

MANAGING MULTICULTURAL TEAMS: WHY WE NEED INTERCULTURAL COMPETENCES

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ABSTRACT

We aim to explore the importance of developing intercultural competences for culturally diverse teams, with a particular focus on the role of managers can play in making the team members work effectively together. This paper is part of a future larger project to analyse and understand the importance of intercultural competences when managing multicultural teams. Our search strategies included screening of relevant literature, articles, research and business journals, books, bibliographies, internet searches, meta-analyses that constituted the theoretical part of this study. Our purpose was to clarify why multinational teams have become a “norm” in organisations, to clarify the concept of “multinational teams” – by defining them and highlighting their characteristics – for a better understanding of the intercultural competences required and for exploring methods to improve multicultural team management style. We recommended solutions to overcome challenges that might occur within multinational teams: developing intercultural competence as an additional management competence, top-down support within multinationals to encourage people embrace cultural diversity, intercultural trainings and workshops to increase cultural awareness and to develop intercultural competences. To sum up, successful teams and successful managers in multicultural environments are expected to develop themselves permanently, to possess intercultural competency and to identify, understand and manage cultural differences effectively. Our study brings into light that intercultural competence should be treated and trained as a distinct management competence while embracing cultural differences and developing a learning attitude are vital for effective cooperation within multinational teams.

KEYWORDS: *cultural differences, cultural diversity, intercultural communication, intercultural competence, intercultural readiness, multinational companies, multicultural teams.*

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1. INTRODUCTION

Globalization, workforce diversity and mobility, migration, international company business strategy (expanding operations, reducing costs, increasing profits, recruiting new talents, brand awareness, etc.), technology and media progress are several factors leading to the need of operating internationally, of working in / with multinational teams.

Thousands of organizations operate across national borders. Statistically, in 2018, there were around 60,000 MNCs (multinationals) worldwide, controlling more than 500,000 subsidiaries (World Atlas of Global Issues, 2018), while in 2020, “only” 500 MNCs operated 130,616 subsidiaries (OECD, 2020). Therefore, multinational cooperation has become a necessity.

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The Covid-19 Pandemic has prompted many multinationals to change their working style, their working environment and, sometimes, to radically transform their business model. Therefore, managers' role has become more important in helping organizations adapt and succeed.

Homeworking has seen a huge increase due to the pandemic, generating a lot of particular challenges, especially for the management of multinational teams.

It is essential that organizations know how to manage multinational teams efficiently, how to explore opportunities and approach challenges within culturally diverse teams, how to develop people's intercultural competences to work across cultures.

Cultural diversity is a broad term that generally encompasses different values, beliefs, norms, mentalities, ways of thinking and behavioural patterns of team members.

Supported by their companies (policies, organizational culture, etc), managers have the difficult and additional task to create an efficient, harmonious, and high-performing team by overcoming barriers inherent to cultural differences and encouraging positive outcomes, such as innovation, creativity, and learning (among others).

Inclusive working environment, careful people management, tolerance, flexibility, openness, intercultural readiness, and intercultural competences become vital in a multicultural world and business. In short, as Hofstede (2001) said : "The survival of mankind will depend to a large extent on the ability of people who think differently to act together."

2. LITERATURE REVIEW

2.1 What are multicultural teams?

Halverson & Tirmizi (2008) define multicultural teams as "a collection of individuals with different cultural backgrounds" that collaborate with other team members to perform their activities and to produce results while perceiving themselves as unique and distinct within a unified social system where they develop relationships within and beyond.

Generally, multicultural teams are defined as a group of people from different nationalities and cultures that share a common goal and deliver for an organization (Stahl et al., 2010). Research, literature, and direct observation based on the author's experience as a corporate Business English trainer working with culturally diverse teams and expats for more than 17 years, revealed that managing a multicultural team is both challenging and rewarding in terms of outcomes (performance, atmosphere, tasks, problem-solving, among others) and manager's role. In a meta-analysis on multicultural work groups, Stahl et al. (2010) correlated team outcomes and cultural diversity as process losses and gains associated with increased divergence (values, ideas) and decreased convergence (common objectives, commitment, conclusions), concluding that, contrary to most people's expectations, there is no direct effect of cultural diversity on team performance overall. However, team outcomes (creativity, conflict, communication, effectiveness, satisfaction, social integration) may be affected directly, therefore team performance.

