

Multicultural Teams

Unexpected Challenges in Diversity

By Rick Roof

There is a headlong global rush toward implementing teams in manufacturing, product development, and virtually every function in business. The trend resembles the California Gold Rush of the mid-1800s and just like the Gold Rush, some companies have struck it rich but many have returned home to their more traditional structures, disappointed and penniless. Following claims of opportunity and convinced there is gold in the promise of teams, leaders in organizational development and human resources continue to pursue team based organizations. These organizational professionals are encouraged not only by anecdotes of success, but motivated to satisfy the craving for empowerment by Generation X and Millennials in the workplace. There are practical objectives to support teams of course. The ever increasing speed of business and the complexity of work make teams the natural structure for the new century.

This trend has not escaped those advising organizational professionals. Team design, implementation, leadership structures, and dynamics have filled hundreds of books. One particularly impactful characteristic of teams in this era of globalization, global migration patterns, and virtual team technologies is the growing tendency for teams to take on multicultural characteristics. These heterogeneous teams, whether virtually or physically connected, breed some critical new team dynamics to be considered. With complex issues and rapid business tempos, finding gold in multicultural teams is vital to business success.

A Melting Pot or Just Stew

While it seems intuitive that the collection of talents within a team would yield far greater results in innovation, decision soundness, and execution, if organizational leaders are not careful, some often overlooked team risks neutralize the advantages teams offer and may even yield results that are dramatically worse than if decisions were made by a single, capable, well informed leader. So what are these risks that threaten empowerment and return organizational design to the days of command and control, back to when Scrooge controlled the coal? Perhaps a fable would best illustrate...

Once upon a time (of course) in the competitive and rapidly changing kingdom of bleeding edge technology, Sizzle Software was working to develop new software that offered the promise of transforming the well-established Southern California firm from 10 years of abysmal performance into the envy of the technical community. So Sizzle gathered their eight best and brightest technologists to lead the effort code named Phoenix. The company leadership expected that not only were two heads better than one, but eight would yield creativity and excellence to exceed even their grandest expectations. A few short months later the project was in shambles; late, over cost, and functionally inferior by almost any standard. As the senior technical team struggled to understand the disappointing outcome, they asked their favorite organizational consulting firm to help dissect the catastrophe. The consultants interviewed the team members, observed one team meeting, and suggested that the core of the problem was based not in project management, missing skills, or poor technology, but rather was rooted in what they termed “cultural dysfunction”. The leaders were surprised and confused; they had not even reached out to their Asian branch, but developed the software entirely in the U.S. so how could culture be the issue? As their trusted consultant patiently explained, the team’s poor decision-making, social disconnections, lack of member commitment, and narrowness of alternatives considered all pointed to a group of individuals that viewed the goals, processes and social interactions of the team differently. Those symptoms and the actual observed interactions pointed toward insidious cultural differences. What the leadership had overlooked was that the team had been drawn from the cultural melting pot of Southern California, and included members with traditional U.S. cultural roots but also an eastern European and two Chinese technologists. Not only had the team been launched without any preparation for, training, or awareness of the cultural diversity, but poorly defined goals and the short project set the stage perfectly for cultural diversion, an increasingly common phenomena in the ever increasing global business setting. Bummer!

The lessons learned through this mythical software debacle offer insight and promise for teams in virtually any industry. Multicultural teams are unique organisms, and while through their diversity they can yield incredible creativity, realizing that promise takes particularly insightful leadership approaches and awareness. So what makes these teams so challenging while so potentially fruitful?

Before we blame the leadership at Sizzle, we should understand how different cultures complicate teams far more than many leaders appreciate. Let's start with what specific elements of the complex, seemingly all-encompassing, cultural characteristics most affect team performance. It is indeed the culture that most often dooms teams. Gunter Stahl from Vienna University of Economics and Business led an international team in a study, *Unraveling the Effects of Cultural Diversity in Teams*, and found that in general, cultural diversity actually led to poorer performance due to task conflict and social integration issues, but improved creativity and satisfaction. Multicultural teams can yield powerful advantages only if processes are effectively managed and social differences considered. Since national culture is capable of making or breaking teams, understanding the cultural challenges and managing them is vital. A clearer understanding of culture, a better definition of this vague concept in the context of organizations is therefore required.

Turning the 'Culture' Concept from Jell-O to Solid?

Among many in our organizations, culture is a vague concept of values, practices, symbols, and traditions, but when it comes to team interactions, there are some very specific and understandable variations between national groups that can be dissected, understood, and then addressed. Culture influences each of us, tinting how we perceive others and what we expect from them socially and ethically. It also sets expectations and preferences in terms of how we communicate and make group decisions. Gloria Barczak an associate professor at Northeastern University in Boston and two of her associates researched over 300 global teams and reported in their paper, *So you want to be a global project leader?*, that "soft" management skills that balanced the necessary decisive task management with sensitive, fair, compassionate people skills were critical to leading multicultural teams. Differences in

communication, authority, risk, collective tendencies, and trust can all be culturally unique and require different leadership practices.

