





LEADERSHIP AND TEAM EFFECTIVENESS LECTURE – 46

MANAGING MULTICULTURAL TEAMS

PROF. SANTOSH RANGNEKAR



CONTENTS

- Multi-cultural Team
- Advantages of Multi-cultural Teams
- Challenges of Multi-cultural Teams
- Four strategies to overcome challenges (HBR Study)
- Multicultural Managers and Organizations
- Multicultural Organization Development Model (MCOD)
- Case Study
- Research Paper
- Book recommendation
- References



Image Source: https://cdn.pngsumo.com/people-around-the-globe-around-the-earth-people-earth-png-and-earth-png-with-people-from-around-the-world-567_567.png







Multi-Cultural Teams

- "The central operating mode for a global enterprises is the creation, organization and management of multi-cultural teams – groups that represent diversity in functional capability, experience levels and cultural backgrounds."
- Multicultural groups represent three or more ethnic backgrounds. Diversity may increase uncertainty, complexity, & inherent confusion in group processes. Culturally diverse groups may generate more & better ideas & limit groupthink.



Image Source: https://corporatestays.com/wp-content/uploads/2020/03/cross-multicultural-teams-1.jpg







Advantages of Multi-Cultural Teams

Productivity: Different cultural backgrounds and perspectives can inspire innovation and productivity. Every individual of the team differs from experiences and mindsets, and this can enrich the variety of services and products that an organization can offer to the public.

Thinking quickly: Knowing the rules is the perfect way to become more agile inside groups. Especially in multicultural teams, where, as sooner the members will start feeling comfortable, the better they'll become more productive, spontaneous and quick thinkers.

Improve of creativity: When an individual is strictly exposed to people from, let's say, Asia, South America and, Europe, chances are the flow of ideas will be endless. Not only will teammates pitch in with their personal experiences, but also they will teach others about what works well in their environment and vice-versa.





Advantages of Multi-Cultural Teams

Improve of problem solving skills: Workers of an international group bring their own life and experiences inside the team. For this reason, when a solution is needed, they can come up with ideas that would have never crossed the mind of a group with a single culture mind-set. Moreover, teammates are exposed to different points of view and they can easily know to think outside-the-box, increasing their soft skills.

Personal growth and flexibility: Being a part of an international team is like attending an exchange program every working day. Indeed, while working in a multicultural team, members are exposed to new cultures and this can easily have an impact on their personalities and their mindset







Challenges of Multi-Cultural Teams

1. Communication Problems

- Trouble with fluency and accent: When non-native speakers struggle to find the
 right words, the team might not take their point of view seriously, even when
 they probably should. Members who aren't fluent in the team's dominant
 language may have difficulty communicating their knowledge. This can prevent
 the team from using their expertise and create frustration or perceptions of
 incompetence.
- **Direct and indirect communication**: Western cultures tend to speak directly, while in many other cultures it is considered more polite to be indirect. When members see such mismatch as violations of communication norms of their cultures, relationships among the teammates can suffer.





2. Challenge: Different Work Cultures

Work culture differs across the globe and with it also the attitudes toward authority. Indeed some cultures are okay with flat organizational structures, while others are used to a formal hierarchy. Behavior that is perceived as respectful in one culture, may not be seen that way in the other. For instance, team members from hierarchical cultures expect to be treated differently according to their status in the corporation.

Another issue related to work culture is being less likely to speak up. This could be challenging for individuals from polite or deferential cultures, like for Asian people.

They may just feel less comfortable to make their voice to be heard or to share ideas, especially if they are new in the team or have a junior role. On the other hand, members from Western or Scandinavian countries who are used to flat organizational hierarchy may be more inclined to point out their opinions.





3. Challenge: Decision-making Conflicts

Working in a multicultural team means also facing differences in how decisions are made and in how much analysis is required by teammates beforehand. Conflicts arise when some of them make decisions quickly versus slowly, or analytically versus instinctively. Someone who prefers making decisions quickly may grow frustrated with those who need more time.