	Process gain	Process loss
Convergence	Cohesion	Groupthink
Divergence	Creativity	Conflict

Figure 1. Intermediate variables in the relationship between cultural diversity and team performance: a taxonomy and examples

Source: adapted from Stahl et al. (2010, p.441)

According to Järvenpää & Leidner (1999), multicultural teams can consist of 1) people from different cultures and nationalities working together in the same country; 2) people who work

across many countries and occasionally meet up in person; 3) people from various countries working together via electronic devices and not meeting up in person.

Regardless of the multicultural team type, an interculturally competent manager needs to be open and eager to embrace cultural diversity by encouraging group members to acknowledge it, by learning more on how to resolve problems in multicultural teams and by communicating in a simple and direct way (Sogancilar & Ors, 2018).

2.2 Intercultural Readiness. Why we need intercultural competences

As a response to the increasing need of organisations to work across cultures, multicultural teams should be encouraged, supported, and trained to develop an intercultural readiness approach consisting of four competences related to the intercultural interaction (each competence with a subset of abilities) and defined by being open, alert, flexible to understanding and managing cultural differences (Brinkmann & Van Weerdenburg, 2014). Pretending there are no cultural differences or avoiding to address them does not make people interculturally effective. Ignoring cultural differences has another undesirable effect explored by Stahl et al. (2010) in their meta-analysis: teams would not take advantage of all intercultural proven benefits identified. While multicultural team members feel less close and less attracted to one another, they feel more satisfaction if their cooperation succeeds. While they experience more conflicts, culturally diverse teams also develop more creative and innovative solutions than teams whose members come from the same culture (Stahl et al., 2010).

2.3 What is intercultural competence? Models & Tools

The study elaborated by the German independent foundation Bertelsmann Stiftung and Fondazione Cariplo, cited Deardoff's definition of intercultural competence, stating that “Intercultural competence is the ability to interact effectively and appropriately in intercultural situations, based on specific attitudes, intercultural knowledge, skills and reflection” (Bertelsmann Stiftung, 2008). While the study mentioned Deardoff's definition as very good but quite abstract, general, and comprehensive, they considered that „Intercultural competence refers to the real world” also highlighting that the acquisition of intercultural competences is a dynamic process with several dimensions.

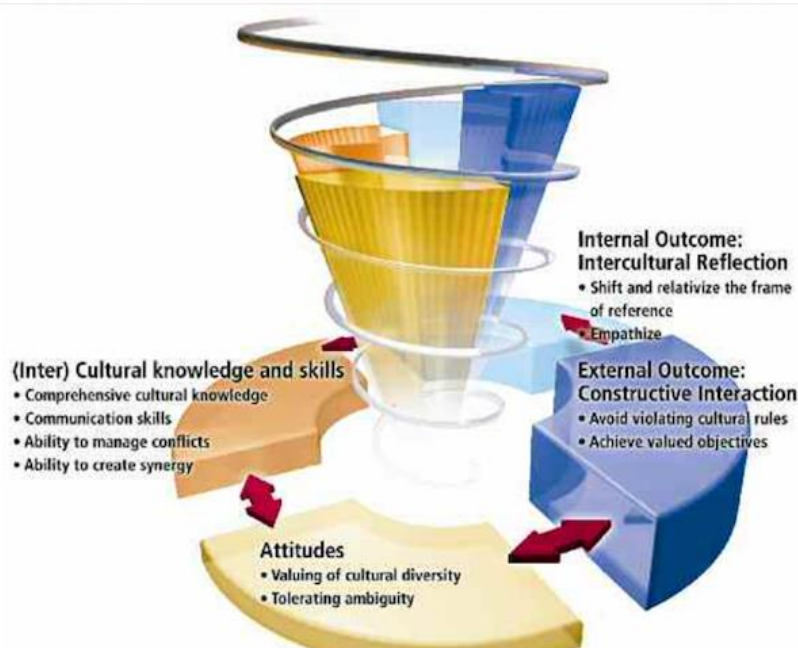


Figure 2. The Intercultural Competence Learning Spiral
Source: Bertelsmann Stiftung and Fondazione Cariplo (2008, p.7)

Analysing this graphic, one may distinguish four interlocking dimensions that affect each other (positively or negatively), namely attitudes, intercultural knowledge and intercultural skills, ability to reflect on intercultural issues (internal outcome of intercultural competences) and ability to interact constructively (external outcome of intercultural competences). The more positive all areas, the higher the level of intercultural competences. The learning spiral illustrates that the acquisition of intercultural competences is a lifelong learning and personal development process.

