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Research Paper

A Study on Multicultural Team and The Culture Diversity in Multi-National Companies

HRM

KEYWORDS : Multiculturalism, Cultural diversity, Random Sampling Technique, Globalization, Cross culture training.

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ABSTRACT

Many companies are building multicultural teams, where members are coming from cross-national borders and different countries of origin. Therefore facing with challenges that to work with such teams, utilizing the individual strength, communication and working styles. In today's global business environment the multicultural teams have become an essential part of an organization. An attempt was made to study the impact of the cultural diversity in multicultural teams. A sampling size of fifty was taken from multicultural teams working in USA, Singapore, Malaysia, India, Australia, Canada and UAE. A questionnaire was designed and it was sent to the respondents through emails. Percentage Analysis Technique was used in examining the data that were collected from the respondents. The result shows that there is a significant impact of cultural diversity in a multicultural working environment. Presents of multicultural teams have also changed the styles of working and that has brought big changes in the organizations.

INTRODUCTION

Growing number of international corporations, strong forces of global economic competition, constant flow of cross border business transactions are continuing to a complex business environment and competition. International companies face global competitors, multiple countries and governments, different cultures and languages, all heightened demands on coordination and control of international business activities (Mendenhall, 2004).

Survival became the most important factor in this complex business environment. The factor that allows companies to survive in such difficult non permanent surroundings is their ability for effective adaptation to change. This adaptation is often driven by cultural diversity (Salas et.al, 2009). Adapting to cultural diversity in this rapidly modernized world is a demanding process, since culture is still much slower to change. Mastering the ability to interact with different cultures is thereby an important device for future business success (Thomas & Ink son 2004).

One way for organizations to cope with this complexity is to establish work groups or teams that are composed of people differing in relevant dimensions such as culture to match the diversity of the environment, the organization try to deal with (Gibson, 2004).

THE CONCEPT OF CULTURE AND CULTURAL DIVERSITY

Culture is generally defined as a pattern of deep level values and assumptions concerning societal functioning, which is shared by an interesting group of people (Adler, 2002). Cultural values are learned very early life as people are socialized into their respective environments within particular societies and are very difficult to relearn or change (Hofstede, 2001).

Cultural diversity refers to the representation of people within a social system with explicitly different group affiliations of cultural meaning, that is, "they collectively share certain norms, values or traditions that are different from those of other groups" (Cox, 1993). Often the term cultural diversity is applied to ethnic or national diversity in work groups as well (Watson, 1993).

The basic theoretical assumption of diversity research asserts that diversity with respect to the group composition influences group processes and that these processes in turn affect group performance (Williams, 1998). Diversity research has established that diversity offers both a great opportunity for companies as well as major challenges (Adler, 2002). Diverse work groups experience strong conflicts (Pelled, 1999), communication between group members becomes more difficult (Caldwell, 1992), the willingness to cooperate with fellow group members diminishes (Thomas, 1999) and group cohesion decreases (Harrison, 2002). All these process losses often result in higher turnover and absenteeism rates (O'Reilly, 1989) and lower the work satisfaction (Tsui, 1992).

While on the other side, it is agreed that multi cultural work groups produce ideas, solutions and decisions of higher quality (Wagner, 2001). Culturally diverse work groups produce more perspectives, problem solutions and decision alternatives than does non diverse group (Watson et.al, 1993).

METHODOLOGY

The population was chosen based on respondents who had experience in the working multicultural team. To reach out more suitable participants, samples from various countries including India, USA, Australia, Singapore, Saudi Arabia, Canada and UAE were taken for the study. The research questions were formulated and drawn from previous presented theories and conclusions about multicultural teams (See Anne Susann, 2006). An e-mail questionnaire has been created and sent to the participants. A sample of 50 was chosen for the analysis form the response.

DATA ANALYSIS

The selected variables for the analysis were, to find out do cultural diversity has influences on multicultural team, the benefits of being in a multicultural team, causes of problems in multicultural team, stage at which problem arises, does cross cultural training needs for working in a multicultural team and key skills required for, to be included in a multicultural team. Percentage Analysis Technique was used in examining the data that were collected from the respondents.

RQ.1: Influence of Cultural diversity

The question to the multicultural teamwork opinions included whether the respondents feel, cultural diversity do have any influence in the multicultural working team. It was observed from the analysis that cultural diversity has influence in the multicultural working team.