While virtual, multi-national teams have obvious cultural mixing, it is quite common for companies to overlook the multicultural nature of teams operating in the U.S., especially in the cultural melting pots in California and many large metropolitan areas. Whether the teams include foreign nationals, new immigrants or even first generation U.S. citizens, the team members bring their cultural biases to the team environment. For clarity on how culture plays into team dynamics, it is important to understand a few of the more significant cultural characteristics. Geert Hofstede has been leading the organizational psychology exploration of culture for the last 30 years (www.geert-hofstede.com), and while understanding all six of Hofstede's latest cultural dimensions is helpful, the characteristics of Individualism-Collectivism (IC) and Power-Distance (PD) have been found particularly impactful in understanding team dynamics.

Hofstede's culture categories can assist the multicultural team leader better understand the "melting pot" and address the resulting complex team dynamics. The cultural characteristic of Individualism-Collectivism (IC) is a measure of whether members of the culture value their own well-being or the team's well-being more. That is, are group goals and success more important, or are individual accomplishment and satisfaction a greater driver? In understanding the team consequences of the Collectivism, team members will naturally tend toward collaborative conflict resolution if they are integrated across the team and properly managed. So if properly guided, collectivist members will generally create greater cooperation and better team outcomes.

The second cultural characteristic that can significantly impact team dynamics is Power-Distance (PD). Power-Distance refers to how members of a group accept uneven power and wealth distribution. For example, according to Hofstede's country ratings, Mexico has a very high Power-Distance rating of 81 whereas the U.S. rates only a 40. So the "average" Mexican is comfortable with a greater distance between the leader and follower and would be accepting of autocratic leadership. Consequently, the typical Mexican team member will be reluctant to

challenge anyone who is perceived to be in authority, while the U.S. team member will be much more likely to take on the boss.

In the sum, cultural diversity complicates team task and relationship interactions but offer improved satisfaction and creativity. It is important for organizational specialists and leaders to understand cultural differences, and be sensitive to their team impacts in terms of communication, decision styles, goal setting, motivations, and process preferences. Now that we understand some cultural basics, how do those tendencies manifest as behaviors in teams?

Cultural Differences and Team Problems

Historically, research on multicultural groups have yielded conflicted and confusing answers, but recent studies have begun to refine the specific factors, characteristics, and measures of success for such teams thereby offering practical insights into team dynamics. Elements such as task complexity, communication methods, social connections, and trust development have all been identified as important variables that will define how multicultural teams operate, and therefore how they can be designed to leverage the value of the cultural diversity instead of suffering from potential dysfunction. Team dynamics are complex in general, but our focus will be on those issues particularly affected by culture.

Some of the most ominous culturally driven team issues are characterized by uneven member participation, poor decision processes, and group “fracturing”. Cultural differences in teams can result in communication, trust, team processes, and decision-making all suffering if not properly managed. Much of the cultural conflict begins with communications differences. Jolanta Aritz and Robyn Walker from USC in their *Group Composition and Communication Styles* actually examined various communication patterns in detail recording behaviors such as turn length, overlapping talking, and number of turns among members of various cultures and found that collectivist cultures common in Asian countries tend toward more passive communications, especially when they are in the minority in a group. Further, different cultures shared “air-time” differently and had varying practices of interruption, turn-taking, and over-talking. Members of Individualist cultures will tend to dominate discussions as communication wanes, and they will typically be less concerned generally with team harmony and cooperation. Because of these differences, Collectivists may soon be relegated to observers and their

valuable contributions lost. Curiously, Lowry and Hartel from Australia discovered in their *Intercultural Competencies for Culturally Diverse Work Teams* that collectivists also tended to form in-groups and out-groups in teams more readily, which resulted in fractured, dysfunctional teams. Any misunderstandings, deference, or misinterpretations of non-verbal clues will become even more extreme if there are stressors of short deadlines or critical tasking.

Decision making that is effective must be shaped by cultural considerations when teams are multicultural. One particular danger in teams with high Power-Distance members is what Irving Janis termed “groupthink” back in his classic 1972 book. Groupthink exists where ineffective processes result in “apparent” consensus around a decision with which many within the team passively disagree. High Power-Distance members can be especially susceptible to the groupthink phenomena since they will tend to not challenge anyone viewed as authoritative. Agreement is assumed when members are silent making true consensus actually significantly more difficult for most multicultural teams if they have differing Power-Distance and Individualism-Collectivism characteristics among their members.

