The impact of cultural diversity on team management: empirical evidence from US multinationals in Ireland.

Siham Boukhali
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Abstract

In the last fifteen years, the Irish workforce has changed and is now largely multicultural; mainly due to the implementation of EU headquarters of US multinationals. The research has shown that cultural diversity within a team is an important competitive advantage in today's competitive marketplace.

Multicultural teams are a necessity to respond to today's business environment; these teams are composed of members with different cultural background where each of them has a certain way of approaching working methods. In terms of cultural diversity the literature is very large; the concept of culture is very broad and cannot be defined as a fixed concept.

This thesis aims to evaluate the impact of cultural diversity in team management from a manager's perspective. In most US multinationals implemented in Ireland teamwork is impacted by various national cultures from each individual team member.

An online interview has been created based on the 'Cultural Perspective Questionnaire' and on the literature theories; these interviews have been distributed to selected managers by email which is a new qualitative method of data collection.

The findings of these interviews revealed that cultural diversity is a strong competitive advantage especially while responding to customers' expectations. This competitive advantage has to be fostered and maximized in terms of cultural awareness among managers and employees. This way, challenges and disadvantages will be minimized; strong communication is the key for successful multicultural teams.

The limitations of this thesis have to be considered as no generalizations can be made from the findings; especially that this topic has to remain ethical with regards to personal cultures. However future studies should be carried out on this topic to have a wider and deeper overview of the Irish multicultural workforce

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Contents

Introduction

"Globalization has changed us into a company that searches the world" (Welch, 2005).

After World War II, expatriation all around the world increased significantly; in 1960 73 million people lived abroad and it reached more than 200 million in 2011 (OECD, 2011). However the concept of intercultural management is relatively new as it has only emerged in the early 1990's; at the time where globalization has built a new structure in the companies' workforce model.

As a consequence scholars and researchers have been working into this new model as they aimed to evaluate the impact of this new multicultural workforce. Their primary objective being to identify management tools they created the concept of cultural diversity management (IBEC, 2006). Cultural diversity management has been defined as a tool to create a unifying environment based on mutual respect; it is believed that in this environment employees will be more effective, more creative and therefore be more profitable to the business.

In Europe, EU membership allowed free movement within the union in the pursuit of employment for EU nationals to respond or to satisfy this new market, multinationals had to create multicultural teams. Kandola and Fullerton (1994) have brought the concept of cultural diversity management to the UK and Ireland - as the EU workforce became more multicultural- with a first explorative study within the local workforce. Following their research the CIPD published a report on diversity management in 1999. It was only in the last ten years that companies introduced programmes for cultural diversity management (IBEC, 2000).

Ireland has seen a tremendous change in its workforce where it has seen massive immigration in the early 2000's. Ireland was then labelled the "Celtic Tiger" as it became the fastest growing economy of Europe. The Irish economy became more developed, moving from an economy dominated by agriculture and farming to an economy dominated by manufacturing and business services (OECD, 2011).

Ireland became the place in Europe to get a job but also the place to set up a company. Ireland's Foreign Direct Investment policy made the country attractive to for foreign multinationals, it became the place to invest and do business. For most US companies it became the perfect location and gateway to the European market. Indeed with an educated workforce, a flourishing economy and a low corporate tax (12.5%), foreign firms represented 47% of the Irish workforce employed in 2010 (IDA, 2012). Companies such as Microsoft, Symantec, Pfizer, Dell, IBM, PayPal and many others located their EU headquarters in Ireland which boosted the employment and exports. The IFSC, established in 1987, represented an important investment in banking, financial activities and fund management, which also boosted service exports. Furthermore, the average national income exceeded average EU levels and in 2000 it was the second highest only after Luxembourg (Europa.eu, 2011). Average disposable income reached record levels which attracted more potential future employees within organizations to Ireland.

Immigrants in Ireland represented 14% of the Irish work force in 2010 (OECD, 2012). The changes in the workforce in the context of a competitive marketplace increased the importance of cultural diversity management. The economic environment within companies dramatically changed due to globalization; markets are becoming increasingly global. Companies had to change their way of management and their organizational structure; comparatives and intercultural studies are now becoming more important in the global business environment (Dahl, 2005).

With globalization it has become important to consider the impact of cultural differences when managing a team. Le Theuff (2005) argued that despite the globalization of the employment market there is no global employee as a result of culture. Intercultural management is a real concept adopted by companies as with globalization companies have to work with other companies all over the world. Any company who would not consider the multicultural dimension of his workforce might lead teams' projects to failure (Hofstede, 1993).

In the context where Ireland has attracted a large number of US multinationals, these organizations need to understand employees' similarities and differences in relation to culture. Companies have to think about their cultural diversity. Nowadays culture is an important player in a company success.

While the subject of cultural diversity and intercultural management is quite recent; so far only two explorative studies have been conducted as recently as the late 1990's. Up to this time there has been no evidence of a published explorative study within US multinationals implemented in Ireland. Only statistics have shown the patchwork of the cultural landscape in Ireland's workforce.

The research rationale of this thesis is to demonstrate the impact of cultural diversity in team management in US multinationals in Ireland. Indeed multinational managers have to understand and deal with employees coming from different part of the world. The management of a multicultural workforce can have numerous advantages but can also be quite challenging. Hence what is the impact of cultural diversity in management? How do managers work efficiently with a multicultural team? What are the aspects to take into consideration? Do managers have to adapt to each of their team members' culture? Do team and each employee have a role in this multicultural management?

The research will consist of analysing intercultural team management within two US multinationals located in Ireland in order to provide guidance and advice on tools which are necessary for managers to work efficiently with their multinational teams.

The research carried for this proposal aims to demonstrate that culture is an important and positive strategic factor for companies in today's world. Employee integration is in most cases incomplete and strong cultural features remain (Hofstede, 1993). Hence, how to efficiently manage cultural differences within a team?

In order to conduct this study, the first part of this thesis presents a literature review where team, cultural concepts and multicultural management are discussed according to various authors' research. This part defines the term "team", explains what culture is in different contexts and what it is within a multinational environment; then it goes deeper with research carried out on multicultural management advantages and its challenges.

The second part of the thesis focuses on the methodology where it first states the research questions in relation to the rationale and the aims of this thesis as presented above. The questions will be the support to justify the aim of the research on multicultural management. The methodology employed to achieve the objectives is given; the philosophical method used are explained, the tools used such as the research samples, the data collection and its analysis method. The third and last part of the thesis is the findings and discussion made from the research carried among the research sample; the last chapter has been tailored around the main categories evolving from multicultural management theories. A conclusion on the work carried out is provided followed by the practical implications; that is to say the recommendations given to effectively manage a multicultural team. Finally, a last section on future studies is suggested as the author of the thesis cannot make any generalizations from her findings as the samples used has been narrowed-down.

Chapter 1- Literature Review

A- The role of teams in corporations

I- What is a team?

The literature defines a team as a group of people working towards the same goal; "a team is a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they are mutually accountable" (Katzenbach & Smith, 1993).

Among a team tasks are usually interdependent; members have complementary skills and generate synergy through a coordinated effort which allows each member to maximize its strengths and minimize its weaknesses (Bailey & Cohen, 1997).

However, a team can also be described as a formal or an informal team (Halverson & Tirmizi 2008); the level of interdependence will not be the same whether the team is informal or formal.

A formal team has a reliable organizational structure where members have specific roles and tasks; these type teams usually work for a particular objective to be accomplished within a specific deadline.

On the other hand, an informal team usually works together for a particular situation; in this type of team members can be changed as requested by the situational problem.

II- The different types of teams

Halverson and Tirmizi (2008) identified seven types of team within corporations:

- A team as a "Task Force": a temporary team is assembled to study a specific issue or problem.
- A problem solving team: a temporary team is assembled to solve a specific problem (of shorter duration and smaller than "Task Force").

- A production team: a temporary team is assembled to develop a product or a specific project.
- A committee: a temporary or permanent group is to act together on specific issues.
- A working team: a permanent group of workers receives direction from a supervisor.
- A team work (also called self-directed work team): a permanent group of workers shares a common mission and collectively control their own affairs within predetermined limits.
- A Quality Team: a group of workers from the same functional area meets regularly to identify and solve work related problems in order to seek opportunities to improve deliverables.

III- <u>Successful team</u>

Alder (2008) suggested ways for success and to reinforce the structure of the team to improve effectiveness and goals accomplishment; he determined five factors to drive team success.

1- <u>Interdependence</u>

Adler (2008) first suggested that teams should be interdependent; he argued that this is how the results of each member are influenced, at least in part, by the actions of other members. The team structure should be such that it requires cooperative interdependence. If some members operate independently of other team members or put themselves in a competition position, it would result in a failure for the entire team.

2- <u>Common Goal</u>

He then argues that it is very important that team members have common goals and are able to communicate clearly about the different goals they may have. Indeed, common goals are essential to the "team" concept. A simple way to reinforce team

building is to assign to a newly formed team the task of writing a mission statement, values and goals.

3- Cohesion

This term refers to the desire of people to be part of a team. Cohen and Bailey (1997) also refer to this term; for them teams are cohesive to the extent that the membership is positive and that the members are attracted to the team. In task-oriented teams, the concept can be divided into two groups, social cohesion and task cohesion. Social cohesion refers to the relationship of interpersonal attraction that binds members of a team. Although a high level of social cohesion can make the team more pleasant to work with, it does not necessarily affect the team performance. However, interpersonal attraction in a team seems to be a very important concern for many people; team activities such as fun games are useful for developing attraction in the team. Task cohesion refers to how the skills and abilities of the members overlap to allow the efficient execution of tasks.

4- Roles and Standard

At some point, all teams develop a set of roles and norms. In task oriented teams, it is essential that the structure allows the team to respond effectively to situations. When tasks are divisible and conjunctive, task attribution to specific members who can perform effectively is essential. Active consideration of the role structure can be an important part of a team building exercise. To learn better from each other and enjoy each role in the team, it may be useful to rotate roles.

The standards are the rules governing the behavior of each team member and include rewards, as well as sanctions for violations of standards; primordial for the sustainability of the team.

5- <u>Communication</u>

Finally, Adler (2008) emphasizes on the interpersonal communication; an effective interpersonal communication is essential to the proper functioning of the teamwork. There are several ways to facilitate communication development such as the use of active listening and to provide feedback. It is also important that a team develops a network of effective communication: "Who communicates with whom?" "Is there someone "out of the loop"?

IV- <u>Team building</u>

Argote and McGrath (1993) argue that teams can fail if they don't have a clear vision; these two authors have developed a way to create successful teams.

When a team is weak despite highly skilled and motivated members; it is important to assess the following points:

- <u>Which are the strengths and weaknesses of each team member ?</u>

Each team member brings its own strengths and weaknesses; everyone has a different personality and approach to communicate, set goals and solve problems. The team members should know each other's ability very well in order to maximize their performance.

- <u>What is the vision?</u>

To be productive, efficient and motivated the team must have a clear picture of the vision. The vision must be consistent with the mission, values and goals of the organization.

- <u>How to reach the goal?</u>

To achieve the vision, it is necessary to define goals, develop an action plan and measure performance. It is essential to plan the route to take and know the destination.

- <u>What is expected from each individual?</u>

People cannot be effective if they are unsure of what is expected of them. In a highly effective team, all team members should have defined roles, a description of specific tasks and, more importantly, their responsibilities must be clear.

- <u>Which training is required?</u>

In order to reach goals, it is essential to put in place measures for training, development, coaching and leadership.

- <u>How is the performance?</u>

A strong team regularly assesses its effectiveness and continually changes its procedures to improve its performance. Members learn from their mistakes and set goals and challenges.

