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Managing Teams in the Multicultural Organizations

Abstract:

A modern manager must possess multiple features and skills, which can allow him to solve problems and challenges occurring in management of multicultural teams. In each system an organization is different and it is impossible to create one coherent model of managing multicultural teams or organizations. A number of barriers and problems should be accounted for and the organizational diagnosis is a base for preparing strategies of adequate multicultural organization management. Due to the editorial restrictions, the main focus of the article is in problems and barriers in management of multicultural teams, including the role of a manager in this process.

Key words:

culture of the organization, the team, multiculturalism, management

1. Introduction

The globalization of the world' economy promotes the development of multicultural organizations. It is a challenge for managers, but also for the employees themselves. They need to have many features and skills, which will enable them facing the problems and barriers, brought by the managing of multicultural teams. The paper's aim is to show the impact of multiculturalism on the management of teams and the organization, including the identification of problems and barriers associated with the presence of many cultures within one organization. It is hypothesized that the multicultural composition of an organizations makes it more difficult to operate, and eliminating of occurring problems is expensive. The analysis of current literature was also conducted.

2. Culture of organization and multiculturalism - the essence

Culture of organization is most often defined as "a set of values, beliefs, behaviors, habits and attitudes that helps members understand the organization, for what the organization stands, how it works and what is considered as important" (Griffin, 1996, p. 178). It is a determinant of behavior for employees, allowing them to distinguish desirable attitudes from undesirable ones. It is a link between people, positions, departments, but it also defines the differences between the parties. The shape of organizational culture is influenced by many factors, including: the country of origin, education, industry, manners, style of management. It can be identified by means of visible elements: symbols, labeling, clothing, way of communication, rituals; and invisible elements: attitude to the environment, values (Rozwadowska, 2012, pp. 164–165]. According to E. Schein, an organizational culture is also the corporation culture; scheme of conduct developed by a group, teaching

how to deal with the problems of external adaptation and internal integration, what is considered to be appropriate. New members are taught that the culture is the right way to perceive, think and feel (Trompenaars, Hampden-Tuner, 2005, p. 23). From the organizational culture it is closely linked to the process of globalization, through transfer and adoption of the dominant lifestyles, consumption patterns equalization, transformation of the culture, application of the principles of GATT (General Agreement on Tariffs and Trade) in the transmission of cultural models (Penc, 2003, pp. 127–131).

Multiculturalism is a wide range of issues conditioned by differences in values, behaviors and beliefs of the people who come from different cultures. It is resulting from links of local and international markets in different areas: information, product, capital and labor (Griffin, 1996, p. 178). Multiculturalism has an internal dimension, resulting in the changes in the architecture of the structure and relationships, in the culture of the organization are also promoted new values, norms, and people learn to cooperate from the beginning. Such an inner transformation within an organization may come from, for example, changes in management or employees, having a different nationality; training trips outside the country. The above mentioned factors are internal. Externally, the source of change are, for example: entering foreign markets, involving the alignment with other legal systems, patterns of business and professional behaviors, or meeting the expectations of customers from abroad (Potocki, 2009, p. 388).

3. Role of managers in management of multicultural teams

Managers working in an international environment must be aware that in other cultures the same values are not always shared, some might be obvious and understandable for one culture, but not for others. They should be ready for continuous assimilation of new ideas, business practices, tech-

nology, and cultural assumptions (Penc, 2003, p. 241). They have to have knowledge of the scale of different cultures. Managers in charge of multicultural teams should acquire so-called cultural competence, which will become the key to mutual understanding and cooperation. The management style should take into account equality for all employees regardless of their sex, national origin, religion, age companies (Juchnowicz, 2009, p. 71), and the manager should be able to complete the capitalization of cultural diversity of the organizations, by creating opportunities for dialogue, while maintaining the functions and objectives of the companies (Potocki, 2009, p. 389). This is a demanding challenge, because multiculturalism can be a source of innovation and success of the company and the cause of conflicts and setbacks (Potocki, 2009, p. 388). Awareness of cultural differences is an obligation of managers working in multicultural environments. To expand this awareness, work trainings in such a conditions are useful. One of the most important skills and roles of such managers is to ensure efficient communication between: employees, customers and the environment in such a way that cultural differences do not create problems in the cohesion of the organization. Sensitivity to the diversity of international and intercultural conditions should be a managers' feature. Managers should understand those differences and be patient, which can help to uncover the motives of employees from other cultures. Besides that, a very good knowledge of the industry in which they work is extremely important as well as the skills to take a risk. Managers should be able to use the information provided by subordinates, use any opportunities to gain knowledge, be open to criticism, be flexible in thinking and acting (Sułkowski, Waniek, 2009, pp. 495–496). In the international organizations an important role is played by managers –expatriates, those who come from the country of origin of the mother-company, and those, who were delegated to the foreign establishments of the corporation in order to: develop a project in a new, tough market; implement control strategies and, transfer new knowledge and skills to local employees and managers (Juchnowicz, 2009, p. 71). An