4. Challenge: Negative Cultural Stereotypes And Prejudices

The interactions of people from different country unavoidably arise unconscious cultural biases and stereotypes. Those can be quite difficult to overcome, particularly if they make part of the team less inclined to work together. Negative culture stereotypes can be seriously disruptive to company morale and can also affect productivity.







Four Main Strategies for Addressing the Challenges

- The most desirable is adaptation, which acknowledges cultural gaps and finds ways to work around them. This works well but requires creativity, selfawareness, and time.
- A second option is cultural intervention, where projects or tasks are reassigned to reduce friction or to compel team members to get to know each other better.
- Then there's **managerial intervention**. Managers can set rules, and step in when there is a need for someone with authority.
- As a last resort that Harvard's study suggests is the **exit option**: completely removing someone from the team. This is costly and the most extreme way to salvage a situation.







Core problems

Ethnocentrism in the face of

Cultural diversity experienced as

Cultural shock which varies with exerience and may be lesser or greater in impact.

Image Source: https://www.researchgate.net/figure/Thematic-model-of-core-problems-and-core-solutions-in-cross-cultural-management fig1 288004727

Core solutions

- Adaptation as first reaction to cultural shock
- Adjustment as a more permanent & positive reaction
- **Development of intercultural skills:** creating "the cross-cultural manager"







Multicultural Managers and Organizations

The Multicultural Manager.

- Has the skills and attitudes to relate effectively to and motivate people across race, gender, age, social attitudes, and lifestyles.
- Respects and values the cultural differences.
- Has the ability (e.g., is bilingual) to conduct business in a diverse, international environment.
- Has a cultural sensitivity in being aware and interested in why people of other culture act as they do.
- Is not parochial in assuming that the ways of one's culture are the only ways things should be done.
- Is not ethnocentric in assuming that the superiority of one's culture over that of another culture.







Developing Multicultural Organizations

Multicultural organization development (MCOD) is a process of change that supports an organization moving from a monocultural – or exclusive –organization to a multicultural – or inclusive, diverse and equitable – organization. The approach requires an initial assessment of where the organization is and a commitment to a vision of where it wants to be in the future.

Stages of MCOD model:

Stage 1: The Exclusionary Organization

Stage 2: The Club

Stage 3: The Compliance Organization

Stage 4: The Affirming Organization

Stage 5: The Redefining Organization Stage

Stage 6: The Multicultural (Inclusive) Organization

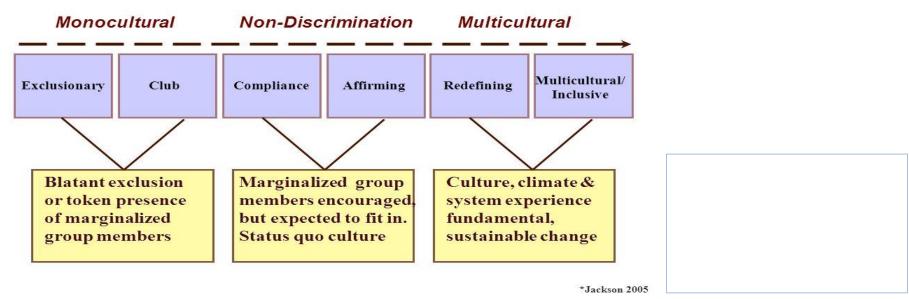








Jackson/Hardiman MCOD Continuum*









- The MCOD model, based on earlier work by Jackson and Holvino, provides a useful way for an organization to:
 - 1. frame an initial assessment of where it is on the path to multiculturalism,
 - 2. decide on a vision of multiculturalism it wants, and
 - 3. select appropriate goals and interventions to support its desired vision.

Stage 1: The Exclusionary Organization ~ NO WAY!

- Openly maintains the privileged group's power and privilege
- Deliberately restricts membership
- Intentionally designed to maintain dominance of one group over others
- Overt discriminatory, exclusionary, and harassing actions go unaddressed
- Unsafe and dangerous environment for marginalized group members.







Stage 2: "The Club" ~ Our way or the highway!