- <u>What is the recognition scheme in place?</u>

In general, most teams do not reach high performance levels unless there is some recognition. There are many ways to show recognition such as feedback and coaching, compensation, benefits and promotions.

V- <u>Team values</u>

Values are the beliefs that help make decisions (Cohen and Bailey, 1997). These values play an important role when interacting with others. They can either be a source of discussion or a source of conflict.

Values consist of a reflection of what was learned from families and environment. When teams are created, it has to be understood that each team member brings to the table a value system of its own (Halverson and Tirmizi, 2008). These differences are likely to spread energy and provide interesting information, but they can also be sources of conflict. Taking into consideration how values can have an impact on the team is crucial to strengthen it.

Conclusion

Research has been conducted for several years on the operation of team and it has been found that teams evolve step by step before reaching the optimal functioning (Tuckman and Jensen's, 1977). Some teams quickly move from one stage to the other while others leveled without being able to evolve.

A good start to have an effective team is to identify the "SWOT" of the team; then implement a climate of success where the team is interdependent and members reliable on each other.

This said, how does it work when the team is multicultural? Different factors are to be taken into consideration; the world is moving closer to a global economy and a team with one nationality as such, barely exists today.

A team can contain members of three or more than one national background; therefore a team has to be also considered in terms of cultural diversity.

It will now be important to examine the definition of culture.

B- <u>Culture Concepts</u>

I- <u>General Definition of Culture</u>

There are many ways to define culture and it differs from authors to authors.

According to Ferraro (1994) culture is "everything that people have, think and do as members of their society". Philips (1994) shares the same view as Ferraro adding that culture is a set of shared suppositions by a group of persons. These suppositions are implicit guides for thoughts, feelings and behaviours which are representatives of the values and standards of the group.

For the sociologist Geert Hofstede (1991) behaviour, thoughts, and habits are the results of life experiences within different social environments. He considers culture as a mental programming composed of three main elements:

- Culture is a collective phenomenon
- Culture is the "software of the mind"
- Culture is the way actions are carried out in a certain location

This programming starts from the parents' education, and then the individual will evolve within different social environment such as schools, neighbourhood, and sports club and so on. The total of these experiences will results in being what Hofstede defines as culture.

For Hofstede (1993) "Culture is not a characteristic of individuals; it encompasses a number of people who were conditioned by the same education and life experience".

II- <u>National Culture</u>

Hofstede (1991) defines the national culture as the set of rules which determines the actions and thoughts of a given group. It relates to the common languages, religion, politics, and morals and so on. This culture evolves with the country's history, in this same regard Iribarne (1998) explains that past events determines the way a country installs its institutions such as the one for education, politics and financials.

According to Philips (1994) and Pharsons & Shils (2007) the national culture is represented by actions carried out by individuals in the aim of keeping their national identity alive such as religion practices, wars, revolutions and so on.

These authors explain that such actions create a cultural system composed of values, beliefs and symbols. These values become institutionalised in a social system and internalised by individuals which constitute in an all the national culture.

III- <u>Cultural differences</u>

The world is moving closer to a global economy however it is important not to lose focus of cultural factors. One way of gaining cultural understanding is to examine different cultural elements within a team. Understanding cultural differences is important to achieve success in projects and team work.

<u>Hofstede's view</u>

Hofstede (1993) conducted a survey in over 50 countries, within the same multinational group (IBM), which revealed common problems within four areas. His aim was to measure and understand cultural differences impacting the management of multinationals.

1- <u>Power distance</u>

Power distance relates to the hierarchical system. As per his research it is important to evaluate the distance between an individual and the authority. This analysis measures the degree of acceptance of the authority by an employee towards his superiors. With this, Hofstede (1993) has been able to distinguish hierarchical societies from egalitarian ones.

In societies where the hierarchy is strong, there is a higher respect towards superiors, parents or professors and familial relationships are closer. However people at the bottom of the scale are downgraded. This trend is observable in Arabic countries and in

France. Consequently in these countries where individuals accept a greater power distance, the management can be easily centralised with a pyramidal organizational structure.

In egalitarian societies, employees, students or even children have a greater scope of actions. Familial relationships are not as strong as parents extol children's independence. Hofstede (1993) notices this trend in Nordic countries such as Sweden, Denmark or Norway. Therefore in these countries where power distance is not in effect, the management has to be decentralised with a flat organizational structure.

According to Hofstede (1993), every country is looking toward an egalitarian management but gaps still exist between countries.

2- Individualism and Collectivism

Culture is linked to relationships between an individual and a group. Being part of a communitarian society restricts a person's individual freedom whereas being part of an individualist society personal life time is more important. Countries such as the UK and the USA are individualists while African countries are communitarians.

Within a company context, an individualist will have a relationship of interest with the management while a communitarian will need to have a social role and want to feel needed.

3- Male and Female

This dimension used by Hofstede (1993) opposes masculinity and femininity; in some societies one is higher than the other one. Values of success, strength and performance are masculine characteristics. Values of solidarity, humanitarianism are feminine characteristics. Hofstede (1993) explains that in a masculine society, men have to assert their personality whereas in a feminine society there is no sex distinction; both men and women cohabit in harmony.

For Hofstede (1993), Japan, Austria and Italy are countries with a high degree of masculinity; the Netherlands, Norway and Sweden are at the bottom of the scale with a lower degree of masculinity.

4- Uncertainty avoidance

This dimension shows the degree of uncertainty tolerated by members of a society. Hofstede's (1993) aim here was to evaluate how individuals react in front of a difficult situation. Countries such as Greece, Portugal and France have a strong control of uncertainty; at the contrary Denmark, the USA and African countries have a weak control of uncertainty.

Hofstede's (1993) four dimensions are nowadays the most commonly used in a cross-cultural research; they are important and relevant predictors of cultural differences.

Trompenaars's view

Trompenaars (1996) completed Hofstede's research; he conducted a survey among 30 different companies over 50 countries. From his research he identified seven dimensions of culture:

1- Individualism and Collectivism

Trompenaars (1996) shares the same view as Hofstede's (1993); it is primordial to know if an individual thinks as a unique person or as a person belonging to a group. Trompenaars (1996) adds to this dimension that there is a link between religion and individualism/collectivism. He argues that Protestants countries are more individualistic while Catholics and Asian countries are more collectivists. In a management context, he also argues that individualists are in favour of one person taking decisions and that communitarians are in favour of collective decisions.

2- <u>Universalism and Particularism</u>

In a Universalist society, common rules and standards are important: it is a rule-based society. On the other hand in a particularistic society regulations are avoided and problems are dealt with on a case by case basis.

3- <u>Specific and Diffuse culture</u>

This dimension of culture measures the degree of personal implication in the professional context. Individuals from a specific culture do not mix their private life with their professional life. Individuals from a diffuse culture mix their private life with their professional life.

4- <u>Neutral and Emotional Relationships</u>

Depending on the country where they are from, individuals expose more or less their emotional feelings in their work place. Individuals from a neutral culture will not express their feelings in order to not jeopardise business relationships; these individuals have a neutral and objective attitude. Individuals from an emotional culture will have no problem to express their feeling in their day to day jobs; they have a subjective attitude.

5- <u>Achievement and Ascription</u>

This dimension refers to the social status of the individual. In some culture the social status is acquired (Achievement) while in some others it is attributed (Ascription).
In a culture where the status is acquired the individual is recognized and rewarded for his skills and knowledge, his accomplishment will determine his social status. In a culture where the status is attributed, the individual is not recognized for its accomplishment but is recognized by its graduate level, the reputation of the school attended, the family status in society and by its gender.
In France the status tends strongly to be attributed while in the UK it is acquired.

6- Sequential and Synchronic

This dimension refers to the time management. Individuals from a sequential culture tend to schedule their time very tightly completing tasks after task while the ones from the synchronic culture are more flexible and can complete multiple tasks at the same time.

7- Internal and External control

Trompenaars's (1996) last dimension refers to the relation between individuals and their environment. There are two types of culture: the one that can influence the environment, called "internal control", and the one that harmonises with the environment called "external control". Trompenaars (1996) shows as an example the Asian culture where individuals live in harmony with its environment and do not exercise any control on it.

Cateora & Ghauri's View

Authors such as Cateora & Ghauri (2000) give to culture five main elements which are: Material culture, Social institutions, Aesthetics, Belief system, Education and Language. They acknowledge that each of these cultural elements should be evaluated in terms of how it could affect strategic management within a multinational.

A company should take into consideration the material culture of a country where its economy, its infrastructure should be regarded. The social institutions should be studied in terms of the role of men & women within the community, for example in many countries the role of the woman is to stay at home while the man will be the provider of the family.

Aesthetics is important in the sense that some cultures react differently to some use of terms, symbols and even colour where for example white represents death in some Asian communities. With over 5,000 different languages in the world this element has

to be considered carefully as some sayings, phrases and words may suggest a different meaning elsewhere.

Education is also very important. For instance in some parts of the world education methods differ and build individuals in certain ways. One of the most important elements according to Cateora & Ghauri (2000) is the belief system, religion being the most sensitive aspect. In some countries, religion defines the role of each individual and dictates a code of conduct which forms part of person's way of being and thinking.

IV- <u>The company culture</u>

The company culture is made of the organizational culture and the cultural diversity within the company (Schein, 1980; Ibirnane, 1998; Adler, 2002).

<u>Organizational culture: The three levels of culture</u>
Each company has its own culture; this is how Schein in 1980 introduced the idea of organizational culture. He argued that company culture is a key success factor, and insisted that the notions of values and cultural learning should be part of a company's strategy. Ibirnane (1998) supports Schein's principle by adding that company culture is represented by a nationality, values, myths, rituals and symbols.

According to Schein (1992) organization culture has three levels. The first level is the visible one, known as the artefacts, it represents the behaviours, the habits, the languages; they are the first visible elements when faced to another culture. The second level is not fully visible and is more difficult to see, it relates to values and morals such as relationships with others. The third level is the heart of the culture and represents its primary conception. It is the most difficult part to distinguish as it is not perceptible and explicit. This level relates to personal beliefs and is not discussed between members of a same group.

<u>Cultural diversity within a company</u>

Cultural diversity is the representation in a social system of individuals from culture, country and multiple language groups (Cox, 1994). Several reasons are pushing companies to promote cultural diversity; these reasons have strategies and economic foundation. In order to remain competitive in the global market companies recruit outside of their domestic market.

External communications from international companies are mainly focusing on the respect of national specifics, mobility and satisfaction of employees (Lafarge, 2003). Most international groups establish a direct link between the cultural diversity of their employees and the economic performance of the company thanks to a better understanding of their customers, more creativity and more reliable decisions (Thomas, 2004). According to the CEO of IBM Lou Gertsner awareness of cultural differences enhances and increases curiosity and innovation skills. For the CEO of Airbus SAS Eric Pillet, cultural diversity is an asset, a mixture of common values, and differences that are mutually enriching.

Many companies have realized that the cultural diversity of their customers called for a need to diversify their employees; in order to meet the expectations of the market increasingly global, especially for a continent like Europe that combine multicultural characters, multilingual characteristics and multi-ethnic attributes. They see it as the key to future growth as well as the opportunity to acquire a competitive advantage (Orlando, 2000; Cox, 1993; Gosselin & Chouat 1993; Watson 1993; Boeker & Goodstein, 1991).

The literature shows many advantages for companies: diversity to better meet the expectations of the clientele, it diversifies and enhances the image and legitimacy of the organization (Cox, 1991.93; Gosselin and Chouat 1993). More cultural diversity

helps to increase productivity and facilitate innovation and problem-solving (Orlando, 2000).