Brinkmann & van Weerdenburg (2014) correlated intercultural competence to being interculturally effective, therefore presenting a set of four competences with subsets of abilities, as culture - knowledge and similarities are useful in intercultural interactions, but not enough: intercultural sensitivity, intercultural communication, building commitment, managing uncertainty.

See the table below with the four intercultural competences and their subset of abilities proposed by Brinkmann & van Weerdenburg (2014).

INTERCULTURAL SENSITIVITY	
The degree to which we are actively interested in other people's cultural backgrounds, their needs and perspectives.	
Facet 1: Cultural Awareness The ability to see our own interpretations, norms and values as culture-specific, and to consider different cultural perspectives as equally valid.	Facet 2: Attention to Signals The extent to which we seek information about others' thoughts and feelings by paying attention to verbal and nonverbal signals when interacting with them.
INTERCULTURAL COMMUNICATION	
The degree to which we actively monitor how we communicate with people from other cultures.	
Facet 1: Active Listening The degree to which we are mindful when communicating with others, and pays due attention to their expectations and needs.	Facet 2: Adapting Communicative Style The degree to which we adjust how we communicate in order to fine-tune a message in line with cultural requirements.
BUILDING COMMITMENT	
The degree to which we actively try to influence our social environment, based on a concern for relationships and integrating people and concerns.	
Facet 1: Building Relationships The degree to which we invest in developing relationships and diverse networks of contacts.	Facet 2: Reconciling Stakeholder Needs The degree to which we seek to understand the interests of different stakeholders, and can create solutions to meet these needs.
MANAGING UNCERTAINTY	
The degree to which we see the uncertainty and complexity of culturally diverse environments as an opportunity for personal development.	
Facet 1: Openness to Cultural Diversity The degree to which we are willing to deal with the added complexity of culturally diverse environments.	Facet 2: Exploring New Approaches The degree to which we are stimulated by diversity as a source of learning and innovation, and risks trying out new ideas.

Figure 3. The four IRC competences and their facets

Source: adapted from Brinkmann & van Weerdenburg (2014, p.36)

For being interculturally effective, cross-cultural knowledge must be transposed into competences in order to make people learn and apply new behaviours. Brinkmann & van Weerdenburg (2014) developed a tool to assess intercultural competences in order to contribute to working more effectively across cultures: IRC (Intercultural Readiness Check), a complex questionnaire measuring all four intercultural competences mentioned beforehand. IRC offers companies a tool to

assess their employees' intercultural competences when working in multinational teams or as expats, therefore assessing, developing, refining, and training intercultural readiness (Brinkmann & van Weerdenburg, 2014). This tool offers a clear view on what competence/competences need to be further addressed for improvement.

For Meyer (2015), intercultural competences are translated into a focus on increasing intercultural awareness in a multicultural business world, highlighting that both individual and cultural differences are important and proposing a tool – a "culture map" – based on eight scales to position one culture to another and to decode how culture influences international collaboration in order to reduce unwanted situations that might appear. Each of the eight scales represents one key area of competences that managers must be aware of when working with multicultural teams: communicating, evaluating (giving feedback), persuading (theory/practice), leading, deciding, trusting, disagreeing (conflict), scheduling (time).

See below a comparison between Israel and Russia in terms of cross-cultural management style.