- Maintains privilege of those who have traditionally held power and influence
- Monocultural norms, policies, and procedures of dominant culture viewed as the only "right" way: "business as usual"
- Dominant culture institutionalized in policies, procedures, services, etc.
- Limited number of "token" members from other social identity groups allowed in IF they have the "right" credentials, attitudes, behaviors, etc.
- Engages issues of diversity and social justice only on club member's terms and within their comfort zone











Stage 3: The Compliance Organization ~ The letter of the law!

- Committed to removing some of the discrimination inherent in the Club organization
- Provides some access to some members of previously excluded groups
- No change in organizational culture, mission, or structure
- Focus: Do not make waves, or offend/challenge dominant group members
- Efforts to change profile of workforce (at bottom of organization)
- Token placements in staff positions: Must be "team players" and "qualified"
 - Must assimilate into organizational culture
 - Must not challenge the system or "rock the boat"
 - Must not raise issues of racism, classism, ableism, heterosexism, religious oppression, ageism.







Stage 4: The Affirming Organization ~ We welcome "diverse candidates".

- Committed to eliminating discriminatory practices and inherent advantages
- Actively recruits and promotes members of groups that have been historically denied access and opportunity
- Provides support and career development opportunities to increase success and mobility
- Employees encouraged to be non-oppressive ^ awareness trainings
- Employees must assimilate to organizational culture.

Image Source: https://content.wisestep.com/wp-content/uploads/2020/10/Diversity-Hiring-Diverse-Candidates.jpg



DIVERSITY HIRING







Stage 5: Redefining Organization

Inclusion is central to our success and daily practices!

- In transition
- Working to create environment that "values and capitalizes on diversity"
- Working to ensure full inclusion of multicultural workforce to enhance growth and success of organization
- Begins to question limitations of organizational culture: mission, policies, structures, operations, services, management practices, climate, etc.
- Actively works towards developing a multicultural organization.
- Committed to redesigning and implementing policies and practices to redistribute power, and ensure the inclusion, participation, and empowerment of all members.







Stage 6: Multicultural Organization (Fully Inclusive Organization)

- At this stage, differences of all types become integrated into the fabric of the business of the organization, such that they become a necessary part of doing its everyday work.
- A multicultural organization can be defined as one where:
- The diversity of knowledge and perspectives that different groups bring to the organization shapes its strategy, work, management and operating systems, and its core values and norms for success; and
- Members of all groups are treated fairly, feel included, have equal opportunities and are represented at all organizational levels and functions.





ORGANIZATIONAL DIMENSION	Monocultural		Transitional		Multicultural	
MISSION/	ExclusiveIgnores differencesDriven by dominant		Non-committalLinked with diversity		 Inclusive 4-bottom line (Economic, Governance,	
PURPOSE	groups				Social, Environmental)	
STRUCTURE/	Rigid hierarchyDecision-making limited to		HierarchicalLimited		Shared decision-makingFlat/flexibleWide access	
ROLES	dominants		teams/matrix Glass ceilings			
POLICIES/ PROCEDURES	 Discriminatory Unwritten rules/word of mouth 	 EEO/AA Some supportive policies (e.g., partner benefits) Performance appraisals reviewed Zero tolerance 		 Flexible work arrangements Fair and transparent performance appraisals Score cards 		

 $Image\ Source: \underline{https://naaee.org/sites/default/files/mcodmodel.pdf}$







ORGANIZATIONAL DIMENSION	Monocultural		Transitional		Multicultural	
INFORMAL SYSTEMS/ CULTURE/NORMS	Open and subtle harassmentHomosocialAssimilation		Support groups"Don't ask, don't tell"Accommodation		 Multilingual, multicultural symbols/norms Openly confront discrimination 	
PEOPLE/ RELATIONSHIPS	 Homogeneous/tokens Patriarchal Segregated work teams		Minimum numbersGuarded/political relations		Diverse at all levelsDialogue across diverse groupsOrg. learning	
LEADERSHIP	CharismaticAutocratic		BureaucraticVisionary		Shared/rotating	
ENVIRONMENT	ExploitationOpposition to	 Limited interaction/ response to shifting demographics 		Global focus/local actionSocially responsible		
PRODUCTS/ SERVICES/ TECHNOLOGY	1 dimension"Culture neutral"	 Targeted/ stereotyped markets 		 Adapts or creates for new populations 		









Case Study: Multicultural Multinational Teams at IBM

• When many people think of a traditional, established company, they think of IBM. IBM has been famous for its written and unwritten rules—such as its no-layoff policy, its focus on individual promotions and achievement, the expectation of lifetime service at the company, and its requirement of suits and white shirts at work. The firm was one of the mainstays of the "man in a gray flannel suit" corporate culture in the United States.