Successful Intercultural learning should lead to the construction and development of intercultural competences, defined as the capabilities of an individual to be able to analyse and understand the situations of contact between people (between groups) of different cultures and then manage and enhance them in line with business goals (Meier, 2004).

The development of intercultural skills should promote a successful intercultural adaptation and a better work performance (Yamazki & Kayes 2004).

Yamazki & Kayes (2004) have developed a typology of intercultural learning; they have identified nine categories of intercultural skills:

- Relational skills : ability to forge links with others and open- minded to cultural differences
- Informational skills: listening capacity and observation
- Capacity to face ambiguous situations
- Analytical skills
- Actions skills
- Team management skills and responsibility skills
- Capacity to develop, enhance, and improve learning skills
- Adaptability and flexibility skills
- Emotional maturity

Ignoring the cultural diversity and its challenges can lead to serious mismanagement (Dupriez, 1999). Generally speaking, Dupriez noted that when cultural diversity is minimized, additional costs increase. In this same perspective Baumard (1999) indicates that cultural diversity can lead to clashes; different world perceptions from

one individual to another can lead to misunderstandings and communication problems.

Chouat and Gosselin (1993) denounce the negative effects of company culture over national culture, some employees adapt and conform themselves to the company culture, consequently they reduce their potential as they lose their identity along with their self-esteem; they are being someone they are not. These two authors argue that the energy used by individual to be assimilated to the company culture, should be used to solve problems and to identify new opportunities. Adler (2002) argues that no one goes to their work place leaving their personal culture behind; therefore the company culture is composed of multiple national cultures.

According to Meier (2004), intercultural management has to be balanced between preservation and transformation while focusing on interactions among employees. This is how multicultural teams will reach a certain level in working together: they will overcome their own personal culture and adapt better with others.

Conclusion

There are more than 160 definitions of the term "culture" (Thomas, 2006). The concept of culture cannot have a final and permanent definition: Smith (2004) argues that as culture is characterised and defined by so many different national cultures to such a degree that culture cannot be a fixed concept.

In terms of business management, Hofstede (1993) defines culture as one of the most important environmental factors to take into consideration in multicultural team management.

The literature has shown that company culture and national culture are closely linked by the same concept: cultural diversity (Brett, Behfar & Kern, 2006).

Then comes intercultural management; it is a necessary tool to run efficiently a multinational where members from the same team are from different cultures.

C- Multicultural Management

The international management of human resources is now a growing field more and more complex. The ability to manage multicultural teams is now an important key skill to acquire when running a business (Loth, 2006).

I- Team Management

A team is a group of internal people working for the same purpose and serving a common goal or results to the company (Loth, 2006). In the past companies had to deal with multidisciplinary teams - same nationality individuals but with different work approaches. Nowadays companies are encouraged to create multicultural teams; the main difference today is that the management of multicultural teams requires close collaboration between individuals whose beliefs, values and behaviours are very different (Chevrier, 2000) which is a big challenge for companies. Collective work is already somehow difficult all the more that in a multicultural team members' cultural assumptions are not necessarily identical in terms of work organization (Hofstede, 1993).

II- Multicultural team

Because of globalization and the research for more profit, companies had to expand abroad; the creation of multicultural teams has been unavoidable. Brett, Behfar & Kern (2006) argue that a team should now be a group of different culture rather than a team with different skills and techniques. Cultural diversity within a team has now become a competitive advantage.

III- <u>Impact of culture on organizations</u>

Brett et.al (2006) and Schein (1992) notice that most companies try to minimize cultural differences, but they argue that they should not do so as it is not to their advantage. As seen previously with Hofstede (1993) and Trompenaars's (1996) researches, working habits are different from a country to another.

Many companies make the mistake of overlooking these criteria and fail considerably in their human resources management strategy. One way of gaining cultural understanding is to examine different cultural elements within a team. Understanding cultural differences is important to achieve success in projects and team work (Brett et.al, 2006).

IV- <u>The challenges</u>

More and more companies hire employees from all around the world and therefore will have different cultures. Progressively, companies have become multicultural groups where different social and cultural characteristics are expressed. This affects the whole company but more particularly the teams.

Most of the time when joining a multicultural team, members will at the beginning make an effort towards each other's (Loth, 2006). There will be a certain dynamic and mutual adaptation to the environment. But quite rapidly the disadvantages linked to cultural diversity will arise, like for example ways of dealing with problems.

The cultural diversity within a team can complicate the group dynamic because it can create relationship problems and misunderstandings among team members (Loth, 2006). A misunderstanding of any information or attitude can provoke tensions between members and create a gap based on cultural origins. In this case, the cultural diversity can generate expensive conflicts and might even block projects.

The resignation of team members due to disagreement is often frequent and shows the fragility of multicultural teams (Brett et al. 2006). Therefore the question of

multicultural team management must be treated as a separate issue in the management of companies.

V- <u>**The disadvantages**</u>

For Meier (2004) cultural diversity can be the reason of major misunderstandings within a team. Communication, more particularly the language, is the first cause of misunderstandings; he also argues that behaviours and work patterns are so different from a culture to another that they causes conflicts and can results in misunderstood objectives.

Individuals from different cultures do not share the same values and therefore they will not all react the same way in front of a challenge and a difficult situation. Some communities value freedom and individualism while others only act collectively (Hofstede, 1993). More commonly individualism is attributed to the western world and collectivism to third-world economies. Consequently to avoid ethnocentrism, which is a belief that a particular culture is superior to another (Cateora & Ghauri, 2006), the individualism and collectivism thinking should be considered as a major factor in managing a multicultural team.

Conflict management should not be dealt with the same way in both types of societies; in a communitarian environment direct confrontation should be avoided while in an individualist environment direct confrontation is the norm (Hofstede, 1993).

Stereotypes, mostly negatives, always come out in multicultural issues (Adler, 2002) during conflicts and difficult situation. Loth (2006) compares the French and the Swedish in terms of stereotypes: French are often seen as lazy workers, very hierarchic, not on time, not cooperative and unreliable while Swedish are often seen as cold, formal, reserved, not expressive, on time, organized, not very flexible, and very direct in their communication style.

These are stereotypes are not characteristics of these two populations. Unfortunately it will play an essential part because they represent the first reference used for

interpreting the behaviour of foreign colleagues. Experience within the team will then confirm or nuance these stereotypes (Adler, 2002).

For Iribarne (1997) if time were taken to understand in depth cultural differences, the stereotypical characteristics that are used to explain and justify the actions of others often appear to be very much caricatures.

VI- <u>The advantages</u>

Cultural differences can promote creativity and innovation (Meier, 2004). According to Adler (2002), a multicultural team productivity can be highly above expectation or dramatically below expectations compared to single cultural teams. To put in place an intercultural strategy is difficult; it implies different techniques to manage cultural diversity and turn these differences into a competitive advantage.

Studies have shown that multicultural teams because of their cultural diversity often reach a better solution to solve complex problems (Brett et al. 2006).

Loth (2006) argues that one of the main advantages in a multicultural team is the obtainment of synergies especially because of the different cultural approaches in solving problems (technical, commercial, human). Hence companies must know how to manage this diversity and be able to work effectively.

Cultural differences are not only a competitive advantage but also a way to develop specific skills adapted to the local culture and allow the company's to adapt to new markets (Chevrier, 2000).

VII-<u>Intercultural Management and conflict resolution</u>

Intercultural management is a set of management strategies where cultural diversity of each individual of a group is taken into consideration (Brett et al. 2006). Each national or personal culture impacts the company culture; it is therefore important to install a

cultural diversity policy for managers while working in an international context. A manager should know the specifics of each culture of each of his team members.

According to Chevrier (2003), the key in multicultural management is neither to erase differences nor to even cultures but to identify legitimate ways and working habits even if this legitimacy is based on very different interpretations.

For Chevrier (2003) this method of developing common ways of working emphasizes and implies on an explicit communication between the team members however this method might not be useful for contexts where implicit communication is the norm.

VIII-   The role of managers and team members

For Chevrier (2006) team members must be willing to find common agreements, but for this they first need to be supported by their managers and then, have at their disposal decoding tools on their differences and similarities on how they work and interact together.

However Chevrier (2003) warns that relations of powers can result in the imposition of the cultural model of the manager even though the establishment of intercultural cooperation will depend on contexts and cultures. Some managers confronted to a multicultural issue will try to federate their teams by referring to the professional culture. These managers argue that this way has the advantage to overcome the cultural differences by creating references to a common profession. Meier (2004) supports this idea; the creation of multicultural team around a common profession has a unifying role within the company by gathering the members around common knowledge and expertise. However Loth (2006) argues that Meier's model is only consistent within a French context where the social identity of a professional activity title has an important place. She argues that this might not work in a German or American environment where the job title doesn't have the same meaning.

Conclusion

Authors agree that within an intercultural context, what helps in an open mind and the acceptance a different culture other than our own – this is essential. It might take time but is necessary. This learning process would help individuals not to focus on their own cultural system, but put it in accordance with others so that misunderstandings are no longer seen as a threat but as a tool to find new solutions (Chevrier, 2003). According to Meier (2004) intercultural competences can be defined as the ability of an individual to be able to analyze and understand the situations of interaction between people (and between groups) from different cultures and to manage and develop objectives of the company. This implies a sensitivity to human diversity, the adoption of a non-ethnocentric vision and behaviour that it is based on the difference between tolerance and empathy. It is not just the acquisition of skills and knowledge.

Summary

Authors have demonstrated that a team evolves step by step before reaching the optimal functioning; depending on the type of teams and its members some teams will quickly move from one stage compared to another who will take more time to evolve. They have claimed that it is important to analyse the team in terms of strengths and weakness to be able to act on being more efficient.

When a team is multicultural others factors have to be taken into consideration as culture is not a fixed concept. Hofstede (1993) argued that culture is now the most important factor to take into consideration in multicultural team management.

Various authors have shown that cultural diversity management has become a new way of management; with members from the same team are from different cultures there is a need to manage this diversity efficiently.

The work and research carried out by the various authors support the evidence that there are a large number of differing behaviours, opinions and skills resulting from somebody's own culture. They insist on the fact that it is primordial to analyse and acknowledge cultural differences in order to work efficiently with members of the same group from different cultures. A manager will have a strong advantage if he is aware of the cultural diversity of his team and the challenges that goes with it.

Chapter 2- Methodology

After the literature review and presentation frameworks from various authors to support the research topic, the next step is now to design the methodological research method.

The first essential component of the research is to define the research question and the aim of the study, both already formulated in the introduction; the main goal being to evaluate/analyse the impact of cultural diversity on team management in Ireland's US multinationals.

The research will allow to create an understanding of the interaction process between a team and its manager.

Two methodology approaches are widely used: the quantitative method and the qualitative one. The choice of the method depends on the information required to answer the research question.

A quantitative research is based on data such as numbers and figures; while a qualitative research is based on information such as words, sentences and narratives (Blumberg, 2005).

In other words, the quantitative research method has a numerical approach whereas the qualitative research method has a more subjective approach.

For the case of this thesis, the author has chosen the qualitative method; given the nature of the topic of this thesis it is essential to conduct a deep qualitative research to identify the impact of cultural diversity on team management. This method seems to be the most appropriate one as it will help to understand the challenges of multicultural teams and the way to manage them.

A- <u>Research Question</u>

The topic of this thesis is to evaluate the impact of cultural diversity on team management; the objective of the research is to demonstrate that culture is an important strategic factor for companies in team multicultural management.