expatriate therefore, is a manager, who was delegated (for the duration of the contract) to foreign institutions. The effects of work of such managers in other countries is often a driving force of the company development in a new market, their work supports global integration of international companies (Juchnowicz, 2009, p. 478). Important for the modification of behavior in an organization is also role of an inpatriate, or manager who was transferred from a third country or from the host country to the headquarters (Listwan (ed.), 2005, p. 52). The task is to familiarize with the organizational culture, understanding the values that are important for the company, identifying and supporting desirable behaviors. The expatriate can have direct control, which means that he is responsible for the selection of employees, as well as that he is involved in making decisions or indirect control, which means promotion of the values, attitudes or actions that apply to the mother-company (Hetrick, 2002, p. 335). There are many benefits of expatriates employment, such as personal and direct control of the activities of a branch, building an organizational culture in the early stages of the branch development, support of local staff in gaining experience and direct contact with the headquarters. Disadvantages of expatriates employment are salaries and maintenance costs, the risks associated with the failure of their business, possibility of problems with local employees, also visa problems may arise or legal restrictions in employment. An important role in culturally diverse organizations is played by local managers because they have the knowledge of local culture, legal provisions, market conditions, they are also far less expensive than expatriates. Local managers ensure the continuity and stability in managing local band, they are also well regarded by local authorities. Communication problems with the headquarters are the primary shortcoming in this case (Rozkwitalska, 2013, p. 51). Managers of international organizations must first of all understand, know and feel the culture of the organization to operate effectively in it. They should also be aware what the common elements of culture for the organization are: the values, symbols, models (Koźmiński, Jemielniak, Latusek, Online).

Global and international managers should be characterized by high perception, taking into account the global environment, in which they operate and the culture of the country in which the company will be located. In the book by M. Rozkwitalska eight roles of global manager can be found:

- Planner – responsible for strategy and for the team that carries out the tasks;
- Motivator – motivates all members of a project team, taking into account their cultural conditions;
- Investigator – responsible for collecting the available information that may be useful for the company;
- Communicator – provides information and is responsible for calling the appropriate responses in audiences around the world;
- Coordinator – his task is to define and harmonize the duration of specific tasks in various places in the world;
- Operator – manages in different countries and on different markets, his role is to ensure good coordination of activities;
- Architect of global network of contacts – responsible for establishing all kinds of personal and institutional contacts in the world and draw corresponding benefits from them;
- International Negotiator – his role is the effective negotiation in international markets (Rozkwitalska, 2013, p. 200).

Managers should first of all be able to communicate in an international environment. Additionally (except knowing the foreign language), they must develop the ability to establish contacts with employees in an international environment. They must also have the desire for continuous development of themselves, learning about different cultures. A necessity in the work of international managers is to respect cultural diversity. Persons managing a multicultural team should have such features as:

- Open mind,
- The ability of innovative actions,

- The ability of cross-cultural communication, which shows the ease of taking into account the needs, values and expectations in different cultural conditions,
- Sensitivity to cultural issues,
- The ability to use their skills to build relationships,
- The ability to avoid ethnocentrism,
- Recognizing the impact of culture on management processes,
- Having knowledge about the fact that some of the actions and attitudes promoted in one culture may be unacceptable in another (Rozkwitalska, 2013, p. 200).