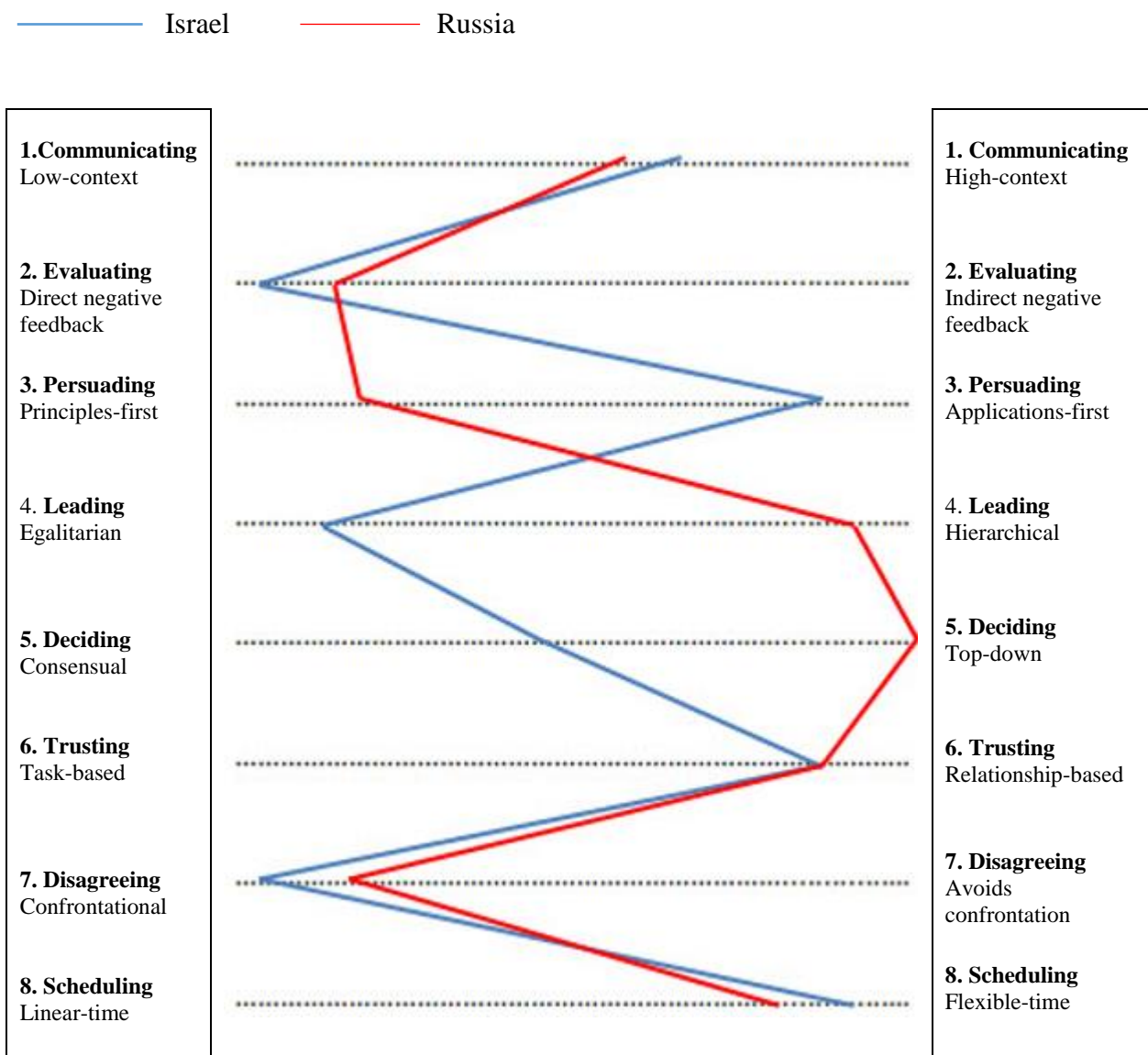


Figure 4. Comparative culture map for Israel and Russia

Source: adapted from Meyer (2015, p.17)

When referring to intercultural competences, Byram (2021) argued that intercultural competences are mainly based on the attitudes of people interacting with other cultures. Without this basic competence, the other four cannot truly develop. Even if more pedagogical, Byram's model focused on intercultural competences (knowledge, skills, and attitudes) tightly connected to intercultural communicative competence, as the author considered that "Linguistic competence plays a key role".