That said, the research will help answering the following problem: what is the impact of cultural diversity on a team? How do Managers deal with multicultural teams? What are the challenges of managing a multicultural team? How to overcome the challenges and become more successful? Which measures are taken to unify a multicultural team; how an efficient environment for a multicultural team can be created?

More specifically, ways of management will be discussed with regards to cultural diversity and team management.

B- <u>Research Philosophy</u>

I- <u>Qualitative research</u>

Qualitative research is a set of investigation techniques which are widely used in research methods. It gives an insight into the behavior and perceptions of people and allows to study multiple views on a particular topic in more depth than with a survey. It generates ideas and hypotheses that can help understand how an issue is perceived by a targeted population and define or identify options related to a specific topic (Rugg & Petre, 2007; Blumberg, 2005; Flick, 2006).

Group discussions and individual in-depth interviews are the most common qualitative techniques. Qualitative research is based on semi-structured or even sometimes unstructured interviews where the interviewer works with a set of questions developed for the purpose of a study (Rugg & Petre, 2007; Blumberg, 2005; Flick, 2006).

Compared to the quantitative research method mainly based of survey techniques, qualitative research does not use a closed questionnaire. The researcher has flexibility to adapt the discussion based on the responses and experiences of participants. The researcher can then eliminate areas of questions that do not generate a lot of useful information and keep those that are most promising (Seidel, 1998).

Qualitative research is based on a flexible and interactive research strategy; it is characterized by an approach that aims to describe and analyze the culture and human's behaviour. This research method focuses on getting the best complete knowledge of the social context in which the research is conducted. This particular context is seen as a series of interrelated events which reflects the reality of everyday life (Rugg & Petre, 2007; Blumberg, 2005; Flick, 2006).

Qualitative methods do not generate statistics and results cannot be extrapolated to the general population given that the research sample is not representative as it is not randomly chosen. On the contrary, quantitative research is based on a systematic approach to the obtained information from a sample of the population to provide valid statistic results- mainly percentages. For this reason, qualitative data is generally inconclusive statistically and should not be used as percentages or numbers in an approach to quantify qualitative information; it does not reject the use of numbers or statistics but just does not give them the first place (Taylor & Bogdan, 1984). However it is important not to underestimate the usefulness of qualitative research. A good interviewer can gather information and good ideas by asking additional questions (Taylor & Bogdan, 1984; Blumberg, 2005).

The methods of data collection commonly used in qualitative research have advantages and specific limitations.
These methods are (Rugg & Petre, 2007; Blumberg, 2005; Seidel, 2006):

- Unstructured interviews: the interviewer does not ask prearranged questions to guide the respondent; the discussion is free.

- Semi-structured and structured interviews: the respondent answers prepared questions and

  scheduled in a predetermined order.

- Online interviewing (Flick, 2006; Meho; 2006)

- The group interviews;

- The methods of observation;

C- <u>Method of Data Collection</u>

I- <u>Online/E-mail interviewing</u>

For this study the method of interview has been selected as it is the most appropriate one for the purpose of this research; which is to obtain information from experiences, testimonies and processes.

Qualitative research methods have seen technological changes as now Internet is used to perform interviews. This new phenomenon is said to represent a more and more important place in data collection in future research/studies. This relatively new method of data collection has become an important tool; it is innovative and creative furthermore that this method will allow to reach a wider number of respondents (Flick,2006; Meho, 2006).

Flick (2006) argues that more and more people use their email as a secondary tool of communication; plus it contributes in reaching people who are not easily available for a face-to-face interview.

Meho (2006) and Flick (2006) both recognize online interviewing as a gain of time as this method proscribes the interviews transcriptions as answers are already given in writing. Additionally, one of the advantages of e-mail interviewing is that respondents will feel open to give more information as they will remain anonymous and no personal

information is revealed. Hence, their answers will be more detailed, with examples, and deeper explanation of personal experiences.

Flick (2006) also argues that with an e-mail a respondent has the ability to reflect and think about the question as long as needed before giving any answers. In contrast to face-to-face interviews, some respondents might feel pressed for time and reveal less about their real feelings and experiences towards the study topic. Moreover in a face-to-face interview, the interviewer can indirectly or directly influence the respondents while in an e-mail more objectivity is guaranteed.

Therefore, the author of this thesis has decided to select this method as a way to collect the required information.

II- <u>Reliability and validity</u>

Golafshani (2003) insists on the validity and reliability factors when carrying out a research study; it is primordial that the research done is conducted on a reliable and valid basis. He also argues that they are significantly useful to analyse outcomes in order to evaluate and assess the quality of the research.

Reliability refers to the way the research has been carried out and aims to determine if another researcher studying the same topic would provide the exact same results. In other words, reliability is to measure the degree of consistency within the research.

The author of the thesis recognizes her research to be reliable as answers provided by respondents were as objective as possible and independent- for the reason stated in the justification for the use of e-mail interviewing. If questions were to be asked another time to the respondents, answers will be the same as previously provided; therefore it can be positively assumed that the research carried out is reliable.

As per Golafshani's research (2003) for some researchers validity is not an applicable concept in qualitative research; however he counter-argues that there is a need to

measure the quality of the research. The author has based her research on a solid theoretical background as per the literature review of this thesis and the research has been designed to evaluate and measure the research question. Therefore it can be said that the method approached is valid as per the techniques used.

III- <u>Structure of the e-mail interview</u>

Meho (2006) has elaborated guidelines for conducting effective e-mail interviews. The author has used his approach to conduct the interviews. Respondents were first individually approached face-to-face to ask them if they would agree to participate to the interview; with this approach respondents feel valued and important which push them to participate with motivation (Dillman, 2000). After the initial request, the author sent individual email to each participant. Meho (2006) also suggests using an effective subject line to attract the recipient; the author used the title "Interview for my MBA thesis". In the body of the e-mail, the author informed its participants that even though individual emails are sent the information gathered will be totally anonymous and confidential.

The online interview started with a brief introduction to the purpose of the research (See Appendix 1). The questions were based on previous theories explained in the literature review and based on the Cultural Perspective Questionnaire, a study conducted by IMD (2010). Questions have been grouped in five categories so the interviewees can have an overall idea on what the interview consists of.

The first category grouped four general questions in order to gather the respondents' background in terms of cultural diversity; what is their nationality, their gender, how many nationalities are they managing and how many years have they worked with a multicultural team.

The second category grouped four questions about the advantages of working in a multicultural team; the aim of this category was to grasp respondent's opinions about how multicultural teams bring positive outcomes for the business.

The third category regrouped five questions about the challenges and problems of working in a multicultural team; the aim of this category was to understand the negative outcomes of a multicultural team and how a manager would deal with such issues.

The fourth category grouped four questions about experiences and opinions on multicultural teams; the aim of this category was to understand manager's behaviours and opinions based from their multicultural management experiences.

And the last category grouped three questions on multicultural awareness; the aim here was to identify the degree of cultural awareness among managers.

Finally a last question was included to allow additional comments, if managers wanted to supply more information on the topic with regards to their experiences and opinions.

D- <u>Research Samples</u>

As mentioned in the introduction, Ireland has become a destination for US multinationals and for European citizens. This has created a new structure within companies as teams are now mainly multicultural. Indeed these US companies have their European Headquarters in Dublin where languages from Europe, Middle East and Africa are needed.

I- __Companies Selections__[1]

For this thesis, two US multinationals have been chosen to build a case study around the management of a multicultural team. The research is focused on the study and analysis of these two companies; the case study method allows to acquire a detailed understanding (Thomas, 2009) on how these companies operate with multicultural management. On top of that the author has an easier access to the necessary information to conduct this research as the companies chosen are the ones the author has worked for over the past five years in Ireland.

Company A

Company profile:

Company A is a US company founded in 1982 and opened in Ireland in 1991. As of 2012 there were 825 employees in the Dublin side and more than 60% of these employees are foreign nationals. The company considers its cultural diversity as one of its main success factors with employees, for instance regular events are organized to recognise this particular aspect of its structure.

The company has its headquarters in California and is present in 40 countries, with approximately 18,500 employees worldwide. It is a public company since its IPO in 1989 and is listed 353 on the Fortune 500 list. In 1985, the company made its first success with the release of its major product "X"; its sales for that year totalled $1.4 million dollars. From 1987 the company switched focus from product development to acquisition of other companies with 73 acquisitions worldwide.

Company A is described as a "global leader in providing security, storage and systems management solutions to help customers – from consumers and small businesses to

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[1] Companies' information available on request but in order to protect their identities the references have been withheld from the reference list.

the largest global organizations" (Company A, 2011). As of today in 2013, the company is referred to one of the ten largest software companies in the world.

People Management Strategy

The main goal in people management's strategy is to identify the type of person who is needed for the company to achieve its overall business purpose (Aminsano, 2013). What do people in the company need to be like? It can be sales focused, customer oriented and so on.

In company A, the values needed are "Innovation, Action, Customer driven and Trust". All of these values are an essential part of the business strategy - when it comes to its workforce- in order to deliver the best to the marketplace. Indeed its vision is "People should be able to work and play freely in a connected world".

A company's values create the organizational culture of the company (Buyens, DeVos 2002) and are also part of the organizational chart structure. This value-based structure constructs the people management of the company.

Company A argues that its values make it a great place to work for employees (Company A, 2011); they should feel empowered to innovate, to take action, to be customer driven and know that customers trust them to make the right decision.

Cultural diversity

The company has employees from all around the world, and there are more than 40 nationalities at the Dublin site. Company A embraces its diversity and claims that "diversity in thought, perspective, experience and life is a vital part of their culture" (Company A, 2013).

Cultural diversity at Company A refers "to the business attitude that encompasses respect, open-mindedness, and a commitment to learn from others" (Company A, 2013).

Company A recognizes that acknowledging cultural diversity brings richness and varied business results; they claim that not only do they receive a "better return on investment on human capital, they also benefit from the innovation, creative problem solving, and enhanced productivity" (Company A, 2013).

Cultural Diversity Initiative and Strategy

Company A has set up an initiative to recognise its cultural richness; it responds to an increasing need to satisfy the business in a complete new way. The initiative's aim is to focus on remaining at the top in a growing competitive environment. By doing this, Company A aims to consistently value multicultural team work and diversity.

The Cultural Initiative Strategy

> Understanding the market place: customers, suppliers and partners are becoming increasingly global and multicultural. There is an obligation from the company to be able to relate to these various business actors. There is a necessity to be alert to their customers' needs. In this regard, Company A argues that having a workforce that reflects the structure of the society at large, helps to ensure that their products, services, and messages are meaningful and relevant to the various stakeholders. The company also argues that the more it understands the culture of its customers the greater its ability to understand and respond to the customers' diverse needs. And finally Company A acknowledges that relating to and respecting different groups, cultures, and communities around the world increases its ability to be a good corporate citizen.

> Making differences their advantage: the main competitive advantage for Company A is to remain a leader in innovation, creativity, problem solving and organizational flexibility. And in order to meet this global challenge the company has to have diverse perspectives, talents and teams.

- ➤ <u>Creating the best place to work</u>: as workforce demographics are changing, competition to attract and retain top talent is growing; in this context Company A ensures to manage efficiently its differences to create the best place to work through a strategy that guarantees the execution of innovative cultural diversity initiatives to secure their "ability to recruit, develop, retain and promote exceptional talent from an array of backgrounds and geographies" (Company A, 2013).

- ➤ <u>Meeting the customer needs</u>: needs and expectations for products and services are diverse, suppliers and partners are mainly multicultural. To respond to this diversity, Company A forces itself to understand, interface and respond accordingly by leveraging its own cultural diversity to increase collaboration.