4. Barriers in management of multicultural teams

Managing multicultural environments is exposed to more barriers than in case of monocultural environment. Barriers hinder effective cooperation and are the cause of many misunderstandings. Among the most frequently mentioned barriers are prejudices and stereotypes. According to the definition in the Dictionary of Foreign Words, the stereotype is existing in the public consciousness, brief, current, evaluative picture of reality, unchanged, concerning people or things, based on incomplete and incorrect knowledge, fixed by tradition (Słownik Wyrazów Obcych, 2001, p. 757). Stereotypes are social beliefs about the properties, such as personality features, expected behavior or recognized value of a social group. Stereotypes often hamper cooperation in the organization, lead to discrimination, and the perception of a particular person very often is wrong (Mały Słownik Języka Polskiego, 2000, p. 1087). Stereotypes make one unable to notice the differences between employees, which leads to miss-recognition of the uniqueness of some individuals. Stereotypes in culturally diverse organizations are the causes of conflict and prejudice (Online, <http://infobrokerstwo.pl/jak-walczyc-z-barierami-mentalnymi-i-stereotypami-w-organizacji/>).

Prejudice, as defined in the Dictionary of Polish Language is unjustified reluctance, unfriendly feelings towards someone or something wrong (Mały Słownik Języka Polskiego, 2000, p. 1087). It is holding to general notions about any community or individual. It is the opinion, which was built up based on misconceptions or rumors, and no concrete evidence. Prejudices are resistant to change. It is difficult to influence opinions and behavior of prejudiced manager. Communication in a multicultural organization is then much more difficult [Online, <http://infobrokerstwo.pl/jak-walczyć-z-bariarami-mentalnymi-i-stereotypami-w-organizacji/>]. Another barrier is organizational ethnocentrism, for example the approval of their own social group, with simultaneous reluctance to another (Słownik Wyrazów Obcych, 2001, p. 209). Ethnocentrism is a presentation of one culture over another, considered subjectively as the better. Ethnocentric manager does not consider himself to be dominant, but claims he is the only person working properly. He sees reality through the prism of his own convictions and may be unaware of cultural differences (Kozłowski, Jemielniak, Latusek, Online). Another barrier is inadequate career planning and employee development. The reason for errors in planning is disregarding the personnel policy of the organization of multicultural employees. The result is unadjustment of trainings and development programs. Hostile work environment for employees with diverse cultures, is another organizational barrier. Exclusion of some workers from social life, ignoring, teasing, bullying and a lack of adaptation programs for new employees of different nationalities should be understood in this concept. Another barrier concerns working women and maladjustment associated with the working conditions for women with families (Szaban, 2012, pp. 494–495). A common barrier is favoritism, which means putting the individual in a privileged position (Słownik Wyrazów Obcych, 2001, p. 220). The organization favoritism means unequal treatment of employees. This is a common phenomenon, occurring also in national organizations. Employees often complain on the resources and time allocated to the management of multicultural diversity, while neglected is staff

development or social issues. This is called an orientation barrier. Other important barrier problems lay in the motivation and rating system. It is difficult to build one coherent system for many people with different habits and expectations. A multicultural organization requires a lot more changes and regulations than national organization employing workers from one country. Resistance to change creates a barrier. Changes in general are frightening, which is the direct cause of resistance.

The language barrier is an example of a barrier resulting from the diversity of nations, which brings a lot of problems to employers. Language difficulties are the cause of the mistakes in communication. Workers with low language skills are reluctant to provide information, making it difficult to troubleshoot. In addition, if the employee must have permanent contact with the client, and his language is weak, it can be a significant problem for the employer (Griffin, 1996, p. 88).

Contacts in multicultural teams are accompanied by many psychological and social processes, resulting from the contact with the unknown environment. This can result in culture shock. Culture shock is a term expressing anxiety accompanying the move to a completely new environment, which is significantly different culturally from the environment of the parent entity (Bartosik-Purgat, 2009, p. 175). Break down of the barriers is often accompanied by confusion and awkward situations that are also good opportunities for collaborative learning (Trompenaars, Hampden-Tuner, 2005, p. 257).