- Times have certainly changed.
- IBM has clients in 170 countries and now does twothirds of its business outside the United States. As a result, it has overturned virtually all aspects of its old culture. One relatively new focus is on teamwork.

Image Source: https://www.silicon.co.uk/wp-content/uploads/2017/02/IBM-logo-684x513.jpg







Case Study: (Cont.)

- While IBM uses work teams extensively, like almost all large organizations, the way it does so is unique.
- To foster appreciation of a variety of cultures and open up emerging markets, IBM sends hundreds of its employees to month-long volunteer project teams in regions of the world where most big companies don't do business. Al Chakra, a software development manager located in Raleigh, North Carolina, was sent to join GreenForest, a furniture manufacturing team in Timisoara, Romania. With Chakra were IBM employees from five other countries.
- Together, the team helped GreenForest become more computer-savvy to increase its business. In return for the IBM team's assistance, GreenForest was charged nothing. This is hardly altruism at work. IBM firmly believes these multicultural, multinational teams are good investments.







Case Study: (Cont.)

- economies, many of which might be expected to enjoy greater future growth than mature markets. Stanley Litow, the IBM VP who oversees the program, also thinks it helps IBMers develop multicultural team skills and an appreciation of local markets. He notes, "We want to build a leadership cadre that learns about these places and also learns to exchange their diverse backgrounds and skills. Among the countries where IBM has sent its multicultural teams are Turkey, Tanzania, Vietnam, Ghana, and the Philippines.
- As for Chakra, he was thrilled to be selected for the team.
 "I felt like I won the lottery," he said. He advised GreenForest on how to become a paperless company in 3 years and recommended computer systems to boost productivity and increase exports to western Europe.







Case Study: (Cont.)

 Another team member, Bronwyn Grantham, an Australian who works at IBM in London, advised GreenForest about sales strategies. Describing her team experience, Grantham said, "I've never worked so closely with a team of IBMers from such a wide range of competencies."

• Questions:

- 1. Would you like to work on one of IBM's multicultural, multinational project teams? Why or why not?
- 2. Multicultural project teams often face problems with communication, expectations, and values. How do you think some of these challenges can be overcome?
- 3. Why do you think IBM's culture changed from formal, stable, and individualistic to informal, impermanent, and team-oriented?





Research Paper



VOL. 24 NO. 3 2020, pp. 301-318, DOI 10.1108/MBE-04-2019-0037

Received 29 April 2019 Revised 27 February 2020 Accepted 3 April 2020

Diversity climate perceptions and its impact on multicultural team innovation and performance

Raavee Kadam, Srinivasa A. Rao, Waheed Kareem Abdul and Shazi Shah Jabeen

Journal Name: Measuring Business Excellence

Purpose

This study aims to examine the influence of diversity climate perceptions (DCPs) on team member's contribution to team innovation and team performance in a multicultural team (MCT). The authors also investigate the moderating effect of cultural intelligence on these relationships.







Research Paper

Design/methodology/approach

This study aims to examine the influence of diversity climate perceptions (DCPs) on team member's contribution to team innovation and team performance in a multicultural team (MCT). The authors also investigate the moderating effect of cultural intelligence on these relationships.

Findings

Results indicated that when team members have positive DCPs, it had a positive impact on their innovation and performance in the team. Cultural intelligence was

also found to have a direct impact on team member innovation but not on team member performance. Furthermore, cultural intelligence was found to positively moderate the DCPs — team member performance relationship but not the DCPs — team member innovation relationship.







Research Paper

Practical implications

Managing diversity is a key concern for organizations worldwide given the exponentially rising cultural diversity within the workforce. This study would enable practitioners to understand that developing positive DCPs and cultural intelligence of team members are critical to the success of MCTs.