<u>Mission and Vision of the Cultural Diversity Initiative</u>

Company A's mission is "to increase cultural awareness and to increase the power of a unified, multicultural workforce where individual differences and unique perspectives are respected and leveraged in order to achieve business objectives" (Company A, 2013).

The vision is to have an "inclusive, multicultural environment, rich in cultural diversity, where the potential of every employee is realized and where diversity is not only valued, but recognised both internally and externally as the company's distinct competitive advantage" (Company A, 2013).

<u>Cultural Diversity as Competitive Advantage</u>

Company A's competitive advantage is its people and its cultural diversity. Its cultural diversity represents its strength and one of the main strategies through which the company will continue to accomplish its goals and be successful worldwide.

Its cultural diversity enhances Company A as it enables the company to capitalize on entering a new marketplace; its cultural diversity increases workplace creativity and

innovation; it improves the quality of results and serves as a catalyst for a better return on investment on human capital; it improves group performance; attracts a stronger workforce and improves people retention.

The cultural diversity and its strategic initiative are intimately tied to financial success and final results (Company A, 2013). It helps to best develop breakthrough products by using all the diverse resources and perspectives to enhance creativity and innovation.

Conclusion on Company A's approach to cultural diversity

The cultural diversity of the company is used at its best, and used to maximize its competitive advantage. Company A's approach "embodies its attitude towards cultural differences and its awareness of the impact that being different has on its daily interactions" (Company A, 2013). Managing cultural diversity encourages and acknowledges both internally and in action the existing cultural differences; it also promotes corporate success through the use of such various cultural differences.

Company B

Company Profile

Company B is US company founded in 1913 and opened its services in Ireland in 1969. Company B is a "global management consulting, technology services and outsourcing company, with approximately 266,000 people serving clients in more than 120 countries. The company generated net revenues of US$27.9 billion for the fiscal year of 2012" (Company B, 2013). As of 2013, Company B has about 1,300 employees in Ireland and 45% of these employees are foreign nationals. The Dublin office's main activity includes working with world's leading companies, including eighty-nine of the Fortune Global 100 and more than three quarters of the Fortune Global 500 (Company B, 2013).

<u>People Management Strategy</u>

As previously said, the main goal in a people management's strategy is to identify the type of person who is needed for the company to achieve business goals (Aminsano, 2013).

In Company B, the company operates in a way to deliver results called "The Company B Way" (Company B, 2013). Since its creation, Company B has been regulated by its core values; it has shaped its culture.

Its core values are "Stewardship, Best People, Client Value Creation, One Global Network, Respect for the individual, and Integrity." All of these values guide how the Company Behaves and make decisions (Company B, 2013).

Employees at Company B are expected to improve communities and global market interactions; by demonstrating a "can-do" attitude; with the objective of creating client value by being responsive, relevant and by consistently delivering expectations.

Company B also focuses on the importance of supplementing a global perspective and the ability to deliver exceptional support to clients anywhere in the world. In this regard, Company B values cultural diversity at its upmost by furthering a trusting and open environment.

<u>Cultural diversity</u>

The company has employees from all around the world with more than 40 nationalities in the Irish office. Company B takes the widest possible approach to its cultural diversity to welcome an environment that welcomes all cultures. Company B claims that the cultural diversity of its people is part of what make the company exceptional: "individuals of diverse backgrounds, unified by the company's core values and common methodologies, position Company B to deliver high performance with the best mix of world –class capabilities and experiences" (Company B, 2013).

Company B's cultural diversity is fundamental to its own culture and core values as it encourages an innovative work strategy; the company claims that "by embracing a

culture that support cultural diversity, its people collaborates successfully and enables the company to compete effectively in the global market place" (Company B, 2013).

Cultural Diversity Program

Company B has a Cultural Diversity program that sets their overall strategy; its aim being to build the way they do business, develop its employees and satisfy its clients. The company's core values, cited above, are part of the diversity program reinforcement by providing strategic guidance among its multicultural stakeholders (Company B, 2013).

At every Company B location, the company has selected a leader who acts as the "Human Capital & Diversity Geographic lead". This leader has the responsibility to create cultural programs that promotes not only employee development but also communities and clients in the given location.

One of these lead stated the below:

"By learning about a culture and listening carefully to our people, my ability to understand, communicate and effectively interact with our global workforce has increased dramatically and helped me become a more effective leader and advocate for our people."

Mission and Vision of the Cultural Diversity Program

Company B's mission is to provide its employees with the necessary resources to work across cultures; a multicultural workforce has a broader skill set, and brings creativity and innovation.

The vision is to have "a culture that is inclusive of everyone and where everyone has the opportunity to succeed with the ability to work well cross-culturally and know how to best collaborate with people from any country" (Company B, 2013).

Conclusion on Company B's approach to cultural diversity

Company B supports multicultural teams by organizing activities to enhance effective work across cultures; it is important to understand how to work in a multicultural environment and supplement the cultural diversity which is inherent to the "Company B Way" of doing business.

Company B's multicultural workforce is what makes the company "stand out from the competition and drive high performance for its clients" (Company B, 2013). The company argues that the understanding of its cultural diversity improves the way its employees work together as a team on a daily basis (Company B, 2013).

II- **Respondents selections**

Respondents have been selected in the two targeted US multinationals; the author has identified six respondents in each company.

Since the research is based on analysing the impact of cultural diversity on team management, the study will be focused on these two US multinationals where multicultural teams are the norm and where cultural diversity is praised as seen above.

The author has decided to narrow-down the respondents sample to managers of these two companies. The managers chosen correspond to the required criteria of having multicultural management experience. They are all professionals currently working in multicultural teams for a certain numbers of years within the Irish multinational sector.

The respondents selected were also chosen based on the fact that the author knows them and knows that they have been working in a multicultural environment for more than three years. This research approach is supported by Riemer (1977) who introduced the "opportunistic research strategy" and by Adler and Adler (1987) who completed Riemer's view by calling it "member-researcher"; they have argued that a

method to reach a target population for a study is to choose a setting where the researcher already know the people and its environment.

The selection will provide a wider approach on different perspectives in the research and on the analysis. The author also aimed to reach out to many different cultural backgrounds from the manager's perspective.

Given that this thesis is on cultural diversity, the first question asked to participants was their nationality. This question is more than essential to conduct the research as it shows the importance of cultural diversity in these companies; moreover it will help towards the explanation of future found patterns.

As previously stated, respondents selected have all at least three years experiences in working with a multicultural team with a maximum of twenty years. The participants have also been asked how many different nationalities they are working with. These two questions are important and relevant to the topic to investigate properly the participants' background in order to know how long and broad their experiences are with multicultural teams.

The table below is grouping the profile of the twelve selected managers along with their responses in relation to their background:

	Interviewees					
Profile	Respondant 1	Respondant 2	Respondant 3	Respondant 4	Respondant 5	Respondant 6
Nationality	Polish	Irish	American	Italian	Turkish	French
Gender	Female	Female	Female	Male	Female	Female
Role	Project Manager	Collection Manager	Financial Controller	Credit Manager	Collection Manager	Collection Manager
Number of nationalities on the team	5	2	4	5	1	4
Years of multicultural management	7	8	20	8	2	8

	Interviewees					
Profile	Respondant 7	Respondant 8	Respondant 9	Respondant 10	Respondant 11	Respondant 12
Nationality	Turkish	French	Irish	Irish	Swedish	Irish
Gender	Female	Female	Male	Female	Male	Male
Role	Collection Manager	Project Manager	IT manager	F,P& A Manager	Credit Manager	Facility manager
Number of nationalities on the team	9	5	20+	3	7	20+
Years of multicultural management	4.5	5	10	8	5	10

D- <u>Data Analysis</u>

There are various methods to analyze the research findings; the analytic, the synthetic, the objective, the dialectic, the experimental, the systemic, the inductive and deductive methods.

In qualitative research, two method of data analysis are commonly used: the inductive and deductive ones.

The deductive method starts from given concepts, definitions, principles, and rules, and then puts them into practice through practical applications. While the inductive method proceeds from a reverse approach. It starts from a concrete and accessible situation and aims to generate concepts, principles or rules.

The deductive method consists in formulating a hypothesis to deduce observable consequences to determine their validity. In practice, the method is used to apply a general principle to a particular case. The aim of this method is to verify a general hypothesis on the largest number of individual observations (Guidere, 2004).

The inductive method is defined as the process to pass from the facts to the rule, that is to say, from a singular or special case to a more general proposition. Its principle is represented as follows: Observation, Finding and Principle statement.

Indeed the inductive method must meet three basic phases:

- Phase of contextualization: the researcher observes the facts

- The conceptualization phase: the observer can deduct hypothesis from observation
- The recontextualization phase: the researcher validates or verifies his hypothesis against the theory.

The author of the thesis has chosen the inductive method to analyze the research findings. This method will evaluate the behaviours and experiences from the research samples. As the theme of multicultural management is very broad, the author cannot apply all the theories around this subject. However it is possible to come to one of the existing theories based on the qualitative research method used. Consequently, the inductive method seems to be the most relevant to this thesis. From the interviews data will be collected, then interpreted to identify patterns with similarities (Thomas, 2009).

The research will first be focused on the data collected from the interviews; then will follow an analysis and a discussion category by category in the order of the interview structure. The aim is to identify similar patterns and differences between the information gathered and the literature review. Finally, the last part of the research will conclude on an elaboration of a theory based on the findings.

E- <u>Ethical Considerations</u>

Given the nature of the subject, it is important to consider ethics in order not to fall into prejudices, and stereotypes. Any unethical comments will be ignored. The privacy of the interviewed persons and the company they work for will be respected and will never be judged at any time. The interviewed people will remain anonymous; no personal details will be given in this thesis.

F- <u>Limitations of research</u>

The theme of multicultural management is very broad; therefore it is important to note that it is impossible to cover all the aspects of this topic. The thesis is focused on the way a manager deals with a multicultural team within two specific companies in Ireland.

Indeed, as this research is being conducted among 12 people within these two companies it is important not to make any generalizations from the findings obtained.

Chapter 3- Findings and Discussion

A- Introduction

The aim of this study was to evaluate the impact of cultural diversity in team management among the US multinationals in Ireland. The e-mail interview was sent to twelve people and the response rate was 100% as a face-to-face request has been initially made to ensure completion of the interviews. The results and findings of the interview will be explained below along with a discussion on the key findings. The discussion will be made with reference to the literature.

This chapter will be structured around the major themes around which the interview has been conducted:

Advantages of working with a multicultural team

Challenges and problem of working with a multicultural team

Experiences of working with a multicultural team

Cultural awareness

B- Advantages of working with a multicultural team

All the participants confirmed that working in a multicultural team has a definite advantage. The pattern in the answers of the four questions asked in this section has led to similar results as the ones from the previous researches cited in the literature.

I- The main advantages

When the first question "What are the advantages of working with a multicultural team?" was asked the author suggested to the respondents the four main advantages cited by the literature review: that is to say creativity, skills varieties, better understanding of global customers' needs and flexibility (Meier, 2004; Brett et al., 2006; Chevrier, 2000).

82% of the respondents put "Better understanding of global customers' need" first; in second they put skills varieties for 80% of them; in third "creativity for 74% of them and finally flexibility at last for 72% of them.

These results shows us that the companies aim towards cultural diversity are met; indeed companies A and B have argued that their cultural diversity constitute one of their main competitive advantages as they are now more able to respond to the global customer.

Company A stated that "the more it understands the culture of its customers the greater its ability to understand and respond to the customers' diverse needs"; while Company B argued that "by embracing a culture that support cultural diversity, its people collaborates successfully and enable the company to compete effectively in the global market place."

