respondents agreed that understanding of other cultures is vital in multicultural organizations and that globalization requires multicultural teams.

Table 2 Characteristics of a good leader

Traits	Quantity	Percentage of answers
respects the people working under him/her	26	29
knows how to motivate his/her followers	16	18
listens to his/her follower's ideas	10	11
set goals	8	9
trust others	5	5
doesn't feel himself / herself superior to others	0	0
treats everyone equally	17	19
is receptive to criticism	0	0
gives constructive feedback	6	7
is patient	1	1
is flexible	1	1
other	0	0

Source: Own elaboration based on the research finding

The questionnaire results show that 90% of multicultural team members are convinced that more diverse workforce equals more successful organization. All of them also willingly comment on numerous benefits of diversity to their personal development. Their answers included the following: opportunity to learn about and celebrate different cultures, learning to understand and respect people's views, diversity of perspective - greater number of ideas is better for problem-solving, more dynamic and stimulating environment, wider perspective on life and prejudice, international employment opportunities, personal

development. Only half of the respondents support the researchers by stating that multicultural teams face more difficulties and misunderstandings than a team consisting of one nationality.

The respondents would definitely agree that 'successful multicultural teams are those which have found ways of interacting the contribution of their members, and have learned to find solutions that add value due to their diversity not in spite of it. They have also learned to have fun, to experience the discovery of cultural differences as opportunities for surprise, learning, and shared laughter' (Schneider & Barsoux, 2003 p.241).

6. SUMMARY

Managing multicultural teams poses quite a serious challenge for a company, and managing directors in particular. On one hand, they can exploit the potential of team members, namely, their creativity, innovation and experience, but on the other hand, communication among team members can become a major problem for them to cope with. The problem connected with the interpretation of non-verbal communication and nonlinguistic signals may be a source of conflicts and misunderstandings, which in case of work teams, affect the execution of entrusted tasks and organisational goal achievement. One might venture an opinion that a skillfully carried out communication is a key to effective management of multicultural teams. Research shows that the average effectiveness of communication measured for American and European is about 80%, while the same percentage is achieved by Asian organisations when it comes to communication inefficiency (Stor, 2008, p. 248). The extraordinary progress of civilisation in recent years has brought about significant diversification not only to companies but also to people of the same nationality. It is therefore important to realise that shaping organisational culture should be a continuous process which involves a close monitoring of the situation, atmosphere among workers, and if necessary the introduction of alternative problem-solving strategies.

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