5. Problems in management of multicultural enterprise

Diverse work environment (in terms of culture) is the source of many problems. Both employees and managers have to deal with entities that represent different values, behaviors or attitudes (Zbiegień-Maciąg, Beck, 2006, p. 15). This requires the cooperation of all participants in the organization

(Hofstede, Hofstede, Minkoy, 2011, p. 207). The problem in managing multicultural teams may be the degree of centralization and the consequent imposition of principles and rules on employees of foreign cultures who may see this as an insult. In the case of decentralization there may occur a situation in which every individual goes his own way. An example of a nation that has a problem with decentralization is Japan. Japanese managers have in fact a problem with the transfer of responsibilities to foreigners. Both kinds of companies, too centralized and decentralized, are ineffective. Occurring conflicts are the major problem of multicultural organizations. The background of conflict is caused by contradiction of beliefs, actions, or values, which after all can be negative consequences (Sikorski, 2013, p. 209) and lead to disputes that are hindering the smooth and effective functioning of the organization (Sikorski, 2013, p. 209). Conflicts can occur both within the team and between teams or organizations. The source of the conflict are the people, and the cause of it is the diversity: the points of view, values and behaviors (Penc 2000, p. 216). According to Cz. Sikorski, conflict between individuals in a certain group is due to the large difference between expectations and objectives because of multiculturalism, also different level of involvement in performing the duties can lead to problems. Conflicts between the individual and a social group are primarily the result of contradictions of objectives of both parties. The conflict between the two groups is when the parties are representing opposite ideologies and different values. Such disputes are often characterized by a large number of negative emotions (Sikorski, 2013, pp. 210–213). Unsolved conflicts lead to many serious and dangerous consequences. For managers it becomes essential to prevent them from occurring, which will certainly be less costly than solving them (Penc, 2000, p. 221). Another problem in managing multicultural teams is a dilemma between homogenous and heterogeneous culture. Homogenization of the culture means unification, which could be the reason of the domination of one culture above another. Heterogenization of the culture testifies the unique character of the culture of the organization

and is associated with leaving a certain diversity. Multicultural companies may favor the development of subcultures and cooperation between them. Therefore, the continuous development of culture should be seen as an essence of effective organization (Zbiegień-Maciąg, Beck, 2006, pp. 33–34).

Choice of the strategy of cultural changes is another problem in culturally diverse organizations. The diversity of organizational marriages, such as: direct investments, acquisitions by a foreign company, international mergers or capital groups and companies “joint venture” promote the desire to dominate one culture above another. In such cases, it is recommended to cooperate in a such way that will lead to general understanding and cultural synergy (Zbiegień-Maciąg, Beck, 2006, pp. 33–34). Dealing with differences is primarily based on respect for all values represented by employees of multicultural teams and organizations. Such management also promotes employees’ creativity. An example of management style, which takes into account the diversity is European style, which differs significantly from the American or Japanese. The differences are shown in Table 1.

Table 1. Management styles – a comparison

European	American	Japanese
Focus on people	Focus on profit	Focus on quality
Respect to cultural diversity, integration.	Moderation of diversity	No diversity, homogeneous society
Management based on experience and continuous learning than on formal procedures	Formal procedures of management	Highly centralized and structured system
Setting more on long-term survival than for-profit company	Aggressive and offensive nature of corporations	Aggressive and offensive nature of corporations
Medium term planning	Profit-driven (mainly short-term)	Focus on quality
Reluctance to standards and regulations	Short term planning	Long term planning
Defensive nature of corporation	Customer focus	Good correlation of production with marketing
Identification with work	The importance of marketing	Identification of employees with the company
Unwillingness to work in teams	Identification with work	High ability to work in teams
The balance between work and private life	Focus on individual success	The enormous personal commitment to the work and development of the company
Management by leadership	Work for profit and career	Management by directing
Motivation	Management by directing	Consensus
Respect for individuality	Leadership in place of motivation	
Internal negotiations	Individualism	
	Mobility	
	Quick decisions	
	Focus on transactions	
	Business with strangers easy to do	

Source: J. Penc, 2005, p. 314.

Managers, using appropriate management styles and techniques can sustain a culture or change it. Formation of organizational culture in multicultural teams is a gradual adaptation of the participants in teams and organ-

izations to internal and ambient environment and their mutual integration. This modification of the values and standards is more consistent and efficient. A prerequisite for managing multicultural teams is early diagnosis and detection of differences between existing and desired culture. Also understanding the behavior and attitudes of members of the organization brings a possibility to using them in building organizational culture consciously (Aniszewska, 2007, p. 25). Formation of organizational culture in a multicultural environment is not easy, which means it brings a lot of problems.

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