Therefore it can be said that managers in both companies have seen the fact that having a multicultural workforce represent a strong advantage to compete more effectively.

In terms of creativity, as Meier (2004) argued, the multicultural team promotes and enhances it as well as innovation. On top of placing creativity in the second place one respondent has argued that creativity is rarely achieved without a multicultural team:

> *"Creativity is very important as I don't think it can be achieved without a multinational team; members of a team will eventually bring new ideas that one could have never thought about because of a different cultural approach."* (Respondent 3)

It was obvious that a large majority of the respondents believe that having a multicultural team allowed them and the company to be competitive and gain further success with creativity and more skills varieties.

Moreover, Brett et.al (2006) stated cultural diversity has now become a competitive advantage as globalization has led to the creation of multicultural teams for the research for more profit. Indeed the literature argues that today companies acknowledge the benefits of having these multicultural teams; Chevrier (2003) affirms that the key success in multicultural management is to recognize these cultural differences.

"Skills varieties" as an advantage has been put in the third place; one respondent justified his choice by saying that:

> *"I don't think that this is dependent on cultures; it shouldn't be specific to cultural background. A team can be built on different skills for each member who can all share the same cultural background/the same nationality."*
> (Respondent 10)

In the literature, Brett et.al (2006), Chevrier (2000) and Loth (2006) make the same statement where in the past team used to be of one single nationality but with different skills; therefore it can be said that skills varieties are not specific to multicultural teams.

"Flexibility" was chosen last; most of the respondents explained their choice by saying that it depends on what nationality they have. Their statements tie back to Trompenaars' research (1996) where the approach to time management differs from one culture to another. Indeed the literature review stated that "Individuals from sequential culture tend to schedule their time very tightly completing tasks after task while the ones from the synchronic culture are more flexible and can complete multiple tasks at the same time."

An additional advantage cited by the respondents is "languages"; indeed team members often use their native languages in their role within these two multinationals.

II- The major advantage:

To go deeper into their opinions the author asked them what they consider as the major advantage of working with a multicultural team.

From the responses gathered, two main advantages have been identified:

➢ Customers' need are satisfied easily:

"*The biggest advantage is the diversity of views and background brought to a team. It makes for a more rounded team who inherently gain an appreciation of other cultures and knowingly or otherwise bring this appreciation to bear in dealings with customers.*"(Respondent 5)

"*Exposure to how other cultures think ensures we are more aware of our customers' needs since they are multicultural.*" (Respondent 10)

"*Easier to address customers' needs.*" (Respondent 2)

As argued above, the main competitive advantage of having a multicultural team is that customers' needs are met and easily satisfied (Meier, 2004; Brett et al., 2006; Chevrier, 2000).

➢ Learning from others different approaches:

"*Opportunity to learn and understand other cultures. Such understanding can help to tailor strategies, approaches and processes to be more effective.*" (Respondent 4)

"*It's a great source of different knowledge- ways of dealing with conflicts, solving issues.*" (Respondent 3)

"*Provides different viewpoints, more patience and acceptance for different backgrounds.*" (Respondent 7)

"*Major advantage: interaction with different cultures and learning different approaches to tackle issues.*" (Respondent 11)

"Different strengths, different approaches and if you know how to make use of each, very diverse. Also people make friends and friends work better together." (Respondent 1)

"Learning different cultures opens your mind and gives different points of view from a Management skills perspective." (Respondent 2)

"People from different background will have an open mind and a flow of new ideas will be greater. This will lead to innovations, discussion forums and skills/knowledge gain." (Respondent 6)

Brett et.al (2006), and Schein (1992) argued that learning from cultural differences and understanding them is important to achieve success. Here in both companies, managers do recognize that learning from others and understanding cultural differences can help in developing new strategies to be more effective in the day-to-day activities. Learning from others also brings an open mind to the team; a manager aware of the cultural diversity of its team will be more flexible in understanding and approaching different ideas.

III- **Multicultural teams as an efficient team**

Participants were asked what multicultural teams need in order to succeed as an efficient team; the author suggested to the respondents the four criteria: that is to say flexibility, adaptability, cultural differences awareness and team cohesion.

87% of the respondents put "cultural awareness" first; in second they put "adaptability" for 86% of them; in third "team cohesion" for 80% of them and "flexibility" last for 72% of them.

Meier (2004) argued that multicultural management has to be balanced between preservation and transformation while focusing on interactions among employees; this is how multicultural teams will reach a certain level of working together as they will

overcome their own personal culture and adapt better with others. The findings above match Meier's view, as the respondents justified their ranking as per below:

> *"One needs to be aware of the cultural difference and allow a certain flexibility in order to ensure smooth operation in the day to day running of the business."* (Respondent 4)
>
> *"Due to the cultural differences in a team one should adapt to certain guidelines to have a common acting ground to operate from."* (Respondent 5)
>
> *"One needs to converse in the same cultural context in order to achieve desired results quickly without offending or alienating the other party."* (Respondent 2)

IV- <u>The key success factors</u>

To conclude the section on multicultural teams' advantages, the author asked the participants what are for them the key success factors in having a multicultural team. From the responses gathered, three main key success factors have been identified:

➢ <u>Common goal:</u>

> *"Common Goals, Clear understanding of the jobs required and Flexibility."* (Respondent 10)

Alder (2008) had suggested ways for team success and ways to reinforce the structure of the team to improve effectiveness and goals accomplishment. As cited in the literature among the five factors he identified, he argued that it is very important that team members have common goals and are able to communicate clearly about the different goals they may have.

➢ <u>Cultural Awareness:</u>

> *"Having people of equal status; be of a balanced demeanour and make certain there is awareness of any cultural friction. Where this happens, be very quick to*

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impose training on these individuals and make it clear that those intolerances will not be accepted" (Respondent 2)

"Cultural awareness and ability to use cultural mix to build successful team." (Respondent 6)

"Understanding business environments in customer countries" (Respondent 10)

"Awareness, capabilities and respect for team members"(Respondent 8)

"Cultural differences awareness"(Respondent 1)

"Employees being respectful to culture and background/education difference. Being open minded and honest to each other. Supportive also." (Respondent 5)

"Know your differences and put them in use towards your advantage." (Respondent 3)

"Cultural awareness." (Respondent 8)

Most of the respondents independently identified "cultural awareness" as the key success factor in multicultural team management; indeed the understanding of working with a different culture enables each team member to get to know each other better.

For the biggest majority of participants, being aware of each other's cultures helps to understand people's behaviours and values. The concept of understanding someone's culture has been defined by Schein's model level of culture (1992) as cultures are complex and multi-layered. Some of the respondents go further into knowing somebody else's culture: they want to go beyond the visible part and understand the values of each culture. The less visible part of cultures is the ones that explain people's behaviours, norms and beliefs.

As a manager it is a very strong advantage to gain cultural awareness as it leads to a better understanding of cultural differences.

- ➢ Communication:

  "Clear communication and ongoing training helps to raise the success level of the team." (Respondent 3)

Among Alder (2008) suggested ways' for team success he also identified "communication as a key success factor" and argued an effective interpersonal communication is essential to the proper functioning of the team. It is also important that a team develops a network of effective communication as the response given above shows.

Conclusion:

As per the findings and discussion above it can be stated that the main observation/pattern is that there is a competitive advantage for the companies as there is a strong necessity in the market of having multicultural teams to respond to customers' needs.

It is clear that respondents trust in having a multicultural team to be not only competitive but also to gain cultural knowledge from other cultures. As discussed, the literature shows that multinationals recognize the benefits of multicultural teams; different approaches are taken which brings a certain advantage in problem-solving issues.

In the case of the two companies selected there is a definite need for multicultural teams as both operate on the international level from their Dublin's offices.

As a conclusion to this section it is evident that for the respondents cultural diversity affects teamwork positively; they all recognized multiple advantages of having teams composed of diverse cultures. Participants have shown that multiculturalism has many positive impacts on teamwork as supported by previously presented theories in the literature. For all the respondents the cultural influences are a strength for the team's success as long as common goals are defined, communication is clear and cultural awareness is achieved.

B- The Challenges and problem of working with a multicultural team

All participants have experienced challenges and problems with their multinational teams.

The pattern in the answers of the five questions asked in this section has led to similar results as the ones from the previous researches cited in the literature. For all the respondents challenges can also be seen as disadvantages; *therefore their answers will be described collectively.*

I- The challenges of working with a multicultural team

The first question asked in this section was simply: "What are the challenges of working with a multicultural team?" The author suggested to the respondents the four main challenges cited by the literature review: that is to say "Languages/ Miscommunication", "Attitudes/ Expectations", "Lack of cultural awareness" and "Attitude to time"(Meier, 2004; Brett et al., 2006; Adler, 2002; Iribarne, 1997).

Languages and miscommunication came first with 89%; as most of them justified their choices with the statements below:

"There should be a single common language." (Respondent 2)

"One needs to have a very good grasp of the language in order not to offend or alienate the other party." (Respondent 5)

"If the communication is not well written/ spoken it might irritate the other side which might result in a negative result for the individual/ group." (Respondent 4)

"It helps to have a well knitted team in order to effectively tackle any obstacles; there has to be realistic expectations of the team members which then need to be communicated in a clear and concise manner"(Respondent 11)

"Communication is the biggest single challenge. You may feel something is clear, but a team member may have a different interpretation. This can work both ways." (Respondent 9)

Meier (2004) has argued that communication, especially differences in languages, is the first cause of misunderstanding. Loth (2006) shares Meier's views as she adds that misunderstanding of any information or attitude can provoke tensions between members and create a gap based on cultural origins. Their views tie back to participants' views.

In second, 87% of participants selected "Attitude and Expectations"; they have justified their choice by arguing that:

"Some team members can have unrealistic expectations regardless of cultural background." (Respondent 3)

Here participants are referring to ethnocentrism, which can also be linked to a lack of cultural awareness which came third with 67%. Cateora an Ghauri (2006) defined ethnocentrism as belief that a particular culture is superior to another; in some societies this belief still exists and therefore engenders this kind of attitude where someone's else cultures is not respected.

Attitude to time has been ranked last; all participants argued that this is not an issue. Trompenaars has studied the relation to time as discussed in the previous section; time management differs from one culture to another. The respondents are all of Europeans nationalities; therefore it can be assumed that they all share the same attitude to time. Additionally Hofstede (1993) has argued that the European culture is more individualist than collectivist where social personal life is more important; hence this could explain the respondents' answers.

II- __The major disadvantages__

Participants were asked what they consider as the major disadvantage of working with a multicultural team. Opinions were not very varied and all followed two particular patterns.

- ➢ Communication problems:

    "Possible miscommunication due to language barriers." (Respondent 9)

    "Not understanding each others." (Respondent 4)

    "Challenges in communication due to the fact of not being an English native speaker; may lead to misunderstanding and sometimes conflict that could be avoided." (Respondent 8)

As discussed in the previous section, communication is the biggest disadvantage in a multicultural team (Meier, 2004; Loth, 2006).

- ➢ Lack of Adaptability:

    "This can be no one's fault, but could be as simple as not getting each other's sense of humour or cultural activities. This can grow over time, as team members break into separate lunch groups making bonding difficult." (Respondent 12)

    "Acceptance of bad working practices in customers' countries." (Respondent 10)

The author asked the respondent more details about this last quote; the respondent explained that some team members wouldn't adapt to the local culture and the company culture and instead foster the customers of his/her own country.

For a multicultural team, adaptability is a must (Yamazki & Kayes, 2004); without falling into prejudice/stereotypes the respondent informed that this particular experience happened with a person from a communitarian culture. Hofstede (1993) and Trompenaars (1996) both argued that some cultures are individualists and some are

communitarians; an individualist thinks as a unique person while a communitarian thinks as a person belonging to a group. In that case, it might explain the situation where more loyalty is expressed towards his/her community rather than her/his team.