Originality/value

Literature has documented mixed results pertaining to team diversity and its effect on performance, resulting in scholars urging the need to explore how the negative effects of team diversity can be mitigated. This research establishes that positive DCPs and cultural intelligence as two key factors contributing to the performance of MCTs.







Book Recommendation

Multicultural Teams: Creating and sustaining an environment for learning from perspective diversity that maximizes team effectiveness

Authors: Robin Denise Johnson

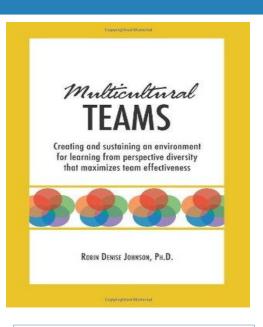
Publisher: CreateSpace Independent Publishing Platform;

1st edition (May 2, 2013)

Language: English

ISBN-10: 1484818067

ISBN-13: 978-1484818060











Book Recommendation

Multicultural Teams outperform other teams when you need creativity, commitment and buy in - but only if they are designed and managed well. This book will explain how to design and manage your multicultural team well, and how to create and sustain a learn-from-differences environment.

Dr. Robin gives practical suggestions from research on how to design your team and then explains how you can leverage diverse perspectives within the team to maximize creative problem solving. These include: A clear, motivating focus that requires team members to engage in a conversation about why the mission is important strategically to the organization and personally to them; An understanding of how important designing the team well is, while knowing how to make the right intervention into the group process at the right time; Metrics that measure output, learning and satisfaction; The right degree of empowerment and the right type of team given your task and members; And the use of interlocking skills that maximize learning within the team.

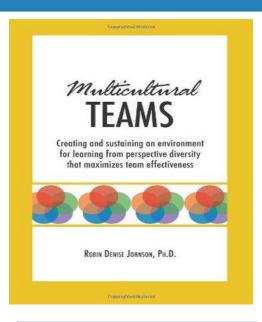


Image Source: https://i.gr-assets.com/images/S/compressed.photo.goodreads.com/books/1387662903I/17895548.jpg







References

- Hughes, R. L., Ginnett, R. C., & Curphy, G. J. (2015). Leadership: Enhancing the Lessons of Experience (8th Edition).
 McGraw Hill.
- Northouse, P. G. (2019). Leadership Theory and Practice Eighth Edition (8th ed.). Sage Publications, Inc.
- Miller, D., & Toulouse, J.-M. (1986). Chief Executive Personality and Corporate Strategy and Structure in Small Firms. Management Science, 32(11), 1389–1409. https://doi.org/10.1287/mnsc.32.11.1389
- <u>Kadam, R., Rao, S.A., Kareem Abdul, W.</u> and <u>Jabeen, S.S.</u> (2020), "Diversity climate perceptions and its impact on multicultural team innovation and performance", <u>Measuring Business Excellence</u>, Vol. 24 No. 3, pp. 301-318. https://doi.org/10.1108/MBE-04-2019-0037
- Robbins, S. P., Judge, T. A., & Vohra, N. (2016). Organizational Behavior (16th Edition). Pearson Education Inc.
- Sources: Based on C. Hymowitz, "IBM Combines Volunteer Service, Teamwork to Cultivate Emerging Markets," The Wall Street Journal (August 4, 2008), p. B6; S. Gupta, "Mine the Potential of Multicultural Teams," HR Magazine (October 2008), pp. 79–84; and H. Aguinis and K. Kraiger, "Benefits of Training and Development for Individuals and Teams, Organizations, and Society," Annual Review of Psychology 60, no. 1 (2009), pp. 451–474.
- https://hbr.org/2006/11/managing-multicultural-teams
- https://naaee.org/sites/default/files/mcodmodel.pdf
- https://slideplayer.com/slide/6596038/
- https://slidetodoc.com/chapter-15-cultural-diversity-and-international-organizational-behavior/
- https://opentextbc.ca/organizationalbehavioropenstax/chapter/multicultural-teams/







Thank You