Chart 1: Influence of Cultural diversity

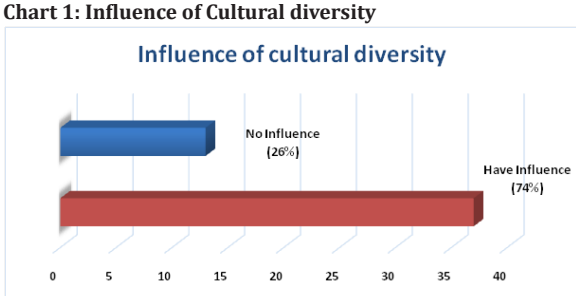


Chart 1 reveals that seventy four percentage of the respondent believe that cultural diversity has influences on multicultural

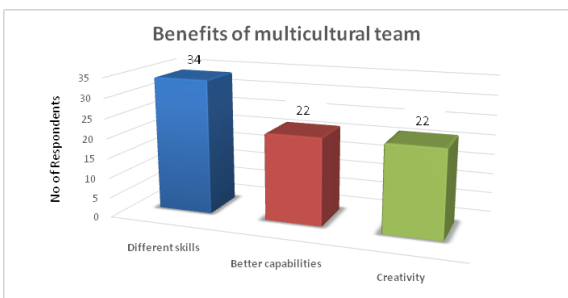
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working team. Twenty six percentages were answered that it does not have influences. The higher percentage shows that cultural diversity has influences on team work. This finding of the research was inline with the previous study that "culture affects our perception", "culture affects our verbal and nonverbal language", "and "The culture affects our identity" (Cooper, Thomas and Simonds, 2007).

RQ. 2: Benefits of Multicultural Team

In answering what advantages people notice from being members of multicultural teams, their answers did over all match with the arguments presented earlier by the scholars specially Adler's model. From the opinion it is clear that the respondents highly recognize numerous potentials and advantages of having various cultures in a team.

Chart 2: Benefits of Multicultural Team



The chart 2 shows that many of the respondents (34) believe that the different skills from nationally diverse people are a major advantage, which gives learning opportunity and knowledge sharing. Additional advantages listed by the respondents were the multicultural team members are having better capabilities (22), different views on problems and creativity (22). These advantages are evident from the literature as team members with diverse backgrounds tend to have complementary capabilities, which results a superior mixed team. These responses underline the diversity of skills in a heterogeneous team and proven by Lazear Model (1996).

RQ.3: Causes of problems in a Multicultural Team

The respondents were posed with another question that what were the causes of problems while working with multicultural team members. The respondents had reported that miscommunication (29) was the major barrier to be in a multicultural team. They further added that behavior, slang, accent and pronunciation were the problems while communicating with each other. It also points out that intercultural communication often leads to miscommunication (Lane, 1999).

Chart 3: Causes of problems in a Multicultural Team

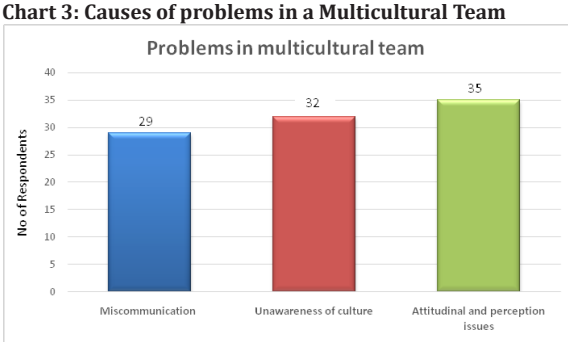
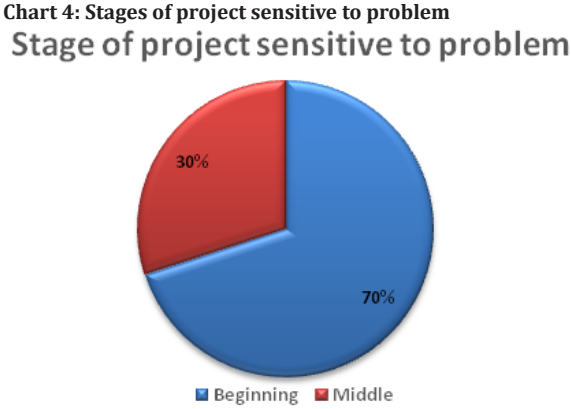


Chart 3 explains other problems raised due to unawareness of culture (32), attitudes and perception issues (35). It is very clear after careful analysis that most of the respondents ensured that lack of knowledge and understanding of the different culture causes problem in a group. This finding is inline with previous literature that a major challenge for multicultural management is the different cultural beliefs, practices and traditions that are embraced by various segments of employees (Edwer, 2010). A lack of culturally appropriate communication can create animosity and division between employees, leading to internal challenges that will hinder overall performance (Devine, 2007).

RQ.4: Stages of project sensitive to problem

The next question to the respondents was: what stage of group work they saw as the most critical one. Chart4.4 shows that the majority (70%) of the respondents felt that beginning stage of the work was a stage where problems persisted. 30% percentage of the respondents felt that middle stage was also sensitive to the problem.

Chart 4: Stages of project sensitive to problem



The majority of the respondent's state, "The Beginning" of the project is accordance with the framework of Tuckman's model (1965). From Tuckman's model it is apparent that all stages have some challenges for teams, but especially in the storming stage.

RQ.5: Need of training

To answer another question: do they need any training before to be a part of a multicultural team revealed that training would be most helpful to them to see the team in a right direction and can coordinate in work.

Chart 5: Need of training



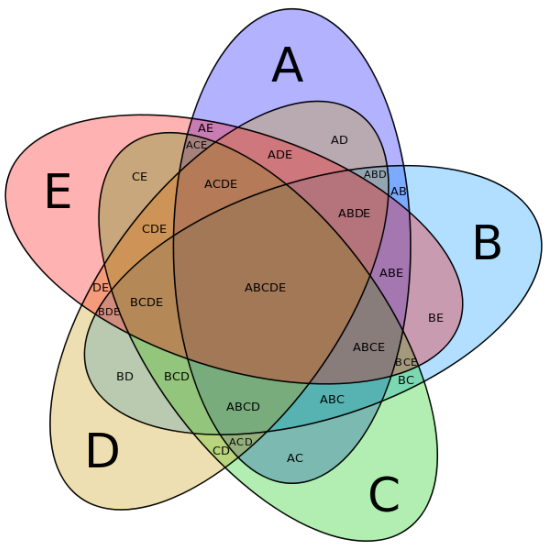
The Chart 5 shows that the majority (62%) of respondents agreed that training is most important to work with culturally diverse groups where as few (38%) were disagreeing. The majority shows that one of the tools for connecting the cultural difference was cross cultural training. Training knowledge of corporate etiquette can improve the skills of future team members and prepare them for the diverse issues in multicultural team. This finding is accordance with the Mendenhall Model (1987).

RQ.6: Key skills required

Respondents have been asked to elaborate on actions that help team members in preventing and solving problems that appear in a multicultural team work. After analysis of the answers it is found that, better communication capabilities, respect, value and tolerance towards other's culture, open-mindedness to ac-

cept other's culture and views, flexibility to accept the changes taken place, continuous learning attitude, culture awareness and positive approach towards the problems are the key skills required for a person to be in a multicultural team. The better the language skills are, the easier will the adjustment process be, since language has a very strong effect on expatriate adjustment (Puck et al., 2008). Trends indicate that multicultural management strategies will become more common based on a central language, technological enhancement of communication and establishing new traditions based on a combination of cultural values designed to reduce conflict and increase collaborations (Selmer, 2012).

Model for Effective functional group: (Source: Bachmann A.S, 2006)



A: Better communication capabilities B: Learning attitude C: Respect and acceptance for others culture D: Open mindedness E: Flexibility

CONCLUSION

This research finding shows the factors influencing multicultural team work and the contribution is to suggest, cultural diversity does have an impact on multicultural team work. A multicultural environmental study regarding benefits and causes of problems was in line with previous study, "diversity offers both a great opportunity for the companies and as well as major challenges" (Adler, 2002). The findings reveal that the beginning stage of the project is more sensitive to the problems. A multicultural group which has certain qualities like better communication capabilities, open mindedness, flexibility, and cultural awareness will be able to establish a working atmosphere of mutual respect and acceptance. This sort of group has greater access to its multicultural resources and therefore a greater chance to utilize their potential for the effective functioning. One of the findings of the research implies that proper cross cultural training is required for the team to perform in better way in multicultural environment.

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