III- <u>Problems caused by cultural diversity</u>

Participants were asked what major problems they have experienced caused by cultural diversity.

Answers followed the same pattern as in previous questions; that is to say primarily problems in communication:

> *"Biggest problems are around communication."* (Respondent 2)
>
> *"Heavy regional / national accents lead to communication problems."* (Respondent 12)
>
> *"Where English is someone's second language direct translations can be perceived as rude or offensive."* (Respondent 6)
>
> *"The biggest problem I find is that if communication levels are not very high and clear that problems can occur quickly. Clear communication is key in a multicultural environment."* (Respondent 7)

An interesting pattern came out however; lack of inclusion. Some managers expressed the fact that some team members don't integrate easily into the team:

> *"Risk of developing little internal groups composed by people of same nationality/culture. Such groups may affect team dynamics."* (Respondent 2)
>
> *"If people are new and don't know the cultures as a manager you spend lots of time unifying the team."* (Respondent 7)
>
> *"There is a need to watch for teams drifting apart. Sometimes people can be abrupt with other team members and management when seeking a black or white answer and do not appreciate when it is not available due to other*

variables. For example team members may not be interested in the reason for the complexity but rather want a simple yes or no." (Respondent 9)

Hofstede (1993) and Chevrier (2000) stated that multicultural collective work is difficult as team members' cultural assumptions are often not identical in terms of work organization. Their views tie back to the problems cited above by the respondents; expectations are different from team members to team members and because of these differences most of the time groups from the same nationality are formed which creates a huge lack of inclusion for the dynamism of the team.

IV- <u>**Problem management skills**</u>

In relation to the problems above, respondents were asked how they manage these problems. Responses were very varied but did follow a particular pattern:

"I have managed this by appreciating that this team member may just be reflecting the frustration of their customer, who comes from a more forthright culture. However, I would explain to them the reasons for the complexity and ask them to take this into account in future dealings, but develop a plan with them in how to communicate this to the customer." (Respondent 3)

"Validating and having people feedback their understanding of what has been communicated." (Respondent 6)

"By offering to be the communications conduit, and relaying this information to people who may not have as much patience or tact as may be required." (Respondent 4)

"Ensure that everyone is on the same page and re-communicate as often as necessary." (Respondent 10)

"You need to step out, forget your origins and cultural limits and try to listen and see from different perspective." (Respondent 3)

"Arranging weekly meetings to listen and engage with the team. Repeat the messages and set misunderstandings straight or communicate again in a different manner if I feel the message is not being responded to as anticipated." (Respondent 11)

"Private meeting (group or one-to-one forum) - make sure that the employee understands the "big picture". Explain the what, why we are having the conversation, the effect on person(s)/team(s) / colleagues ... and close off with a mutual agreement and commitment of the next actions to resolve the issue." (Respondent 6)

The pattern seen in the responses above is the one recommended by Brett et al. (2006); they recommended that a manager should always know about the specifics of each culture of each of its team members. That is to say that those managers should engage in meetings and make sure messages are understood properly for the best of the team and its deliverables. Additionally Chevrier (2000) added that the key in conflict resolution is not to make abstraction of cultural diversity but to identify legitimate and common ways to accomplish a task altogether; which is exactly what the respondents meant above. A compromise based on effective communication should be met.

V- <u>Lack of cultural awareness as the main cause of problems</u>

Finally in the last part of this section, the respondents were asked if it was possible that a lack of knowledge and understanding of the different cultures caused some of these problems. Ten respondents confirmed that the question while two others affirmed the contrary.

For the two respondents that didn't agree with the question statement they argued that

"No, the management experience role plays more than the lack of knowledge in cultural differences." (Respondent 2)

"Problems can happen regardless of cultural awareness." (Respondent 10)

It seems that these two respondents' answers do not follow any pattern to link back to theories; therefore it can be assumed that they value management experience more than cultural awareness experience.

On the other hand the other participants argued the below:

"Yes, if there were team members who were not previously exposed to the concept of diversity in the workplace, this can be an issue once a manager starts guiding their thinking as to what is acceptable and not acceptable. If this immaturity continues, it may be necessary to enforce some extra training or, in some cases disciplinary action." (Respondent 4)

"Yes. Not being aware of subtle cultural differences." (Respondent 3)

"Communication style or way to ask things could be different depending on culture this may lead to misunderstandings." (Respondent 8)

"Yes, people perceive a second language within their own mindset and based on their shared cultural beliefs and attitudes the same 'learnt 2nd language' might mean different things to each individual." (Respondent 7)

"Yes it is. If a person is not open to others cultures, I do not think that he or she can understand his or her colleagues and as a result, it will create unwanted conflict and time to solve the problem; whereas it could have been spotted at the start and been worked on to prevent such stressful and interrupt the team building/cohesion." (Respondent 9)

"Absolutely, what is ok in one culture is totally rude in another" (Respondent 1)

"Yes, due to a lack of cultural awareness, and the thought that everybody is like you." (Respondent 6)

Again this ties back to the views expressed by Hofstede (1993), Trompenaars (1996) and Cateora (2000) where they stated that ethnocentrism creates conflicts as an ethnocentric attitudes makes the person feels like everybody is like him/her and therefore do not make any effort into understanding somebody's else behaviour. One person needs to open up their mind and adapt to the team in order to ensure that communication channels are clear to make a team successful (Yamazki & Kayes 2004).

Conclusion:

As per the findings and discussion above it can be stated that the patterns observed are in accordance with the literature. The large majority of participants have stated the same issues when working with multicultural teams such as miscommunication, lack of cultural awareness, and lack of inclusion; some of them have also made references to foreign accents and ethnocentrism. Overall the main disadvantage and challenge for a multicultural team is miscommunication which results in a lot of misunderstanding issues which can lead to conflicts.

Participants are aware of the communication challenge in multicultural teams and they have adapted their communication style to approach each of their team members 'culture by having regular meetings to ensure the clarity of messages.

Moreover, all of the participants agreed on finding common rules and goals to improve their teams' cohesiveness. Respondents have demonstrated the importance of managing cultural differences in order to be a high performing team where all members are equally treated. The key here is to promote integration as it will lead to an increase in team performance while accommodating the cultural diversity of the team.

C- **Experiences of working with a multicultural team**

The four questions asked in this section of multicultural teamwork experiences aimed to know if whether the participants preferred working in a multicultural team; the benefits experienced from this type of team; the role of team members in conflict resolutions and if national cultures have an influence in the work group.

I- **Multicultural team or same nationality team**

All of the participants are in favour of a multicultural team as it creates more success in deliverables; in the literature it has been argued that multicultural teams have a greater potential for success (Chevrier, 2000; Brett et al. 2006).
Participants have their justified their answers with the statements below:

"A multicultural team; it can be fun explaining aspects of Irish culture to new team members and learning about their culture from them." (Respondent 2)

"Multicultural as stated - required in order to provide the best possible service and also it's always interesting to see the different perspectives it generates." (Respondent 4)

"Multicultural. I interact and communicate with everyone throughout the entire building and I am completely aware that hones my skills as a communicator. I may need to tailor my English to help someone understand a difficult concept or process. But it is always possible to achieve the proper result." (Respondent 9)

"Multicultural- great choose to learn about different cultures, traditions, countries." (Respondent 3)

"Multicultural- it makes for an interesting working environment." (Respondent 5)

"Multicultural, as it provides a richer working environment. Different perspectives and ideas are brought to the table." (Respondent 1)

"I prefer the multicultural team as I find it is more rewarding due to the different approaches and attitudes one gets exposed to." (Respondent 10)

"Multicultural team - I strongly believe we can learn much more from each other when we are from different countries. It built our skills and knowledge but also increases our tolerance and strength." (Respondent 12)

"Multicultural, I like to use the different approaches and strengths towards common goal." (Respondent 8)

"Both are fine, and bring different skills to the table." (Respondent 11)

II- <u>Benefits of a multicultural team</u>

Since the totality of the respondents are in favour of working with other cultures, it can be stated that the positive features of the multicultural teamwork outweigh the disadvantages. Moreover, the respondents argued that multicultural teamwork brought them multiple benefits especially as part of a learning process. This can be seen from these statements below where the participants recognized the positives benefits in this type of teams:

"In work teams, they can guide you in dealing with customers from a similar culture as themselves." (Respondent 2)

"Creativity, understanding of customer behaviors and of local norms." (Respondent 3)

"It immediately widens my horizons on every level." (Respondent 4)

"Learnt about different cultures, food and social practices." (Respondent 2)

"Ability to learn new things and have a different perspective on things." (Respondent 1)

"Probably I became more open minded and I start to ask myself more reasons behind a behaviour before judging." (Respondent 7)

"One is more tolerant and open to other cultures. One sees a different point of view which might enable one to broaden their horizon." (Respondent 9)

III- <u>Teams' members role</u>

In terms of personal experiences, the author asked the participants about the role of team members in relation to problem solving. For Chevrier (2006) team members must be willing to find common agreements, but with the help and assistance from their managers so they can both work together towards the same goals. Chevrier's views do reflect into the participants answers:

> *"From the beginning respect all team members and be inclusive in terms of all activities. Tailor activities to cater for different interests and backgrounds. Have regular meetings. Very quickly the nationality of the team member shouldn't matter, only their work and team ethic."* (Respondent 12)

> *"Ensure that everyone is equally treated within the team regardless of their nationality/culture."* (Respondent 7)

> *"In my team I introduced on every Friday a presentation carried by each team member every week about their culture and about a topic they wanted to present. This has increased cohesion within the team."* (Respondent 4)

> *"Being open minded, honest and respectful. Like working as a team and support each other. Not being self-orientated. Being flexible and adaptable."* (Respondent 3)

It is important to note that in multicultural team management everything is not just the manager's responsibility. Without the willingness of adapting from team members very little success will be achieved; it is the manager's responsibility to ensure that the adapting process is met however team members have to be open-minded and accept differences. As for the managers, both need to be aware of cultural differences and communicate effectively for the well-being of their teams.

IV- <u>National culture influences on the team</u>

The last question asked here in this section was to assess whether the participants saw any national culture influences on the group work. The answers to this question were very mixed; some respondents stated that there is no influence from national culture for the reasons below:

"Not really if you have an inclusive group. Occasionally in translating documents and advising on how to deal with a customer. Overall however the work ethic and ability of the worker is the determining factor." (Respondent 12)

"I believe personality has more influence than national culture." (Respondent 2)

Others have claimed that it does influence the team work as:

"It creates in some cases a lack of communication, understanding, and awareness, but offset by new ideas and different viewpoints." (Respondent 4)

"Yes but it can go two ways. Strong teamwork or conflicted teamwork; depending of the members of the team." (Respondent 7)

"Yes, it is a learning experience for others." (Respondent 1)

"Yes, in the communication style and approach to issues." (Respondent 10)

Misunderstandings resulting from communication happen not only from different perceptions of the language, but also from different communication styles. Language problems can arise between high- and low-context culture; in some cultures direct communication is normal while in some others indirect is the norm as the direct style is seen as rude and offensive (Hofstede, 1993; Trompenaars, 1996).

<u>Conclusion:</u>

As per the findings and discussion above it can be stated that the main pattern is in accordance with the literature; multicultural teams are preferred as they have a greater potential for success. On top of that, managers have expressed that multiple

benefits are brought to the table especially because it is part of a learning process in cultural awareness.