Virtually multicultural teams can experience even greater problems associated with communication dysfunction due of the lack of communications richness from non-verbal cues and inflection. The virtual distance can also be helpful in mitigating multicultural challenges, since the relative anonymity and simultaneous parallel communication paths in the virtual environment allow the Collectivism oriented members to participate more robustly than they would otherwise. Underlying the team dynamics, both Power-Distance and Individualism-Collectivism conflicts can affect team interactions in a way that diminishes trust. Trust is such a fragile construct that individual cultural dissimilarities almost always create barriers.

One important consideration in planning and designing teams was discovered by a team of Watson, Kumar, and Michaelsen in their 1993 study of team interaction and performance over time, *Cultural Diversity’s Impact on Interaction Process and Performance*. They found that it took more time together for multicultural teams to meld effectively, and consequently such teams exhibited particularly poor performance in short term assignments. Given time and guidance, multicultural teams can exceed the performance of less diverse teams but they must

be allowed time to develop effective decision, communication and social processes if their divergent talents are to be effectively applied within team environments.

A Few Simple Tweaks Should Do It?

With such complex social and cultural dynamics, leaders and organizational specialists may ponder whether team diversity is worth the challenges. Considering the power of applying diverse views to an ever more complex business environment, and recognizing that a few simple but not easy steps can increase the likelihood of success, multicultural teams offer great promise. Here are a few keys to effective multicultural teams:

Decision Process Definition

Whether a diverse team has internal leadership or external, the leader must ensure that all members are fully engaged, processes force consideration of multiple options, and members are encourage to engage in team efforts, especially members with Collectivist and high Power-Distance cultural backgrounds. Leaders must also guard against Individualists dominating or controlling team discussions. Specific team decision processes should be clearly communicated so whether collaboration, democracy, consensus or some other decision methodology is employed, all members must know the process, how it will be actualized, and how they can be expected to contribution. Whatever the selected decision model, it is vital that all team members be actively involved in the effort to prevent undesirable team dynamics and outcomes. Team leaders should also monitor the team to ensure that conflict, often a productive part of exploring alternatives, is encouraged in culturally comfortable and appropriate ways.

Assign roles

The leader should ensure that all members understand their formal and informal roles especially during early team development. Also, teams need leadership and while some enlightened teams develop their own shared leadership models or elect a team leader, more often in multicultural teams, external leadership or coaching is needed to address the challenges and cultural differences. Once the bonds, processes, and understandings mature in the multicultural teams, more flexible team leadership designs can be considered.

Goals and Purpose

Teams function best when they have clear, shared goals, purpose, and values. Leaders can increase the likelihood of success by working with the team to create such goals and objectives, clarifying company and team values, and inspiring the team to focus on their higher purpose. Such alignment efforts are needed in all teams, but in multicultural teams, leaders should intentionally address both individual and collective goals and objectives simultaneously appealing to the Individualists' needs for individual goals and collectivists' team goal orientation.

Rewards mix

As in goal setting, rewards that support both the Collectivists and Individualists are important in the multicultural setting. A creative combination of individual bonuses, incentives, and accolades along with similar team rewards can provide the culturally appropriate incentives to help the entire team be more engaged and aligned with the team objectives.

Training on Culture

Providing awareness of the cultural differences to team members, especially the Power-Distance and Individualism-Collectivism characteristics, can provide significant improvements in team dynamics. These are not the cultural awareness, diversity sensitivity sessions of the 70s, but exposure which is practically focused and explains how team members react differently to both leadership and team dynamics. Such training creates awareness of differences, motivations, and potential solutions, which can effectively eliminate undesirable dynamics that often occur from ignorance or misunderstandings. One frequently overlooked cultural aspect in training diversity is how communication expectations and methods vary between cultures, so particular attention should be directed toward exploring such differences.

Team composition

Short term projects teams may operate better if they are culturally homogeneous, saving the powerful multicultural teams for longer-term assignments where they can have the time to develop team and social processes. Of course, if a standing multicultural team with well- developed processes and relationships is available for working the short term project, that would be an ideal solution.

Conclusion – Hope for a Global Leader?

So can leadership strike gold in the promise of powerful, multicultural teams, satisfying the craving for empowerment by Generation X and Millennials in the workplace, and supporting business demands imposed by the ever increasing speed of business and the global economy? Sure, but understanding national cultural dynamics and offering appropriate, highly engaged leadership and team designs will be absolutely critical. As we began, finding gold in multicultural teams is vital to business success as competition heats up and the tossed-salad of both global operations and intra-country multicultural teams expand. The promise begins by promoting practical cultural awareness by leaders and team members alike.