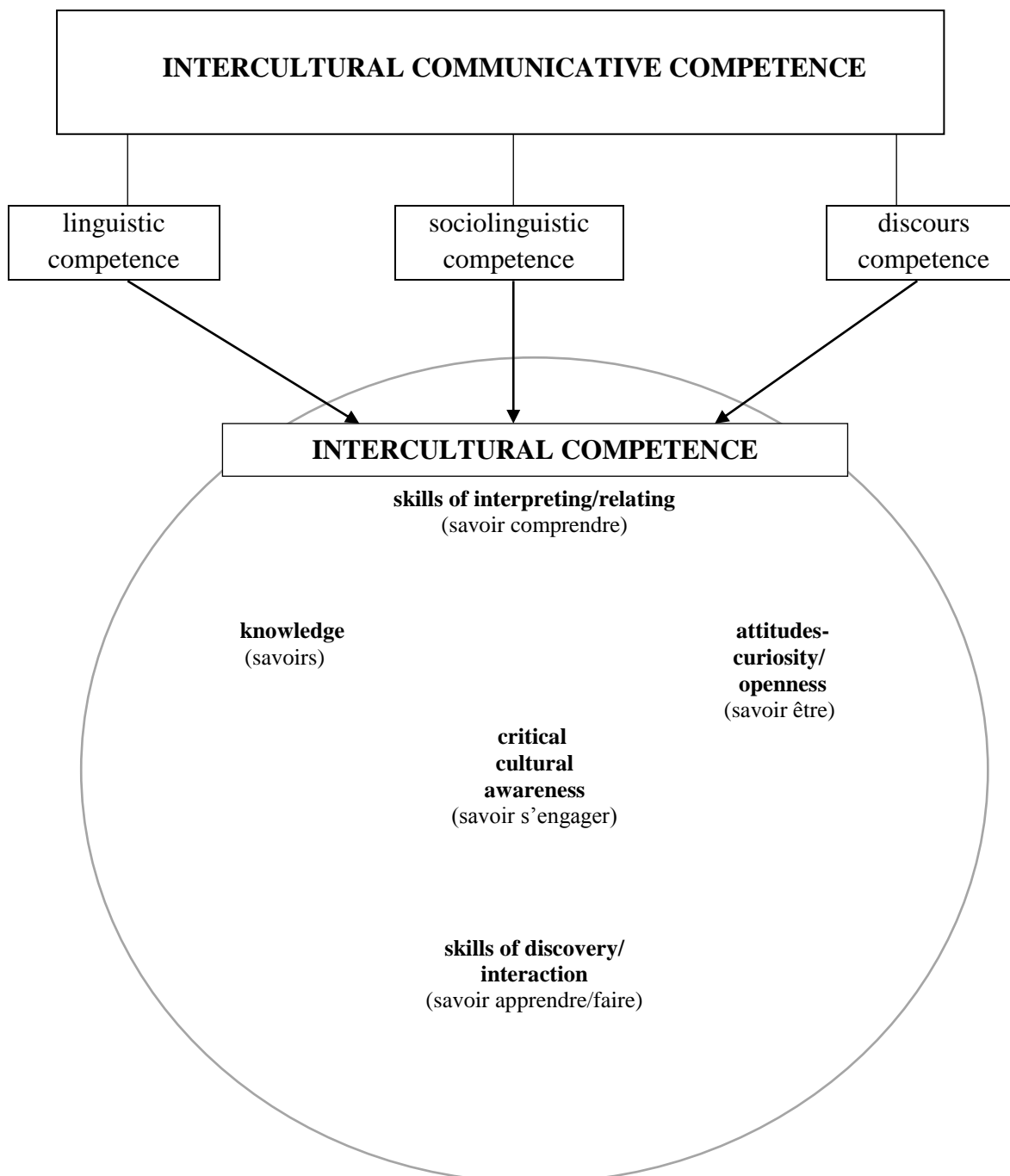


Figure 5. Intercultural competence and intercultural communicative competence
Source: adapted from Byram (2021, p.62)

3. HOW TO OVERCOME CHALLENGES IN MULTINATIONAL TEAMS: CASE STUDIES

CASE STUDY 1: Competency to adapt management style in a different cultural environment (time perception, hierarchy, communication style, making decision, language barriers).

Context: As an English Business and Intercultural Trainer, the author delivered workshops to an important entrepreneurial Romanian company that was bought by an important Dutch multinational, employing more than 30,000 people worldwide. The Romanian CEO was replaced by a Dutch CEO that came to Romania to live and manage the company for a few years. CEO's top and middle management team was Romanian, and he was the only expat. He didn't know the language, so he started taking Romanian classes, but the language barrier was the least important as we can further see. What absolutely puzzled him was the way people around him behaved at work. Meetings represented the best situations to observe Romanian business practices and people's behaviour patterns in relation to time, hierarchy, communication style, making decisions. We used to discuss these issues during the intercultural and cross-cultural workshops I delivered to him.

Situation 1: Even if he scheduled the meetings at a fixed hour, people kept coming even 20 minutes later.

CEO's reaction/reflection upon the situation: He felt puzzled, confused as he was extremely punctual (a norm in his culture) and could not understand and accept other people to be late. He informed everyone to be punctual with no excuse causing stress among the Romanian employees who, when late, felt guilty and did not want to actively take part at discussions, staying silent.

Measures: He took intercultural trainings to understand Romanian management style and behaviour. After learning about the difference in time perception (Romanians perceive time in a more relaxed way. Coming late is not uncommon.), he lowered his expectations in terms of punctuality and did not feel agitated when people were late.

Situation 2: Meetings were organised in English. Not too many people had a good level of English, so he basically did all the talk, the others struggling to understand or to express themselves. Many Romanian managers never studied / used English, and they were middle-aged and not highly motivated to learn new things, in general.

CEO's reaction/reflection upon the situation: Language barrier caused initial frustrations, but not for a long time.

Measures: He organised General & Business English courses for managers on the company premises and he was very patient when talking to them, being also friendly and supportive, encouraging everyone to use English language whenever possible. He focused on their tasks achieved rather than on their language proficiency.

Situation 3: During meetings, managers had no initiative in proposing anything, did not make any decisions, not asking question and expect to be told what to do.

CEO's reaction/reflection upon the situation: He felt puzzled and thought, first, they were unprepared, lacked certain competences or they were not involved.

Measures: Understanding the difference in hierarchical relationships, he explained openly what his expectations were regarding decisions, involvement, open approaches. Dutch business culture develops flat hierarchy (direct approach, open communication, autonomy in making decisions) while Romanian hierarchical vision is top-down.

CASE STUDY 2: Increasing cultural awareness, openness to cultural differences, tolerance.

Context: During my Business English and Intercultural workshop activities with numerous Team Managers, I encountered the following situation. The Team Manager (Romanian) was working with a multicultural virtual team (Philippine members among others). He told me he intended to dismiss the Philippine team member as he never had any initiative, never talked during meetings (no involvement, no engagement), never came up new ideas (or any idea at all!). The Team Manager was preparing to write a report to explain his reasons for making the Philippine employee redundant, when we had a discussion based on cultural differences and misinterpretations regarding building trust, relationships, communication style, hierarchy, motivation, expectations.

Findings: During meetings, the other team members talked loudly, interrupting each other, expressing disagreement openly. The manager never encouraged relationship development within the team, the focus being on task achievement almost exclusively. Team members did not know each other very well. They did not open cameras during meetings, so non-verbal communication totally lacked. The Filipino was the only one writing messages on chat instead of talking to the others when wanting to express his ideas.

Measures: Together with his direct manager, the Team Manager organised virtual meetings just to socialize and make small talk with all the team (camera on). As Asian countries prefer harmony and avoid open disagreement and interruptions, he encouraged friendlier discussions and specifically invited the Filipino to express his ideas/opinions, by asking the other team members to be silent.

Results: The Team Manager did not dismiss the Philippine employee as he started to be more active, engaged in discussions and increased task achievement level.

DISCUSSION

Both case studies highlight the importance of managers in a company, the fact that they obtained beneficial results for the organization after changing their own behaviour. Being open to understanding cultural differences and how they might affect employees' behaviour and team results was an important factor in their making-decision process. Both case studies highlight the importance of knowledge when increasing cultural awareness, an important step in developing intercultural competences.

As noticed, managers' own desire to learn – about people from other cultures – and to develop themselves – in the sense of experiencing new behaviours – can generate satisfaction among employees, confidence in their own strengths and the desire to contribute to the results the organization.

The training of managers to identify cultural differences and intervene proactively within the organization (at the level of the team/department) proved vital, therefore they should be strongly supported by their organization in terms of learning programmes, intercultural workshops, cross-cultural management trainings.

4. CONCLUSIONS

This study aims to highlight the importance of developing intercultural competences within organizations working with multinational teams as a result of an increasingly globalized world. As multicultural teams are more prone to confront with difficulties, companies should encourage an open attitude to cultural differences, diversity and inclusion by supporting managers to embrace diversity and to encourage their team members to acknowledge this diversity. Organizational culture is vital in shaping employees' attitudes to effectively working with people from different cultures, as top-down company policies, norms, procedures have a big influence on how people collaborate, communicate and behave at work.

As presented in this study, we conclude that managers of multinational teams are required to develop an additional management competence - intercultural competence – that helps them be flexible, open, tolerant, attentive to cultural differences leading to adjustments of their management style accordingly.

Reflecting upon the literature we have analysed and the practical situations observed in practice, we state there is a clear and direct relationship between knowledge – competence – behaviour in terms of intercultural competence development. Therefore, organisations should train their managers and multinational team members and provide them with intercultural learning programmes, cross-cultural workshops, intercultural trainings and coaching sessions in order to develop their intercultural competences.

Future research should focus on challenges and opportunities generated by multinational teams so as to better understand intercultural competences required, the importance of intercultural competence training and the relationship between culturally diverse teams and team performance.

This study has some limitations as we did not explore all challenges and opportunities associated with multicultural teams in order to have a deeper insight on the complexity and type of intercultural competences, as well as on the relationship between training and intercultural competence development and how it might affect team performance. Therefore, we intend to continue our research in this field.

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