It is primordial that team members are aware of cultural differences and communicate as much as possible to ensure the best understanding possible. Indeed one should be aware of the multiple layers that cultures have; most behaviours have their roots in the cultural background.

E- <u>Cultural awareness</u>

The last section of the interviews were to investigate whether managers have had any cultural awareness training, and whether or not they would think that they need a great cultural understanding to lead a multicultural team effectively.

Six of them have had cultural awareness training and the other six haven't; while ten of them strongly agreed with the statement that they need a great cultural understanding to lead a multicultural team effectively and two of them simply agreed. The literature and findings above have shown that cultural awareness has an impact on multicultural team management. Most authors from the literature review argued that cultural awareness and understanding are important for teams' performance and success.

It has also been demonstrated by Chevrier (2000) that multicultural awareness trainings generates a higher rate of success in team work as tools are provided for better interaction.

It is obvious that training would only results in positive outcomes; therefore it can be questioned as to why half of them did not have any training all the more that it has been shown that both companies A and B promotes cultural diversity.

It can be deduced that the companies assume that their managers already have the necessary skills and knowledge to manage these multicultural teams: experience might be valued more than training on site.

However all participants agreed with the fact that a lack of cultural knowledge and understanding of the different cultures can be a problem in multicultural team management.

Conclusion:

It is clear and obvious from the results above that a lack of cultural knowledge can contribute to problems. Awareness and understanding of different behaviours and working habits improves teamwork. Half of respondents have not had any training on this topic; therefore it is assumed that the company they work for value more learning by experience rather than on site training.

Summary:

All the participants are in favour of multicultural teams; these teams have numerous advantages and disadvantages. However the multiple benefits gained from multicultural teams outweigh largely the negative outcomes.

The companies' aim towards cultural diversity is to be able to respond to international customers; the findings have shown that this objective is met as most respondent confirmed the success with global customers thanks to multicultural teams. Indeed it has been stated by the literature that cultural diversity is a competitive advantage with the rise of globalization. Additionally respondent have also added that a multicultural team also brings more creativity and innovation as supported by the literature.

Participants recognized that learning from others and understanding cultural differences can help in developing new strategies to be more effective in the day-to-day activities. The literature has also affirmed that the key success in multicultural management is to recognize these cultural differences; learning from cultural differences is important to achieve success and have a high performing team.

The main disadvantages found were communication, lack of cultural awareness and inclusion. Indeed in multicultural teams various ways are used to communicate and

channels are not always the same; on top of that if there is a lack of cultural knowledge conflicts are mostly likely going to happen.

Participants are all aware of possible challenges and disadvantages of a multicultural team; and in this regard they have all acknowledged that they have changed their communication style to adapt themselves to the multicultural team by organizing as many meeting as necessary.

As per Adler (2006) recommendations for a successful team; participants believe that establishing common goals do improve team cohesion; mostly by promoting integration in order to generate an increase in team performance while accommodating the cultural diversity of the team.

In this regard, the findings have shown that having a multicultural team is preferred as participants acknowledge that they have a greater potential for success. All the more that multiple benefits are brought to the team; as part of the learning process in cultural awareness, and not only for managers but for team members as well.

Indeed, on the contrary, participants have agreed a lack of cultural knowledge will contribute to problems; being aware of other culture is a must.

Conclusion

The aim of this study was to investigate on the impact of cultural diversity on team management. The research was focused on teams and its cultural diversity in the Irish US multinational sector. Ireland has become the country in Europe where the majority of US multinationals have their EMEA (Europe, Middle-East, Africa) headquarters. In the aim of satisfying this market multicultural teams are the normal standard; people are hired for their language skills and their personal culture which meets the market place requirements. The researcher has been one of these people and over the last five years has worked within two different US multinationals; therefore it has been relevant for the author to carry on a study on these two environments to evaluate how the multicultural team works.

This thesis started on a literature review based on theoretical sources to give a deep insight of the various factors acting on multicultural teams; the core concepts of teams, culture and multicultural management have been defined. These elements of the literature had the purpose to assess the impact of cultural diversity on team management. The literature has shown that a team is interdependent, that is to say that members have complementary skills which generate synergy through a coordinated effort to reach a common goal. The concept of culture is very broad essential because it encompasses a multitude of national cultures. In this context many authors like Hofstede (1993) and Trompenaars (1996) have tried to define culture by carrying out worldwide studies. They have shown that people have specific characteristics depending on where they are from. This cultural diversity is becoming more and more present in today's business; frontiers have been eroded and companies act globally. However it is important for companies to act global but also think local; in this regards multicultural teams have been developed in order to respond to the global customers' need.

Following this section a qualitative research has been designed; e-mail interviews have been created and sent to selected managers in companies samples. The selected participants have all had experience in working with a multicultural team; their interviews have been structured around the main areas impacting multicultural teams. The main goal was to evaluate the advantages and disadvantages of these types of teams. It has been demonstrated that cultural diversity brings not only advantages on the business level but also on the professional level for each team member and managers. Indeed from the findings it can be said that the impact of cultural diversity on team management is very positive, in the sense that it constitute one of the main advantages of the companies studied. Despite some challenges and problems caused by cultural diversity, all managers have a preference for these multicultural teams for the skills, creativity, approach that each of their team members brings to the team.

The study carried out revealed that managers are aware of this asset and do their best to maximize it; they have recognized that the key success is communication as it is also the main challenge. That is to say if communication channels are clear multicultural teams' productivity will be highly above expectation.

Interestingly, the study has shown that managers already have multicultural management skills acquired by experience as only half of the participants have had cultural awareness training even though training should lead to greater success in team work.

Due to research limitation, no generalization can be made from this study; however the study has shown similarities to others studies presented in the literature. Cultural diversity still needs to be studied and ways of management should be developed in order to sustain the efficiency of the team and organizations. Furthermore it has been shown that culture always changes.

Recommendations

As mentioned previously the topic of cultural diversity management is very broad, however as per the findings resulting from the interviews a similar pattern to the ones cited in the literature have been demonstrated. This study has shown that people are different in terms of behaviour and values due to cultural background. For the purpose of globalisation, companies had to open centralized headquarters where multicultural teams are the standard.

Managers in these US multinationals located in Ireland have to deal on a daily basis with cultural diversity; the study has demonstrated that multicultural teams have more advantages than disadvantages. Knowledge of cultural awareness would minimize the disadvantages and help to overcome challenges linked to these types of teams.

The companies studied should work towards more cultural awareness training and not only for managers but for employees as well. This would be highly beneficial to the whole corporate body. As stated in the findings only half of the employees had cultural awareness training; even though it is assumed that companies value more learning by experience rather by training it would be important for the companies to apply their cultural diversity strategies on the local level directly with employees rather than on a larger scale. It would seem that cultural diversity schemes acts more as a promotional tool rather than a practical one.

Managers and employees should therefore be able to work better together towards the same goal to respond the business needs; also with this learning tool they would also learn more on a personal level and open up their mind all the more that the findings have revealed some cases of ethnocentrism.

It would be recommended as well to managers to assess the performance of their teams as described in the first part of the literature; getting to know what the "SWOT" of the team is, will only lead towards a more successful team as threats and weakness will be minimized. It is important for managers to be critical towards their teams to assess them objectively, hence ensure a high performance.

Team members should feel inclusive in their team; this can be hard to achieve if there is no willingness from the members. In this regard it would be recommended that managers organize in-group meetings and even activities to create a bond within the team.

In today's world a multicultural team can only be a benefit to a company; therefore it is primordial that this asset is maximised with on-going recognition and promotion while accepting differences exist.

Future Studies

As the theme of multicultural management is very broad; it has been impossible to cover all the aspects of this topic. The thesis is focused on the way a certain number of managers deal with a multicultural team within two specific companies in Ireland. Therefore it would be interesting to conduct a research among other US multinationals in Ireland.

This research being conducted among 12 people only within these two companies; hence it is important not to make any generalizations from the findings obtained. In this regard a future study could be conducted including all the managers of multiple US multinationals and also towards employees in order to evaluate the interaction between them.

Another future study could be conducted by taking into consideration the nationality of each respondent and study them according to their nationality in order to identify patterns associated with certain types of cultures.

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Appendix

Appendix 1- E-mail

Dear Colleague,

Thank you so much for agreeing to participate in my thesis research.

Here is the link for my online interview:

[Interview](#)

Can I please ask you to include as much info as possible?

I have also asked other managers to do it so even though I am sending you an email directly, all the interview data is totally confidential.

Let me know if you have any questions.

Thank you

Kind Regards,

Siham Boukhali

Appendix 2- Structure of the interview

Dear Participant
As you know I am a post-graduate student at the National College of Ireland. This interview is part of my Masters of Business Administration degree. The interview focuses on multicultural management within US multinationals in Ireland.
The interview contains some demographic questions and questions about your use and opinions of multicultural teams.
The full interview should take approximately 15 minutes to complete. Your participation is voluntary, anonymous and entirely confidential. The findings of the research will be included in my final thesis. The results of this research will be available to you on request. All data collected will be stored securely and destroyed once no longer required for the purposes of the research.
Thank you very much for your participation.
Siham Boukhali

General questions

1- What is your Nationality?

2- What is your gender?

3- How many nationalities are in your team in total?

4- How long have you worked in a multinational team? Answer:

The advantages of a multicultural team

5- What are the advantages of working in a Multicultural Team?
Please rank the options 1, 2, 3, 4 AND 5, where 1 is the least significant and 5, the most significant)

	1	2	3	4	5
Creativity	○	○	○	○	○
Skills Variety	○	○	○	○	○
Better understanding of Global customers' needs	○	○	○	○	○

	1	2	3	4	5
Flexibility	○	○	○	○	○
None	○	○	○	○	○

     ○ Open – ended answer:

6- What do you consider as the major advantage of working in a multicultural team? And why?

7- What do multicultural teams need in order to succeed as an efficient team? (Rank the options 1, 2, 3, and 4, where 1 is the least significant and 4, the most significant)

	1	2	3	4	5
Flexibility	○	○	○	○	○
Adaptability	○	○	○	○	○
Cultural differences awareness	○	○	○	○	○
Team Cohesion	○	○	○	○	○
Understanding and convergence (alignment) of team members' expectations	○	○	○	○	○

8- What would be for you the key success factors in having a multicultural team? *

The challenges and problems of a multicultural team

9- What are the challenges of working in a multicultural team?
(Please rank the options 1, 2, 3, 4 AND 5, where 1 is the least significant and 5, the most significant)

	1	2	3	4	5
Miscommunication / Languages	○	○	○	○	○
Management of the attitudes / expectations of the team members	○	○	○	○	○
Cultural Awareness	○	○	○	○	○
Attitudes to time	○	○	○	○	○

10- What do you consider as the major disadvantage of working in a multinational team? And why?

11- As per your personal experience, what other problems caused by cultural diversity could occur in a multicultural project team?

12- How did you manage these problems?

13- Is it possible that a lack of knowledge and understanding of the different cultures caused some of these problems? How?

Experience and opinions with multicultural teams

14- Do you prefer working in a multicultural team or with a team composed by members from the same nationality? And why?

15- What are the benefits you have experienced from working in multicultural teams?

16- From your experience, what are some specific actions team members can do to prevent or solve problems?

17- Does nationality/culture have influence on the group work? How?

Multicultural awareness

18- Finally, how would you rate the statement that a project manager needs a great cultural understanding to lead a multicultural team effectively? (strongly disagree, disagree, indifferent, agree, strongly agree)

19- Have you ever had any training on multicultural awareness?

- ○ ○ Yes
- ○ ○ No

20- Do you have any additional comments on the topic of multicultural teamwork? Answer: