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# Diversity management – Challenges and possibilities

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## Abstract

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<p>The subject of diversity at workplace is topical in today's changing work environment. Enterprises become more and more international, multicultural and led across different countries through globalization, emerging markets and tight cooperation. Furthermore, teams consist of people with various different backgrounds.</p> <p>The purpose of this study is to find out why the topic of diversity at the workplace is worth managers' attention for better workload organization between team members. Moreover, matters that have an impact on successful interacting in a multicultural environment, whether as challenges or possibilities for more effective result achievement, are explained in this paper.</p> <p>The study was carried out as in-depth interviews with five independent managers with at least Master's level studies and a minimum of five years of international work experience. Each interviewee represents a different company belonging to a different industry in order to get detailed and unforeseen answers and wider perspective at the subject in general.</p> <p>The results revealed that today diversity is considered an integral part of a modern work community. A competent and development inclined leader should always keep in mind the advantages diversity brings into the collective, such as using team members various talents, abilities, skills and knowledge for creative work solutions and productive results. Thanks to the diversity, the team as a whole survives in the intellectual competition and helps improving companies' business operations as well as relations between firms and their customers.</p>	
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<p>Tämän tutkimuksen tarkoituksena oli selvittää, miksi monimuotoisuus työpaikalla on tärkeää johtajille, kun he organisoivat työtä tiimin jäsenten välillä. Lisäksi tässä työssä tavoitteena oli saada selville sekä tuoda esiin asioita, jotka vaikuttavat onnistuneeseen vuorovaikutukseen monikulttuurisessa ympäristössä haasteina tai mahdollisuuksina, kun halutaan saavuttaa tuloksia tehokkaasti.</p> <p>Kulttuurinen moninaisuus työpaikalla on hyvin ajankohtainen aihe nykyisessä jatkuvasti muuttuvassa työympäristössä. Globalisaation, laajentuvien markkinoiden ja tiiviin ulkomaan kumppaneiden yhteistyön kautta yrityksistä tulee yhä enemmän kansainvälisiä, monikulttuurisia ja eri maista johdettuja. Tämän seurauksena myös työtiimit koostuvat eritaustaisista ihmisistä.</p> <p>Tässä laadullisessa tutkimuksessa menetelmänä käytettiin syvähaastattelua. Tutkimusta varten haastateltiin Ranskassa viittä kansainvälisesti kokenutta johtajaa, joilla on vähintään maisterin tutkinto. Jokainen haastateltava edusti eri yritystä eri toimialoilta, jotta saatiin yksityiskohtaisia ja ennestään arvaamattomia vastauksia sekä laajempi kokonaiskuva kulttuurisesta moninaisuudesta työpaikalla yleensä.</p> <p>Tulokset paljastivat, että nykyisin monimuotoisuutta pidetään olennaisena osana nykyaikaista työyhteisöä. Pätevän ja kehittämiseen suuntautuneen johtajan tulisi aina pitää mielessä monimuotoisuuden tuomia etuja, kuten se, että käyttämällä tiimin jäsenten ainutlaatuisia kykyjä, taitoja ja osaamista työhön saadaan luovia ratkaisuja ja tuottavia tuloksia. Monimuotoisuuden ansiosta tiimi kokonaisuutena selviää intellektuaalisessa kilpailussa ja auttaa parantamaan yrityksen liiketoimintaa sekä asiakassuhteita.</p>	
Avainsanat	moninaisuus, johtaminen, monikulttuurinen työympäristö

## Table of contents

1	Introduction	1
1.1	Background and motivation	1
1.2	Study and objectives	3
2	Multicultural network	4
2.1	What is culture?	4
2.2	Globalization effect	4
2.2.1	Mobility and migration	4
2.2.2	Diversity and equality	7
2.2.3	Communication and conflicts	10
2.3	Intercultural competence	13
3	Interactive management	16
3.1	What is management?	16
3.2	Forming a creative team	21
3.3	Meaning of work	26
4	Research	29
4.1	Research method	29
4.2	Interviews	30
5	The concept and future of diversity in today's organizations	32
5.1	Definition of diversity concept	32
5.2	Managing a diverse team	33
5.3	Work effectiveness	36
5.4	Diversity for synergy	37
5.5	Meaning of multiculturalism in business	38
6	Conclusion	40
	References	43
	Appendices	
	Appendix 1. Interview questions	

## 1 Introduction

### 1.1 Background and motivation

The main reason for choosing diversity management's challenges and possibilities as thesis subject was the growing interest for this topic in contemporary changing business world. Questions about cultural differences and their impact on teamwork productivity are very interesting for analyzing because of their versatility. It is possible to do marvels with diverse unique talents mixed, but at the same time the contradictory habits or opinions of different individuals might cause significant problems in team.

A competent manager should understand the major issues for disagreements in working team in order to be able to organize the workload equally, using team's strengths and developing its weak areas. Moreover, forming creative teams in diverse working society, managing conflict situations and motivating workers for searching and finding the most effective ways to perform their work is not obvious and requires comprehending what diversity at workplace actually means. (Tayeb 2004, 6.)

Many would claim to be certainly familiar with what diversity is, without pondering any deeper. However, less frequently we stop to think what exactly it means to be a part of a diverse work community. One of the definitions for culture in the Oxford English dictionary is "*ideas, customs and social behavior of a particular people or society*". Believing that each one of us has a culture of one's own and every individual is unique, it is appropriate to assume that there is diversity present at any workplace.

The subject of diversity at the workplace is topical in today's work environment as enterprises become more and more international, multicultural and led across different countries through globalization. Moreover, the working habits, manners and methods are changing constantly and we can more and more often hear the discussion that it is more productive to work in teams. These teams often consist of different members that should be seen as individuals and accepted as they are.

Globalization between societies is one of the dominating trends of 21st century civilization development. It has a very strong impact on socio-economic, political and cultural aspects regarding almost all countries' development (Vance & Paik 2006, 91). This process appears to be quite complex and self-contradictory. Being relatively recent phenomenon, it has been studied only slightly scientifically and its forecasted impacts

are poorly realized despite wide discussion in scientific and political literature for the past few years.

The increase in cross cultural contacts in the global space of the modern world requires active studying of the specific ethnical features in different cultures with continuous constructive analysis. On one hand such studies contribute the understanding of facts and values, ensuring the identity preservation of a national culture. On the other hand, they also provide understanding of the unique realities of foreign cultures and therefore more adequate and comprehensive perception of “stranger” cultural environment as a whole. (Venkateswaran 2012, 47-48.)

As a result of globalization more and more firms have to deal with foreign associates and in addition to language skills some basic information about cultures in question should be studied. Moreover, diversification might be considered as an additional source of profit, such as by continuously learning from each other among the team members. (Dragan 2007, 40.) Also, some attention should be paid to various diversifying strategies i.e. the choice of alternative ways of implementation.

The topic is relevant, because there are many large companies with strong competitive advantages in today's fast-growing markets. Considering the high growth in a company's business area, in this position it is appropriate to strive to retain or emerge its market share. Consequently, business diversification is one of the most effective ways for further concentration in the same business area. (Steers & Nardon 2006, 18.)

Basing on an example of working in an international organization, the aim of the study is to pick issues that should be considered in managing a diverse team. The purpose is to show that interacting in a multicultural environment is a part of every work place's everyday life and not only when going abroad or receiving foreign partners. Instead of getting into depth of one specific culture, the study is concentrated on essential issues of managing in a multicultural environment. Pointed issues may be seen whether as challenges or possibilities for more effective result achievement. The pros and cons of managing a diverse team will be analyzed with help of various theoretical sources and internationally operating managers' personal experience via interviews.

Finally, the challenge of the study is to show that building a diverse team is not only a fashion trend in business life, but a real and serious matter that has its impact on the work efficiency and successful results.

## 1.2 Study and objectives

The subject of this work is to take a closer look on issues that diversity brings into a work community. Besides, it also concerns revealing the essence of business society diversification, finding out challenges and/or possibilities in individuals' behavior within diverse organization as well as taking a look at managers' behavior and relationships in this kind of company.

The purpose of the thesis is to raise some important questions for companies' management in order to achieve more productive work results as well as boost the positive atmosphere in teams. This paper might also be used a basic guidebook with questions to be answered in a specific company, when it comes to cross-cultural communication and later internationalization within the framework of business growth.

The study is carried out as a qualitative research and analyzes the current situation in several organizations taking a closer look on diversity at the work place and the organizational behavior management. Special internationally recognized literature on the subject, analytical articles and industry journals are used as the theoretical and methodological basis for this study.

The main question of this study is to find out the ways how well-organized diversity management can lead the team to improve efficiency and get better results from the work. The objective is to strive for understanding whether diversity at workplace is a really important issue, how such a new term is seen by experienced managers and what challenges and possibilities diversity brings to manager's work. A significant part of the thesis is dedicated to revealing the concrete examples, where cultural impact makes a difference in a work community. This part is accomplished via in-depth interviews with the international managers and their personal experience. Finally, the rigorous analysis of diversity subject is supposed to point out matters that have either positive or negative impact on work in a diverse team.

The objective of the thesis is achieved by studying the concept of diversification, getting multicultural managers' opinions via in-depth interviews and then analyzing results. The idea of diversity, causes, types and stages are explored through the respective literature and following current news and publications on the subject. The meaning of diversity at workplace is traced by getting exclusive points of views of managers with wide multicultural experience through the in-depth interviews. The existing systems and ways of seeing diversity on the basis of in-depth interviews are analyzed and evaluated in the end.

## 2 Multicultural network

### 2.1 What is culture?

When speaking of culture one will first of all think of people representing different ethnic backgrounds, speaking different languages and practicing somewhat odd traditions. Going deeper in these reflections, it comes out that our personal culture is in how we act, how we think, our attitudes, values, prejudice about surrounding world and other personal traits. In order to avoid detailed explanations and facilitate everyday life communications, the word “culture” is used to describe certain groups or subgroups of people, their behavior and temperament in general. On the other hand, merging two cultures for creating a third one can be observed as well. Such situation’s forms are, for instance, corporate or organizational cultures. (Fuller 2009, 4-9.)

Corporate culture is one of interdisciplinary fields of research, which is situated at the intersection of several knowledge fields, such as management, organizational behavior, sociology, psychology and cultural studies. From one side, this conception’s multidisciplinary and its unique integrative nature create some difficulties in cognitive sphere, but on the other hand – make efficient and effective enterprise management possible. (Flamholtz & Randle 2011, 12-13.)

It is easier to get work successfully finished in a company where the collective acts as a strong team, hierarchical walls are put down and where each member is interested in the common success. Everyone in team understands that also personal material well-being is dependent on common work’s results. A company grows and develops fast if the team functions in an innovative and well-developed corporate culture. Applying a multi-racial approach in a company’s cultural policy leads to achieving the right balance between organizational and ethnic interests. It is therefore the most important condition for social stability despite difficult conditions of increasing globalization. (Flamholtz & Randle 2011, 17-18.)

### 2.2 Globalization effect

#### 2.2.1 Mobility and migration

Increasing international communication, smaller barriers between nation and changes in the business and consumer cultures are due to cultural globalization. There are both positive and negative aspects to see in this phenomenon. (Steers & Nardon 2006, 19.)



One could suppose that globalization's social and cultural impact could be weakening of habits and traditions (Vance & Paik 2006, 63). From the other side, it is also social connections and practices, overcoming personal and then national limits, increasing people's mobility in territorial, spiritual and psychological regards, contributing to international migration and arising of global unanimity in market economy (Fisher-Yoshida & Geller 2009, 3-5).

In place of recent conflicts between Western market economy and Eastern socialist economy, we can now observe almost complete consensus apropos the market economic system as well as trends in "homogenous" media, arts and popular culture. English has become the international communication language, simplifying cross-cultural communication, learning, mutual understanding and overcoming borderlines in education thanks to distance-learning development. (Fisher-Yoshida & Geller 2009, 3-5.)

As society's internal globalization makes many traditional, national and ethnical cultures undergo major changes of cultural deformation, the same phenomenon is observable in proportional scale in different enterprises. There is an inclination of spreading the same kind of cultural patterns among the teams. Thus, companies strive for creating more "homogenous" working society that limits openness for cultural influence and extending cross-cultural communication. This way of thinking leads the different kinds of national cultures and subcultures to popularizing. This bridges the gaps between different people, boosting mutual communications and coming to terms with each other. (Vance & Paik 2006, 37-39.)

However, there is a risk for such personal values as social responsibility, patriotism, high morals and respect for elders to actively be replaced with new, modern, values that would be rather in favor of individualism, striving for material well-being and self-fulfilling in society (Kuznetsov 2006, 13). The edge for overdo is quite delicate, so, overactive communication and identification raises risk for authentic cultural identity loss. In that case, individuals start feeling their own identity is being distorted or even destroyed because everyone in team is seen as equal (Wrench 2007, 104).

Naturally, the trend in society's culture re-form represents a significant threat also for company's future. Such problems appear when workplace's customs and basic terms of further sustainable organization development are being in contradiction with outstanding points of some cultures. That is why cultural policy should be reoriented from assimilation model towards the multicultural model. That is to say, the minorities would nor have to give up their own cultural traditions and values anymore neither replace

them with majority's favored ones, but all individuals will be socializing with both dominant and ethnic cultures in mixed teams. (Steers & Nardon 2006, 151.)

International migration plays an important role as in sporadic countries' and regions' demographic development as in various business industries' progress. Migration in Western Europe area is burning topic, as there is possibility unhampered mobility between countries. In most cases, people go to another country hoping to find a better paid job (Vance & Paik 2006, 62). Labor migration has become a part of international economic relations. Work force moves from labor-abundant areas to the environments with rich capital. The new contingents of migrants influx to these richer countries is linked with the qualitative imbalances in their labor markets (Bacon 2008, 64).

Various aspects of foreign workers labor migration are reflected in the bilateral and multilateral agreements relevant to the national legislation. State's migration policy implementation methods vary depending on the specific situation on the labor market. Coming to richer countries, the immigrants usually face higher taxation level, but also have the access to a wide range of public services and developed system of social grants. Labor flow would mean a decline in tax revenues in a home country. In this regard, the emigration country's public finances are likely to incur a net loss. On the other hand, also the load on the state's budget will be cut at cost of transfer payments and social spending. (Vance & Paik 2006, 68-71.)

Immigration's economic effects are often simplistically described as negative, because foreign workers reduce the number of jobs and increase unemployment among indigenous population. Without denying the existence of such problems, it is worth noting that it also provides countries and companies that receive foreign labor with some clear advantages. From most positive side the immigrants might be seen as factors that enrich the economic development of entire industries. This happens, when the immigrants are able to bring and share different, new experiences, knowledge and skills as well as dynamism and creativity. (Caligiuri & Lepak & Bonache 2010, 103-115.)

When it is a challenge to a home country that highly educated individuals move to another country – it is, at the same time, a clear possibility for a hosting party. There is a range of occupations, such as loaders, conveyor workers, cleaners, etc., which are lately typical for the foreign workers in most Western countries. For the local population those professions are demeaning even under high unemployment. Furthermore, as mentioned earlier, in many countries, the immigrants fill jobs that do not interest the local population. (Caligiuri & Lepak & Bonache 2010, 105-107.)

However, any host countries' legislation draws up firm requirements for the education level and the professional training experience period. There are also limitations of personal nature, for example, drug addicts, mentally ill people or AIDS infection carriers will not be very welcome. Age requirements depend on the industry in which they intend to work, but it usually ranges between 20 and 40 years. Finally, extremely serious legal requirements relate to the immigrant's political and social appearance. Immigrating is legally prohibited for the persons with criminal records, terroristic or fascistic backgrounds. (Vance & Paik 2006, 71.)

The economic regulation brings out some financial constraints, which vouch for reducing the immigrant number (Bacon 2008, 51). What comes to the artificial persons, in some countries, companies have the right to hire foreign workers only after reaching a certain turnover or making certain payments to the state's budget. Private persons have the right to immigrate only if they are ready to invest in the host country's economy a certain sum mentioned by law, to prove this asset's legality and create a certain number of new jobs. (Bacon 2008, 73.)

Foreign labor recruitment is often put into practice with help of recruiting committees through which candidates for work in their country are carefully selected considering their age, health and skills. An important element of country's emigration policy is determining foreign workers' legal status that would define their social, economic, working, housing and other rights as enshrined in international agreements and national legislation (Wrench 2007, 73). This status does not grant any political rights to the foreign workers, mostly limiting their participation in the union activities and regulating the terms of their stay in the host country.

### 2.2.2 Diversity and equality

These days there is a prominent increase in cultures', subcultures' or different ideology movements' influence on the society. People have the courage to discover new things, become different and emphasize their individuality and distinctiveness. The communication might become more difficult and requires more attention together with growing numbers of different positions and principles (Raines 2012, 83).

"Diversity" is a relatively recent term in the management vocabulary. On practice, being a synonym for "mixture" or "multiplicity", this means that every team member is different in his or her way by character traits, age, religion, origins, opinions, sexual orientation,

educational background, professional experience or social status, etc. The mixture is getting even more unusual and complicated, when, in addition to the habitual individual differences, team members come from different cultural backgrounds, represent rare ethnical races, speak different languages and live in different countries. However, all these people have their own, unique qualities to bring to the work process and have to be treated equally. (Hopkins 2009, 106-107.)

As for equality, it is one of the key constituents of a democratic society and it is regulated by the Constitutions and Declarations of human rights in most countries. Consequently, in spite of the differences, all team members that obey the same corporate rules will be regarded without discrimination. Equality at workplace assumes every individual to have the same and equal rights. Thus, for example, workers doing exactly same work should be paid equally despite their differences in gender or nationality, etc. (Hopkins 2009, 48.)

The question of equality at workplace is, though, very delicate, because many times it is very difficult to judge each member's contribution into the group work. It is, than, the manager's task to evaluate the workload and team's talents already before starting the project of recruiting team members from different countries. (Estlund 2003, 125.)

Values that international exchanges bring to the companies are significant savings in educational and training costs, mobile labor reallocations, developing new business areas, the most active working population are concentrated at one economic center, economic, social and cultural conditions changes and destroying the routine lifestyle traditions. (Hopkins 2009, 258-259.)

Diversification is one of the capitals concentrating forms, associated with the earlier specialized companies (industrial, transportation, construction, financial, etc.), entering in other industries and offering new services. Work society diversification is the simultaneous development of several units or teams that are not connected with each other and forming the expanded range of diverse cultures representatives. (Tayeb 2004, 85.)

According to Edward Finch, most societies don't question the needs to outsource anymore. Instead, they are looking for ways of organizing outsourcing that would be suitable for them and their business. Outsourcing permits companies to acquire knowledge and skills on a temporary scale and vary them according to their needs of actuality. It provides enterprises with more creative solutions via more diverse teams. (Finch 2011, 18.) At the same time it increases stress in teams that have to adapt to quick changes in working styles, methods and groups.

Ways of handling diversity at the work place in different cultures vary a lot. However, there are concrete international law regulations concerning equality despite race, gender, age, ethnic origin etc. in most western countries and European Union area. In this regard, it is important to take a look at different ways of discrimination prohibition execution through the international law, in particular norms set and activities realized by the United Nations, as one of the most active organizations in this respect. Also, there are Racial Equality Directives of the European Union that member countries are bonded to obey. (Wrench 2007, 29.)

The main legally binding international sources of preventing and prohibiting violations of human rights, including discrimination and other forms of intolerance arising from it, at the present stage are the provision of the UN Charter (Articles 1, 55 and 75). Thus, Article 1 states that one of the UN purposes is to respect the human rights and fundamental freedoms without distinction to race, sex, language or religion.

Article 55 of the Charter also refers, in addition to a number of rights, the right to the economic, social and cultural development, to respect and observance of human rights and fundamental freedoms for all without distinction in race, sex, language or religion.

Article 56, developing the preceding, creates an obligation for the UN member states to act commonly or separately, however, in cooperation with the Organization, and in order to achieve the objectives set in Article 55.

In its entirety, the discrimination prohibition is most developed in the international protection of individual rights. Along with that, the non-discrimination right is applicable to a various areas of law. In the field of traditional international public rights, this principle is reflecting the equality between the states. Among other areas, the discrimination prohibition is proclaimed in international economic, maritime, environmental and criminal law.

It should be borne in mind that many bilateral and multilateral agreements in these fields automatically mean creating privileged or special kind of relationships. As consequence, this limits the rights of the states remaining outside of the agreement. It appears that such agreements might be viewed as discriminatory if their aim is the malicious and deliberate restriction of the international law subjects' rights. (Tayeb 2004, 46.)

Priorities for the development and application of non-discrimination principle at the international organizations' level do not fully meet the organic needs of multicultural life

and often reflect currently prevailing political interests. From a sociological point of view, this is related to weakening possibilities of population democratic strata to influence the decision making. On the contrary, international organizations in most cases reflect public interests only indirectly through the national executive bodies of state power. In its whole, international organizations and institutions constitute the executive establishments, although possessing certain independence from the national government, but often lying under the influence of the member states' or participants' executive authorities. (Vance & Paik 2006, 308.)

These negative phenomena should not belittle international public sphere's attention to the non-discrimination issue and other similar unlawful practices by international legal instruments. On the contrary, proportioned situation should encourage to investigate existing procedures and mechanisms as well as to search operation efficiency. (Wrench 2007, 126-127.)

### 2.2.3 Communication and conflicts

Intercultural communication issues lie at the intersection of the ethnological, cultural, anthropological and psychological interests. Determination of the intercultural communication's role in the cultural sociology is an important and essential aspect in today's globalizing working life problem investigation (Lundby & Jolton & Kraut 2010, 16).

Intercultural communication process that involves a variety of individuals or groups combines these opinions and symbols in a united point of view that George Herbert Mead called "the concept of generalized other". Recognizing the existence of cultural differences in behavior, language and non-verbal communication, the individual accepts the concept of different cultural variations' entity. (Mead 1934/1962, 152-153.)

For the adequate understanding of a foreign culture, the individual has to adapt to it in terms of meanings that correspond the objects seen by the new group's members. Moreover, during the adaptation process the individual undergoes constantly values transformation, depending on situation changes (Steers & Nardon 2006, 287).

In process of realignment with the other's role, individuals feel some empathy towards foreign culture and this requires certain level of linguistic and extra-linguistic knowledge as the basis for forming cross-cultural competence (Steers & Nardon 2006, 316). During the adaptation and empathy expression process the representatives are getting into intercultural communication. This cross-cultural interplay is a form of social interaction,

i.e. a set of action from different cultures aiming to generate partner's reaction to communication. In other words, there is an exchange of conjugated actions that suppose continuity and interest in response. (Flamholtz & Randle 2011, 208-209.)

During the cross-cultural communication process simple empathy expands into a stage of cultural pluralism recognition as a positive perception and attitude towards cultural differences. Pluralism is possible as a result of close social contacts. For instance, reading literature in foreign languages in order to expand world view, outlook and horizons as well as develop professionally, represents indirect social communication; attending business negotiations is direct social communication; training process is multi-lateral social contact; subordination relationship is a part of formal social communication etc. (Venkateswaran 2012, 54.)

Social intercultural communication involves a large amount of symbols (verbal, non-verbal and paraverbal) that have a preconditions' role. The stages of adaptation, empathy and pluralism give way to mutual integration, accompanied by contextual assessment (Estlund 2003, 69). It is typical for this phase to provoke forming a general cross-cultural identity capable to realize and accept the cross-cultural social reality, the choice of actions adequate in social context and taking into account spatial and temporal communication parameters. This process is an assessment of communication situation particularities in context of cultural differences and choice of appropriate communication methods. (Hopkins 2009, 112.)

However, being tolerant is not always that clear fact to everyone in the team. Hence, conflict risk grows relevantly to the diversity in a working team (Finch 2011, 131). There is a range of reasons for possible conflicts and it is manager's duty to take control over the situation. There is a multivalent conflict typology presented in social psychology, depending on the criteria chosen as base. Four main conflict types may be observed: intrapersonal that occurs within the person, interpersonal - between individuals, between the group and individual and between different groups (Raines 2012, 34).

The entrants of intrapersonal conflict are not people, but various psychological motives from the person's internal world. Often these motives, such as needs, motivations, values, feeling, etc., may seem or be incompatible with those of opponent. In most cases, intrapersonal conflict appears when contradictory requirements concerning the person's work final result are imposed.

Intrapersonal conflicts related to work in the organization can take various forms. One of the most common such form is role conflict when person's different roles are setting

contradictory requirements. For example, being a proper family man, a person has to spend all evenings at home, but at the same time his or her high manager's position obliges working late. The reason for this conflict is the mismatch of personal needs and workplace requirements. Such internal conflicts may arise at work due to pressure, overload and stress or, conversely, the lack of chores when having to be present at workplace. (Estlund 2003, 78.)

Conflicts between different workers are some of the most common conflict types. Generally, this kind of problem comes up due to managers' competition for resources, capital, labor force, use of time or approval of the project. Interpersonal conflict can also occur in the collision of different character or temperament types. Sometimes people are just not able to get along with each other. For example, two team members who tend to take leader's role will have hard times to come to the agreements and find compromises.

Such conflicts show up in different ways in different organizations. Many managers believe that the only reason for this kind of conflict is characters dissimilarity. Indeed, there are people for who it is thorny to get along with others due to differences in personalities, attitudes or demeanors. However, a deeper analysis points out that such conflicts are usually based on objective reasons. The rivalry for limited possibilities, as material resources, working area, use of infrastructure, work labor etc. appears in these situations. Each person believes that he or she is the one who needs the resources the most and not the other.

Conflicts between a group and an individual take place when a range of rules and behavior norms in informal groups is neglected by an individual. As everyone is expected to comply with the unofficial standards, as for instance, corporate culture's dictations, the digression from group's accepted norms will be seen in negative manner (Lundby & Jolton & Kraut 2010, 10).

Organizations consist of many formal and informal groups that might have conflicts between each other. Such critical situation might appear, for example, between groups of different hierarchical levels, between employees of different departments or between subgroups within the department. External circumstances, behavior patterns, individual's social status and lifestyle are just examples of the objective factors for conflicts. The agreement or the base of norms and rights present in the society can also be a source of arguments. This may happen when if it is not fully-fledged, does not consider



variety of possible situations in interpersonal interactions and has a weak regulatory function. (Estlund 2003, 79.)

There is another set of conflicting causes that comprehends structural, functional and situational reasons. In this case, conflicts are due to poor organization of worker's tasks and activities. Organization's structure does not meet the requirements, affects frail functionality and therefore provokes conflicts within the team and between the working groups. Lapses in management cause the inconsistent situations. Cumulating of management mistakes aggravate the tension in the organization and lead to conflicts. (Raines 2012, 11.)

All individual's relationships in the society are dependent on psychological and social attitudes that are sometimes able to cause tensions and conflicts in the interpersonal communication. For example, human's psychological system is set to optimally regulate all incoming information. Therefore, people lose or distort information coming from interpersonal communication. This natural process does not depend on the person directly, but can cause conflicts. (Caligiuri & Lepak & Bonache 2010, 188.)

Subjective (or personal) reasons depend on the individual, his or her perceptions, behaviors and mentality. Personal conflict resistance will be than conditioned with the way an individual evaluates another individual's behavior and the way individual projects situations with or without conflict him- or herself. (Estlund 2003, 80.)

### 2.3 Intercultural competence

Competence in intercultural relations in the context of globalization, internationalization or multiculturalism debates has obtained a significant role during the past few decades. It consists of several partial competencies that are used in tangible interactions, reacting closely with each other and forming a complex. The three functional sub-competencies are: cognitive competence, affective competence and pragmatically communicative competence. (Tayeb 2004, 31.)

The cognitive sub-competence covers current knowledge for the intercultural communication, such as:

- Foreign cultures and country-specific knowledge;
- Theoretic cultural knowledge about culture's functioning principles, cultural differences and their implications;
- Self-reflectivity.

The affective competence part focuses on the attitudes towards different cultures and their relationships. The interest and openness for unfamiliar cultures is definitely an undisputed precondition for productive intercultural communication. Another important component of intercultural competence affective part is the ability to overcome the contradictions between own and stranger values and standards system. (Caligiuri & Lepak & Bonache 2010, 91-95.)

Thus, the affective sub-competence should be divided in such structured elements as:

- Interest for other cultures;
- Empathy and ability to understand foreign people;
- Mutual tolerance.

Along with the cognitive and affective competences the pragmatically communicative element of intercultural competences should be noted as well. This component contains communication skills that have a positive impact on productive interaction between representatives of different cultures, including also appropriate communication strategies for problem solving.

Pragmatically communicative competences comprise such aspects as use of proper communication models and use of effective conflict resolution strategies. Peculiarly for each of mentioned sub-competences, the learning practice is eventually never coming to its end and is being a lifetime process. Intercultural competence is neither a direct result of separate learning experience nor does it have a static form. (Fisher-Yoshida & Geller 2009, 72.)

At present, increasingly interdependent and multicultural world everyone from international leaders to student needs to be able to successfully communicate and interact with people representing different backgrounds, cultures and other elements of diversity. The intercultural competence belongs to so-called key competencies (or soft skills) that are required in many professional fields despite the educational structure specifics. They are important for managers wishing to make international deals or professionals expatriated abroad as specialist in various fields, for all those working in the international tourism, for scientists involved in international conferences, for teachers and social workers in rather cosmopolitan environment, for recruitment consultants that have to assess training levels and find the right kind of human resources needed and not least for the politicians operating in the international circles. (Dragan 2007, 125.)

The concept of “intercultural competence” covers a whole range of individual skills and characteristics that enable a particular person to successfully communicate with different cultures representatives. The intercultural competence is not just a skill that might be practiced and needed in everyday life, but also a subject of the scientific research. As there is no specific academic discipline for the intercultural competence study, several different disciplines, such as psychology, linguistics, economics, sociology, pedagogy, philosophy and other humanistic sciences are involved. (Lundby & Jolton & Kraut 2010, 213-215.)

The intercultural competence comes out in a personal and other people’s ability to perceive, interpret, evaluate, respect and effectively use the cultural conditions and impacts in perceptions, judgments and feelings and productively use them in terms of mutual adaptation, tolerance and cooperation. (Hopkins 2009, 115.)

A somewhat different perspective on the intercultural competence arises when looking at the interaction within diverse society frame. Contacts between different societies in contemporary world and pronounced migration are becoming a daily life for most people. The concept of “cultures’ dialogue” is appearing as life philosophy, an individual’s or a whole social group’s deliberately chosen position, comparison of interaction and understanding of the different cultural values. This type of relationship, where different people are seen as equally unique and equally important despite the distinctions, is defined in different studies as a cultural dialogue or intercultural communication (Dawson 2010, 66, 68).

Realizing the presence of “foreign” cultures different the “own” is the beginning of a complex multi-stage process of communication in diversity. One of the most prominent intercultural communication specialists Dr. Milton Bennett takes a stand on the opinion that cross-cultural sensitivity is essential for the successful cross-cultural communication. He created a model of cross-cultural communication stages characterizing ethnocentric and ethnorelative approaches. (Bennett 1998, 28-29.)

Ethnocentrism is based on the functionalism philosophy. Accordingly, the mankind is united in its manifestations and, therefore, culture is also uniform, but the development goes from simple to complex. As per this paradigm, the “own” culture is hierarchically higher in the relationship with the “foreign” one. Ethnocentrism is an objective approach to the intercultural communication study, as a result of ignoring the specific social conditions and cross-cultural particularities in a multicultural social reality (Vance & Paik 2006, 142). The absolutist cultural paradigm does not have necessary resources for

the cross-cultural communication research, especially in the time of globalization, increasing migration and different cultural conflicts.

As in the beginning it is difficult to see and adapt foreign and unknown cultural factors, the first stage towards open-mindedness is stage of disavowal. This stage presumes all kinds of cross-cultural encounters in order to form a general perception of the basic cultural values as well as cultural differences without judgment. Otherwise, a protection and defamation stage will come when awareness of cultural differences might cause reaction to protect own cultural identity and to arise negative emotions vis-à-vis the foreign culture. This stage is specific with expression of own culture superiority feeling and hostility to foreign points of view, which in worst case can take extreme forms, such as fascism, national socialism, etc. (Fisher-Yoshida & Geller 2009, 28.)

Ethnorelative perception of cultural differences roots from the symbolic interactionism as a theory of interplay between different people structuring the basic problems of intercultural communication. Namely, the existence of cultural differences is a positive factor in case of opinions and symbols convergence between different cultures. In conditions of continuous market competition, effectiveness is the main prerequisite for company's survival. Effective management that will endorse company's success requires focus on people: in the external environment – on the consumer, as in terms of internal environment – on personnel (Denning & Dunham & Brown 2010, 22).

Social, cultural and technological changes taking place in world globally cause many problems for people whose professional duties require managing the organizational behavior. A range of this issues include among others human resource management in order to gain a competitive advantage, development of organizational ethics and caring for the employees' welfare, diversity and global environment management. (Vance & Paik 2006, 89.)

### **3 Interactive management**

#### **3.1 What is management?**

The core purpose of management is to lead others towards the success. The term "management" is a large notion that comprises all actions of all persons that have power to take decisions concerning planning, assessment, project executing and control-

ling. Management theory as science came out in the end of 20th century and has developed constantly ever since.

Management is a science and practice of production factors rational and integrated use with the aim to achieve the organization's strategic objectives with a leading role and employees' support. Management is a process of planning, organization, motivation and control in order to form and achieve organization's goals through other people. Time management is effective time planning for achieving objectives, finding time resources, setting priorities and monitoring plan's progression. As for personnel management, it is a question of expertise area that studies employee's personal work organization in terms of methods, principles and working techniques (Caligiuri & Lepak & Bonache 2010, 18).

Manager of a today's working society plays leader's, director's or even tutor's role, needed for guiding teams for achieving set objectives instead of surveying the work process until the smallest details. Leadership is a process of influence aimed at forming the organization's objectives, motivating its members' behavior for achieving these objectives and forming corporate culture. (Deal & Prince 2007, 9.)

Management on the international scale has special kind of particularities and its main goals are to form, develop and use of company's competitive advantages at the expense of conducting business in different countries with appropriate use of economic, social, cultural and other peculiarities of these countries and international influence (Lundby & Jolton & Kraut 2010, 200-205).

Leadership is based on the manager's personal influence. Modern leadership theories recognize that leader's behavior is influenced by situational factors, including cultural ones. Basing on the analysis of the cultural factors influence on the leader's behavior classified by Geert Hofstede (collectivism/individualism, power distance, uncertainty avoidance, goals and time orientation), it can be concluded that the leadership styles adaptation to the national culture allows assuring a high level of efficiency. The table below indicates the national culture factors effect on the leader's behavior according to G. Hofstede's observations. (Hofstede 1984, 72-125.)

**Table 1: Culture factors' effect on the leader's behavior.**

Factor	Leader's behavior
Social orientation	
- Individualism	Behavior oriented on individual employees
- Collectivism	Behavior oriented on group
Power distance	
- Respect for authority	Behavior oriented on tasks structuring and final result obtaining

<ul style="list-style-type: none"> <li>- Tolerance for authority</li> </ul> <p>Uncertainty avoidance</p> <ul style="list-style-type: none"> <li>- Accepting uncertainty</li> <li>- Denying uncertainty</li> </ul>	<p>Behavior oriented on interaction with subordinates and involving them in the decision making</p> <p>Behavior oriented on employee involvement in the company management</p> <p>Behavior orientation on final results achievement</p>
<p>Objective achievement orientation</p> <ul style="list-style-type: none"> <li>- Active objective oriented behavior</li> <li>- Passive objective oriented behavior</li> </ul> <p>Time orientation</p> <ul style="list-style-type: none"> <li>- Long term</li> <li>- Short term</li> </ul>	<p>Behavior oriented on final results achievement and financial rewarding</p> <p>Behavior oriented on relationships formation, improving life quality and attention for subordinates</p> <p>Orientation on forming an organizational culture where loyalty, hard work, perseverance and thrift are valued</p> <p>Orientation on forming an organizational culture where the respect for traditions and commitments for society are valued</p>

In order to ensure the organization's goals achievement, along with competitiveness and development, the most attention should be paid to the human resource management and the special requirements set for the international companies' managers (Calligiuri & Lepak & Bonache 2010, 19). Primary importance is in the abilities to communicate and cater for the special needs of the corporate culture. Manager's ability to link company's global goals to its national interests, aptitude for the cultural integration, language skills, strive for knowledge and mobility are equally of a considerable relevance. (Vance & Paik 2006, 87-88.)

Human resource management has central significance in the successful organizational functioning. At present when the science and technology development advance every day, human's role is getting a crucial position. Today it is a major strategic resource in any company's competitive environment. Human resources are the only ones to have the ability of being creative, which is becoming critical for the success of any business. (Flamholtz & Randle 2011, 196-197.)

The most complex and challenging management target in the organization is the personnel management. The employees have the opportunity to autonomous problem resolving, subjective interests, so they are extremely sensitive to management effects and react censoriously to any requirements. In this regard, the investments in human capital are seen as main income source, though earlier personnel costs were considered as an unnecessary expense. These investments are aimed at creating conditions for the creativity development.

Directing a company, management faces various problems and a major one concerns working with the personnel. The main tasks of human resource management are to provide organization with qualified employees, create favorable conditions and environment for effective employees' knowledge and experience use, improve remuneration and motivation systems, manage internal worker moves and their career growth

plus provide employees training and education opportunities (Venkateswaran 2012, 395).

International manager should take into consideration workers' experience, the staff's skills and hierarchy level, needs in the region as well as their own cross-cultural "field" research. Despite the coincidence of basic needs, prioritizing necessities and the dependence of different peoples and cultures representatives' specific needs should be considered. Eastern cultures are more oriented to the needs of society and western on the individual needs. (Deal & Prince 2007, 12.)

However, there are also certain difficulties and common trends in tricky questions concerning human resource management, for instance, in methods of organization and staff selection procedures, development and assessment of scientific criteria and scientific approach to human resources necessity analysis. Need in human resource management system's improvement is of actuality in many companies as due to the market infrastructure development, changing nature of work and labor content (Venkateswaran 2012, 425).

One of the major difficulties in human resource management is to understand the affects that labor force heterogeneity has on behavior, performance and welfare. This kind of heterogeneity among employees is related to age, gender, race, ethnic origin, religion, sexual orientation, social and economic backgrounds abilities and weaknesses. In case where organization or group is composed of representing same sex, ethnic origin, age, religion etc., its members' types of attitudes and behavior will likely be similar. These people will probably base their opinions on the same set of assumptions and values and tend to respond to the work situations (project participation, arising conflicts or setting new tasks) in a similar way. Conversely, if the group members vary in age, ethnicity and other characteristics, the betting is that their types of relationships, behavior and reaction will be different. (Wrench 2007, 124-126.)

An important problem caused by the work force heterogeneity is a question about how to take the advantage of different attitudes and perspectives of people of different age, gender or race for improving the decision making quality and increasing the organization functioning. Many companies have discovered that the new situation with the staff creates a new way to analyze the traditional problems. Moreover, it provides organization with new tools enabling achieving set objectives and lead the business as per strategically selected method.

The challenges of managing a diverse workforce increases when the organization starts operating on an international scale. Many global companies face difficulties of heterogeneously composed teams' effective management within its operations across national borders. There will be more serious problems related to understanding organizational behavior at the global level come out. There are facts demonstrating that people from different countries may have different values and point of view not only in the professional situation, but as well in relation with world in its whole. (Estlund 2003, 142.)

For example, according to G. Hofstede, for North-Americans the individualistic attitude towards work is typical, whereas it is collectivist for the Japanese. Such an individual approach reflects cultural differences that influence people's behavior in groups, the grade of their involvement in the work and loyalty to the organization as well as their motivation of carrying out the work itself. Understanding the differences between the national cultures is necessary in any attempt of controlling the behavior in global organization, because otherwise the functioning has less possibilities of the improvement.

The main condition for the company's survival in a continuous competition is efficiency. Effective management ensures the success of the firm but also requires a focus on people: in external environment people will be consumers, in the internal – employees (Wrench 2007, 60).

It has a special meaning the internationally operating companies, as they are usually more or less familiar with the home country's situation and regulations. On the contrary, going on the global market, an enterprise gets into an all unfamiliar economics, political and social environment and in addition in a situation where opportunities, learning sources and adequate assessment are not obvious. (Fisher-Yoshida & Geller 2009, 40.) That is why it is very important to choose the right management model for the work in a specific area. The techniques and methods remain almost the same as for the domestic economic approach, but they should be considered in more detail and in straight relation to the company's activity.

International management is a special kind of supervision that, firstly, aims to form, develop and apply the competitive advantage through the possibilities of running the business in different countries and within different cultures. Secondly, the purpose would be to correspond the appropriate use of economic, social, cultural and other characteristics of those countries and cross-country exposure.



### 3.2 Forming a creative team

Successful organizations are those that are able to quickly adapt to changing situations of surrounding environment and remain competitive. Thus, the work community diversification method is quite important, as in addition to collective problem solving it is also useful for the development of its members creative potential, increasing company's resources value as well as the development of the managers' and the subordinates' intellectual, communicative and emotional competences, providing them with effective skills in speaking and listening. (Wrench 2007, 65.)

The essential part of the leadership is structured influence on the company's functioning as well as its subdivisions. Aiming at providing company's optimal functioning and developing, creating propitious working conditions for the employees so as satisfying their material and mental needs, the manager's duty is to take decisions basing on the interests of people involved in the process. (Hopkins 2009, 97-98.)

Being a creative way to problem solution, this method stimulates the activity and intuitive thinking in team members in the process of searching ideas and propositions. It contributes the integration of the gathered information and on this basis significantly improves the decision's effectiveness. This is particularly important in conditions of hard competition when innovative strategies, original ideas and actions and new ways of behaving are necessary. (Steers & Nardon 2006, 345.)

Target-oriented management involves a conscious move towards known and clear goal despite the obstacles and difficulties that might possibly be faced. Since not so long time ago more and more often such term as "manager's drive" is faced in work communities. This means repeatedly making decisions and actions aimed on achieving the goals. It is very important to set the objectives in the exponential form and could be measured.

The manager's personal qualities might be set next and compared to the diplomatic ones. Personality's role in all regards is an important factor in the problem resolution and decision making. An individual, and therefore its personality, is different from any other being because of its ability to think and act consciously. In this case the diplomacy is not an exception. (Hopkins 2009, 98.)

The personality aspect plays a significant role in management, as likewise diplomacy, its core meaning is to defend the team's interests, ensure respectful external perception, stand for the team members' rights and interests and generally contribute to their

professional development. In order to conduct the mentioned requirements, the person has to acknowledge the traits of own personality and their compatibility with “ideal manager’s” ones. This is necessary, because work’s success depends on the acquired qualities but also on the genetic abilities to support the responsibilities that managing position brings. It is also worth mentioning that observant and studious mind, calmness and patience, resourcefulness needed for eliminating sudden and unexpected difficulties are necessary qualities in order to be credible in subordinates’ eyes. (Deal & Prince 2007, 25.)

The employees are the basis of any organization. The company lives and functions only thanks to the people who create its products, form organizational culture, internal climate and atmosphere and organization’s nature and face depends on them. (Dawson 2010, 4-5.) People working in a company are very different from each other in many aspects, such as: gender, age, education, marital status, etc. All these differences can make a major impact on both individual worker’s and other members’ of teams’ performance, behavior and general functioning (Finch 2011, 131-132). Therefore the management’s task is to advance each individual’s positive performance development and strive to eliminate their actions’ negative consequences.

Company’s personnel consists of the employees that carry out manufacturing, supporting or managing operations, employees that process work with necessary professional skills. Staff is organization’s composition that is hired to work and has specific characteristics. The term “staff” brings together all parts of company’s work collective.

Human Resource Management covers the employees’ capabilities utilizing in order to achieve organizational goals. Directing the personnel means planning, organizing, implementing motivation and controlling teams forming, casting, restructuring and application of personal and professional skills. Human Resource work includes, inter alia, the following elements:

- Employees selection and placement in organization
- Workers’ training and development
- Compensation for performed work
- Creating favorable working conditions
- Resolving of work disputes and arguments
- Etc. (Caligiuri & Lepak & Bonache 2010, 133-135.)

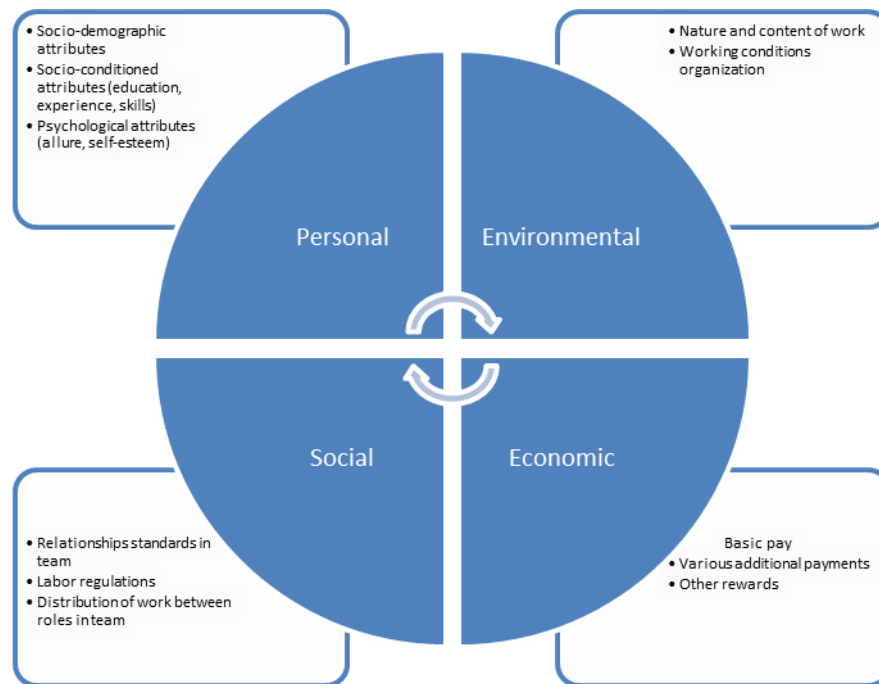
Within a range of skills that organizations require from the employees, the ability to work in teams plays a prominent role in most of company’s activities. Self-managed

teams are the key elements of a flexible organization. Teams should be formed around the problems to be solved. Once problem reconciled (or project completed), the team might be disbanded and new one created. Individuals may change teams from one team to another, as for the teams, they vary depending on the new requirements.

Groups (teams) become the basis blocks in the company's foundation. Team has a common purpose. Responsibility and accountability are used for assessing the objectives achievement degrees. The main success indicator is the customer satisfaction (rather than an increase in goods stocks or profitability growth). What comes to the fundamental importance is that work effort assessment and rewarding system is established on team's results instead of the individual achievements. Developing different skills and mastering several areas of expertise instead of narrow specialization are encouraged by management. Skills related to the group approach are elementary for the successful teamwork. (Flamholtz & Randle 2011, 198.)

Consequently, the organization has to provide the staff training in necessary skills. The roles in different teams will be predetermined by the nature of work and composition of team. So, depending on the situation, a person can be leader in one team and subordinate in another. Individual efforts will, of course, continue being necessary and desirable, but only as much as they contribute to the whole team and common goal. Applying different roles requires an employee to fully master a wide range of new skills, which is not quite peculiar in an ordinary organization. Workers have to be adaptable, motivated and able to work in team. (Caligiuri & Lepak & Bonache 2010, 115-117.)

When a person starts working in a new team, the aims and value-oriented behavior is adapted in relation with company's and management's requirements. Same as the team has requirements for its members based on its values and objectives. In process of realizing management's demands, team and new member are interacting, adapting to each other. (Finch 2011, 158.) Thus, work adaptation is a double-side process between the individual and the new social environment. It is a complex structure that represents the unity of the professional, socio-psychological, socio-organizational, cultural, civil and psychophysical adaptation (Kuznetsov 2006, 88). The individual's successful adaptation in a new team depends on a range of factors as indicated in a Figure 1 below.



**Figure 1: Professional adaptation appears in mastering professional skills and abilities on a definite level.**

Innovative management is one of the strategic management trends implemented on at the top level of company's hierarchy. Motivating employees to carry out quality performance of the delegated tasks within their responsibilities is a part of innovative management system. In addition to the administrative decisions, the manager should create an environment that would encourage all participants to a productive collaboration. A lack of incentives might destroy the most promising organizational construction. (Steers & Nardon 2006, 309.)

The list describing innovative management principles should at least include foreseeing, objective setting, encouraging subordinates, supporting work process with necessary resources, handling employees' resistance to changes as well as conflict situations management. (Dawson 2010, 42, 96.) Manager's attention should always be directed to new ideas' prospection, assessing feasibility and perspectives. This characterizes manager's but also employees' positions that should be future oriented, as the sense of innovations keeps growing from day to day, as business practice forces companies to create a variety of innovations for production streamlining. In addition to the environment conditions, also existing products and methods limitation/ageing dictates the need for innovations. (Caligiuri & Lepak & Bonache 2010, 21.)

Traditional management technique considers acting on the basis of the existing situation and available resources for the potential results. On contrary to previous, the inno-

vative management departs from the desirable results and determines needed resources for their achievement. Also the management objectives vary, mostly concerning managing current tasks and further development. (Estlund 2003, 53.)

Overcoming the psychological resistance to innovations, which can be explained with habits, fears and uncertainty for the new nature of innovations plays a weighty role in strategy that aims to raise the effectiveness. Nevertheless, it is possible to avoid crisis situations by beforehand preparing, phasing and staging innovation and rejecting the fundamental perception of management system equilibrium for its irregularity. (Raines 2012, 139-140.)

A noteworthy part of manager's work is resolution of the continuously raising disagreement situations. However, not all of those situations reach the conflict stage, as many managers get to solve them in time. Therein lays the art of leading – to anticipate conflicts and resolve them early on. (Venkateswaran 2012, 375.)

Manager's attitude towards the conflicts situation should be adapted respectively each time (Caligiuri & Lepak & Bonache 2010, 18). The team leader does not have to "hide" from the conflict where it is needed in order to resolve the urgent problems. Some managers tend to take a waiting position in conflict situation, suspecting to be drawn in the dispute and hoping everything to get arranged somehow itself. There are also situations where the manager is "odd man out". Anyway, conflict should not be left ignored. The manager must act immediately after receiving information about a difficult situation, instead of waiting for the conflict to spread. (Denning & Dunham & Brown 2010, 344.)

If the situation gets out of hand, the issue gets more and more complicated and volume of negative emotions grow as well. It is manager's job to help restoring conventional relations and creating the conditions for reconciliation. For example, the conflicting persons can be assigned for a business trip. Meanwhile, polemical persons will have the time to think and calm down.

Manager's inaction and taking interference ignoring position is seen in team as indifference or even cowardice. Both are not quite conducive for leader's authority. The true causes of conflict that are often hard to see should be defined when resolving a conflict (Venkateswaran 2012, 383). For example, one worker is being attentive towards other's work, but at the same time has some selfish aims. There might be long-standing grudges and desire to take other's better place hiding beneath this mask of being nice.

This masking is needed, because nobody wants to look like a trouble maker, as a peaceful ambience in team is appreciated. Changing motives can first occur for “external use”, for explaining others one’s position, but afterwards conflict initiator himself prefers believing this. A psychological self-defense mechanism launches in this situation – besides the real ignoble reason, the initiator comes up with a noble excuse. Thus, leader’s main task in conflict situation is to find its germ, which might be pretty difficult. All possible reasons should be analyzed, separately taking a look at constructive factors and personal and emotional.

The external signs of person’s involvement in personal, emotional or destructive conflict are excessive wordiness, nervous speech, and reluctance to listen to opposing arguments. In case of a constructive conflict, the involved persons are more reserved in showing emotions and pay more importance for logic, facts and arguments. That is why individual’s excessive vehemence indicates covering own personal interests in constructive conflict. The effective conflict resolution is impossible without knowing its real causes. (Hopkins 2009, 121-122.)

Leader’s specific actions in conflict will first of all depend on the fact whether he considers himself somewhat guilty in the situation. This is probably the hardest moment, not to be tempted to search others’ mistakes, trying to save own neck from critics. Situation’s further development will depend on the conflict initiator’s goals. Conflict initiator’s purpose might be distant. When it requires certain time for realizing taken decisions, achieving the goals cannot be immediate.

In the end, there is no sense in such conflicts when the situation cannot be changed (Venkateswaran 2012, 380). However, the person damaged internally will not be able to stop the anguish and will be coming back to this event, creating tension in relations with others. In such cases leader should take into account person’s condition and express sympathy, as it is only possible to get rid of this kind of conflicts on the emotional level.

### 3.3 Meaning of work

We are currently living the stage in the global development, so-called “post-industrial society development” or “stage of building the information society”. All these changes point out the relevant requirements for designing companies’ project management, forming governance structures or unification or separation of its different functions.

According to the management specialist Peter Drucker (Drucker 1973, 125), the fundamental principles of companies are about to change during the next century. The forecasted changes are rather from “rationality based organization” towards the companies “based on knowledge and information”. Companies construction, functioning and their interactions with each other will be basing on integration processes in management, instead of current narrow functional specialization that have showed on practice its drawbacks (such as increased number of hierarchical levels, a large amount of coordination efforts etc.).

Becoming organizations “without interior walls” changes company’s interior structure and organizational practices. Also, the traditional connections and relationships between companies get modified and create companies “without borders” thanks to wide networking. It is as well more obvious that the new in-house management systems’ main feature should be the long-term perspective orientation, conducting basic analysis, operations diversification, innovations, maximal use of employee creativity. Decentralization, reducing hierarchy levels, employee progressing and their rewarding related to the real results will be the main areas of the future changes in management. (Denning & Dunham & Brown 2010, 300.)

Company’s competitiveness is an ability to make profit of acknowledged multicultural strengths and concentrate the efforts on the potentially advantageous area of the products or services manufacturing of internal and external markets. Main competitiveness level measuring factors are company’s strategy, possession of material, financial and labor resources, innovative potential, market share and management effectiveness. (Caligiuri & Lepak & Bonache 2010, 11.)

What comes to the human resource management, there can be noted a slight gradual disappearance in clear distinctions between different workers categories. Work’s intellectualization and continuous learning become more and more important means for improving company’s functions efficiency. Much attention is paid to the organizational culture forming and managing as well as issues of conflict management. (Caligiuri & Lepak & Bonache 2010, 17.)

For the perception of the motivation essence among representatives of different countries plays an important role understanding of the importance of work itself. (Caligiuri & Lepak & Bonache 2010, 87-88.) It might not be limited to an economic necessity, the need of achievement, recognition or kinship or other. Work meaning studies on the

international scale and within the multicultural team, matched the value of work with the importance of leisure, socializing of religion and family for the individual.

The most effective specificity in human resource management approach will be stimulating the individual professional development at the expense of personal interests and responsibility mechanisms. Work motivation is the process of stimulating an individual performer or a team to actions aimed at company's objectives achievement and productive implementation of planned work and taken decisions. (Dawson 2010, 91.)

In most cases, money and other material perks are considered as the only motivating causes. According to this way of thinking, people would be purely economic beings that work only for getting remunerated materially in order to be able to pay things they need as food, clothes, living etc. However, modern motivation theories base on psychological researches and prove that true reasons that stimulate person to dedicate their selves to work are particularly complicated and multidimensional. Some scientists see human's acts totally dependent on their needs. Those supporting the opposite position think that human's behavior is also their perceptions and expectations. (Flamholtz & Randle 2011, 140-141.)

The need for achievement, success and personal growth are also perceived differently in different cultures. For the representative of western culture, this need is associated with the individual achievements, career development and successful socialization. Whereas for a Japanese person guided by the basic principle of corporate interests and of harmony in group, it will be associated with the need for collective achievements and success of a whole subculture. Representatives of Latin American countries need to link this with family values, and the Hindus with the spiritual perfection. (Hofstede 1984, 210-213.)

These few examples confirm the complexity of the task to effectively motivate representatives of multinational and multicultural team. The solution to this problematic will entirely depend on the international manager's painstaking study of the team members qualities. That is to say, each nation's and culture's representatives profiles should be examined in order to recognize the strengths and weaknesses and find right motivational factors. (Wrench 2007, 103.)

Inter alia, decision making is a part of the international business where cultural differences play a big part between the representatives of various nationalities. There are two ways of approaching the decision making: normative model and descriptive model. According to the normative decision making model the managers guided by logic and



common sense. As for the descriptive model, managers' ability to be guided by logic and common sense is limited by some behavioral aspects, such as restricted rationality (absence of complete or accurate information) and reasonable sufficiency (making an acceptable choice of all identified options). Applying a normative decision making model in different cultures requires taking into account the national peculiarities named by Geert Hofstede.

## **4 Research**

### **4.1 Research method**

For accomplishing this study and support the main objective, qualitative method has been chosen. This method focuses on narrative reporting, description, interpretation, context and meaning. (Schostak 2005, 16.) An approach like this can be contrasted with quantitative research, which focuses on operational definitions, careful control of matters.

Qualitative research method permits collecting information in a free form instead of focusing on statistical measurement. It is based on understanding, explanation and interpretation of empirical data and serves as a source of hypothesis formation and productive ideas. The main aim of a qualitative research is to get exploration data as an alternative for quantitative range of opinions. (Schostak 2005, 146-147.)

In order to explain and construe the concepts qualitative methods use words in place of numbers. In other words, the questions are "what", "how" and "why" rather than "how much". Depending on the study objectives, it is possible to use several techniques, inter alia, as following:

- In-depth interviews, free form of discussion on a particular topic
- Semiformalized interview, a combination of formal and free interview
- Focus groups, group discussions with representatives of the target audience. (Sachdeva 2009, 165.)

Typically, qualitative research methods carry an exploratory character and are applied during the phase of orientation and understanding the problem. Found information allows putting forward more reasonable and justified hypothesis about the cases circumstances characteristics, in this study – team members' behavior in an international environment. (Gillham 2005, 42-43.)

The range of problems that might be solved with the help of a qualitative research is rather wide. However, its distinguishing feature is to allow analyzing also team members' comportment's and motivation's unconscious components in addition to conscious and verbal respondents. Moreover, it brings out cause and effect relationships and procedural characteristics of their behavior. (Gillham 2005, 87.)

In this study the emphasis is rather on an in-depth interview method. As it is unstructured personal interview with the respondent, it will simplify determining his or her personal conscious and unconscious motives, beliefs, feelings and attitudes towards the issues of diversity at workplace. In contrast to the focus groups, in-depth interview method allows deeper investigation of each respondent's identity, personal life and values detailed reconstruction as well as familiarizing with the environmental and ethnographic features impact on the person. (Schostak 2005, 26-30.)

Qualitative research, as opposed to quantitative one, does not focus on statistical measurements, but instead bases on understanding, explanation and interpretation of empirical data. Moreover, it is a source of hypothesis forming and productive ideas. As projective and stimulating techniques, such as unstructured, non-legislative ways of asking questions, it will enable revealing the motives, attitudes, preferences, values satisfaction and problems of the respondent. (Gillham 2005, 6-7.)

## 4.2 Interviews

In-depth interviewing method was chosen for the data collection of this study. This method was considered the best way to approach the matter of diversity at workplace from various practical points of view. Through the interviews it was possible to catch wider ideas from several experienced managers. Moreover, this enabled interviewees to freely express their opinions on different areas of management and have open discussion on problematic issues. Also the order and the forming of the questions could have been changed depending on what was being said by the respondent.

In order to keep this survey credible and get valuable information that could later be of use, some special criteria were set for the interviewees. First of all, they had to be graduates of Master's or higher degree. This condition ensured that every respondent had got their leader's qualification through the higher education and thus could lean on the theory knowledge in addition to personal experience. On the other hand, respondents had to be leading diverse teams with sever years management expertise in multi-

cultural environment. Hence, practical examples served as solid support to the theoretical information. In addition, each interviewee had to represent different professional background and status, age, gender and current field of activity.

Basing on personal and professional network and connections, 7 possible interviewee candidates from various internationally active French companies were listed in an Excel table. All the candidates were first contacted by e-mail, where the purpose and motivation of this study were explained. Furthermore, in these individual messages the main interview questions were given beforehand and some possible date for the interview timing were proposed. Those, who had not answered the e-mail, were contacted by phone in order to schedule the meeting. Subsequently, it was not possible to arrange a face to face meeting or telephone conversation with 2 out of 7 contacted persons and all in all there were 5 interviews in person.

Some of the respondents wished to stay anonymous for this study, so special coding for each interviewee (Person A-E) was used in the interview process follow-up table. Table below indicates the interviewees' profiles.

**Table 2: Interviewees profiles.**

Characteristics/ Interviewee	Field of activity	Work experience /years	Current position	Number of subordinates	Age	Gender
Person A	Engineering	6	Design Platform Manager	6	30	M
Person B	International trade	11	Purchasing Manager	9	36	M
Person C	Scientific research	41	Business Development Manager	18	61	M
Person D	Quality assurance	25	Quality Control Manager	15	50	M
Person E	Sales	18	Customer Relations Manager	34	42	F

These in-depth interviews were held as informal personal discussion based on beforehand prepared questions in order to encourage the respondents to lengthy and through reasoning on diversity. The aim was to receive detailed unpredictable personalized answers rather than filling a formal questionnaire. Each interview lasted from 20 to 60 minutes; all of them were conducted tete-a-tete and were audiotaped. The records were treated for the transcription. It was not possible to video record the interview for analyzing respondents' non-verbal reactions afterwards, but it was judged not significant part for this study.

All the interviewees were asked the same questions that each of them received in advance. Typically, the interview started from the same opening question "*What diversity at workplace means?*" This was necessary in order to see if the different managers understood the same term similarly.

It was then possible to move on in discussion with questions about challenges that managers face when leading a diverse team. On the other hand, the interviewees also expressed a range of clear advantages that could be brought into team by mixing different talents. Each interviewee gave individual real-life examples that could only complete each other, but were difficult to compare. At this point, the respondents were asked to specify the attributes that a productive team should definitely have. Describing an ideal team for achieving visible results at work allowed once again composing a common definition.

After defining the basic necessities for productive work, the respondents were asked to justify their answers and clarify how the features they have mentioned affect the working process. At the same time the discussion was lead towards the implementation of the diversity concept at workplaces. That is to say, how the diversity in teams helps in optimizing work processes and achieving synergy in teams.

Finally, the interviewees were given a possibility to express their visions on why the overall discussion about diversity in companies would be worth developing. The respondents gave reasons for managers to get more information about diversity at workplace and explained how the acknowledging working in multicultural environment helps improving the work community.

Lastly, a thank you e-mail was sent to all interviewees. Everyone without exceptions was eager to discuss deeper about the diversity subject and considered it as an important issue in today's multicultural working environment. A detailed account of in-depth interviews will be narrated in Chapter 5.

## **5 The concept and future of diversity in today's organizations**

### **5.1 Definition of diversity concept**

The significant part of the research was to understand the term of diversity itself. All the interviewees were asked the same main questions in the same order. First of all, the interviewees described their own vision of diversity regarding their managing team members and the whole community they are working in.

A diverse working society is a large term, so it should be divided in parts in order to give it a proper definition. At its simplest, it might be just a number of experts in differ-

ent professional areas. At a more extended scale – a diverse work society will represent a group of experts in various fields of knowledge with different backgrounds from educational as well as practical experience points of view. The working community will be also more diverse containing people of different ages and altering working histories. It should also be taken into account that work community's members might represent different cultures, genders, nationalities etc. and therefore have different ways of social behavior, thinking and being.

Although a specific operational culture might prevail in the community, diversity can occur in a form of strong differences in personalities and character traits. A modern working society covers also people from different levels of organizational hierarchy and whose scale of responsibilities vary.

*“Beyond ethnic origin, which, of course, remains a massive player into decision making, I think that experiences of life are really something which characterizes all of us.”* says Quality Control Manager with 25 years of working experience.

From suburbs to country side, from standard employee to chairman grown up family space, from unique child to big brotherhood, from social awareness to consumerism value, there are a lot of mixed factors that put people to choose certain lifestyles and take certain attitudes. Where people come from, the environment that surrounds them during all their life and different influences they get exposed to form each individual's unique own culture. This is what makes any working team a diverse one, as all people are different from each other.

## 5.2 Managing a diverse team

In this section the emphasis is on working team itself, the degree of diversity it represents and what challenges or possibilities it might bring for the work's final results as well as to the atmosphere at the work place in general.

As stated earlier, the working environment may be found diverse in many ways. The challenges of managing a diverse society are therefore elusive and as diverse as the group's diversity as well. A common challenge in the management of various work societies is probably the fact that it is not easy to create an unambiguous way to function.

A major challenge is also the fact that the versatility is not utilized fully in its entirety and some precious skills and knowledge are lost because of simplifying tasks and things. A very diverse work community may be a challenge in terms of the human resource management. All the members of a work community should be treated equally,

but on the other hand such issues as hierarchical placement and responsibilities disparity in organization should be taken into account.

A wide range of expertise and responsibilities levels may lead to competition of importance and task division inside the team. Some challenge is in constant finding sufficiently all-round challenges for the team members and subordinates and task analysis in relation to the layout of the team's overall know-how.

It can be a true handicap for the manager to face the situation where the employees with the same level of responsibilities contend with each other for other things than work, such as material goods (cars, houses), living standards or areas, etc.

*“Even sometimes children’s success at school may be felt as jealousy feeling between both colleagues. Manager must still be focusing tightly about job attribution and workload distribution, even if he believes this can be a hotspot between two or more team members.”*

It is important to identify good communication channels between team members in order to avoid misunderstandings. Similarly, building solid and open relationship between manager and subordinates will contribute to smooth problem solving. It would also advance the mutual trust between manager and subordinate, which in return ease handling a change management process and dealing with change resistant team members.

*“The most difficult challenge for managers, as I see, is to take time and try to understand the individuals, avoid replacement of it by inventing "general rules" of people behavior in the team.”*

The team that represents high diversity cannot be managed in a traditional way. Various people can be productive during different hours of the day, need more or less breaks, more or less time for the same task and so forth. Unfortunately, volume of work and lack of time often push the managers to forget about the term "personality" and think about their co-workers simply as about "subordinates" that should followed estimated general rules and orders. Delegating responsibilities this way is not only undesirable, but can be dangerous. It could cause if not a "revolution" or strike, but at least quarrels, decrease of productivity and poor ambience.

A diverse work community is easily exploitable with significant benefits for the company if the right ways of management are applied. There is always a diverse range of views and potential for wide-ranging expertise and experience backgrounds in a society and inside the team. Significant advantages are, for instance, cross-learning between different co-workers, such as tutoring, mentoring and coaching each other within the team. Also, helping each other to understand and connect different expertise areas as part of a whole, thus, creates more added values to the work.

Properly led, the work community becomes more dynamic, gains an extended way of thinking and therefore finds more interesting and innovating operating options. Within changes in company's objectives, the right range of qualities can be applied to each situation. The manager will have to deal with that to keep all members of the team motivated equally despite the differences in perceptions of rewards and other signs of recognition that will not be the same for people with different cultural background. The same problem may appear concerning salary versus ages and performances, skills and experiences with regards to work scope allocated by persons and so on.

Creating synergy in team is not only leader's job alone. Leader can encourage the other team members towards the open-minded attitude and positive atmosphere within the framework of his powers. However, all the team members take part in building the team synergy, sometimes even without realizing it. This way, manager answers team members' needs and organizes teamwork premised on each member's skills so that they complete each other. Once the employees' needs are met and objectives are clearly defined, then association of identified competences with target to reach and there is a high probability to outperform the initial goals.

*"From a manager's point of view, it is interesting to consider all kinds of varying initiatives from multiple perspectives given from different persons, in order to keep the team competitive in today's globalizing market."*

Diversity is of a large advantage in branches demanding creativity, such as Research and Development, different areas of science, new product technologies, marketing and others. Multiple points of view within the same team generate original ideas for fixing the problems quickly after their appearance. Tricky situations might even be a breakthrough for new inventions in creative teams. Moreover, solving common problems makes team members even more close to each other, motivated and striving for the most effective solving.

### 5.3 Work effectiveness

Following the previous section, it is logical now to try figuring out, how exactly a productive and results achieving team is seen by experienced managers. Moreover, some management solution examples were given by interviewees.

The team functions productively and is target-oriented, when all the members have assimilated the company's strategic objectives but also possess the resources needed for accomplishing the mission. Efficient team is able to match and combine the unique personal know-how of each team member to the right place. If necessary, quickly adapt to a new situation and switch roles and support, back up and encourage each other at every turn.

In a workable productive team each member competes with him or herself, not against the others, but for the mutual result. For maintaining sustainable positive ambience in working group it is important to focus on common targets instead of individual stakes. Team should not be aiming only to achieve the goal at any cost, but everyone needs to understand the investment that has been put in the collective work.

Team members often have their own roles and subprojects, for each of which they have to foresee needed labor and financial resources. In a successful team none of members is trying make own performance the easiest and quickest possible with huge amount of money or effort. If everyone acted so, the profit margins of objectives would disappear, be lost or even turn into negative. Mutual respect between all team members and for their personalities is one of most essential factors for bringing a clean and fair atmosphere in the group.

In a good team everyone is able to estimate and evaluate own fields of competences needed for the project and bring them to light from very beginning in order to set the corporate objectives and create an extensive image of what everyone is doing.

*“When all team members feel at their own place doing right job on time, this is for me a good definition of productive working team. Moreover, you can expect that results come along with such kind of organization.”*

Work unit performance and functionality are complex issues that cannot be applied to one single model in every organization. A diverse work society should be a part of supporting basis for company's strategic objectives. Therefore it is not an end in itself. When asking a person with largest experience among all the interviewees, the answer resumed was:



*“In my personal opinion, there is a great use of diversity in large-scale intricate projects concerning customer relations as well as within the company itself. Product development and company’s other functions and purposes that presume differing outlooks and know-how would be the most natural organization parts for diversity teams.”*

#### 5.4 Diversity for synergy

This part of the study focuses on finding out solutions or already existing examples where diversity in working teams is used for achieving synergy and optimizing working process.

A diverse working society might be seen as a great opportunity from the view point of organizing methods, work processes and synergy. Taking advantage of this possibility requires perhaps even more of analyzing the community and reflecting the available skills and competences to the company’s objectives. In order to be able to use the know-how, educational level, work experience and moreover the personality traits, the manager needs to know and recognize those quite well. The diversity opens new opportunities in an organization where its members fulfill themselves and their features in the best possible way instead of wasting resources in little things.

Although all organization levels would have one best specialist, it is more important to get a functioning unit and not that much to get one person highlighted. Especially in different work processes, the borders of different functions shouldn’t be the barriers, but message transfer areas instead. Synergy is achieved when the work community members can focus on areas of their own expertise instead of searching unknown, which takes time for nothing.

*“Never forget to ask coworkers what they think of the organization. Everybody has an opinion the processes, if it is working or not, if it can be updated and how.”*

It is easier to find right person for the right position for achieving the objectives in a diverse work community where the fields of expertise are acknowledged. Another extremity is that everyone in team has roughly the same competencies, same attitude, represent more or less same age category, work experience etc. Each person can be a reference as a performer in his or her area of work. It is not necessary to have back up support for every worker, as, for instance, there are many situations where two persons will take the same training course, but afterwards do things differently in their own personalized manner. Nevertheless, this can be of a real advantage for management in a way to spread out knowledge overall the team members, and provide more competencies for all.

Growing popularity and convenience for project-oriented working brings new ways of forming teams. Namely, it is about sizing the work group for the challenges ahead of them, sizing in terms of number of people as well as in terms of skills and experiences required.

*“That is to say, that depending on the skills, the personality, the culture, what the persons like or don't like, they will be assigned to a "job task". This task's goal to reach will fit for what they are. When one comes to work in team of 2 or more persons, it is a matter of associating people still considering who the persons are and also taking into account if people like to work with each other.”*

The diversity turns out to be a problem for leaders wishing to get easy and quickly results. On the other hand, it is a true interest for an experienced manager, who will take time to understand each person in the team. First of all, if there are various professional bases and general knowledge, the tasks can be divided according to the skills. The manager should know, that forcing team to follow only one valuable set of rules as well as monitoring everyone's work until the smallest details will only annoy them, decrease efficiency and increase stress.

There might be a great knowledge, great experience, great personalities in a diverse workplace, but it is essential that all of mentioned serve the company's goals and strategy. Are they right for the challenge that future would bring? Consequently, the workplace analysis is very necessary relatively to the above mentioned.

### 5.5 Meaning of multiculturalism in business

With development of European Union and general world globalization we can find more and more often people coming from one country to another for work purpose trying to integrate themselves into the work community. In this kind of situation, the professional and personal diversity is completed with national, cultural diversity. In order to contribute this process' development, it is worth thinking about the employees' comfort at work (Estlund 2003, 68).

The speed of industrial development around us is another reason for constant striving for development and changes in companies and work teams. If yesterday we could take a month for completing one task, today there are facilities and technologies for achieving results faster. Nonetheless, workers should not be seen as machines. That is why the diversity in a team should be analyzed to increase productivity on individual intellectual level. In order to avoid the negative feedback and consequences from pro-

moting diversity, the manager should find the right balance between treating everyone equally and according to same rules but at the same time approaching individually to each team member.

A diversity representing workplace is not an end in itself, but a part of company's strategy. The discussion about diversity in a work community is indispensable, because, as stated earlier, the scale of diversity might vary. Nowadays corporate culture tends to being constantly exposed to rapid changes. Today this matter is of a little importance, but tomorrow it might be vital.

Facing the globalization, a new product invented by a team composed of different cultures has better chances to be a success on an international market compared to other goods issuing from simply tradition and well known ideas. Moreover, management ways vary in different companies around the world and some of them might be more efficient depending on team's field of activity.

*"In any case, diversity in management is also a discussion worth to have as there is always something to learn from difference."*

Another thing that promotes diversification is the differentiation of expertise and focusing on smaller specialist areas. In addition, more and more people are looking for work outside of company's domestic borders due to globalization. It might be same company's foreign units or the company itself is looking for the best expertise from a wide range of cultures.

In some countries it is necessary (or possible) to take advantage of older workers and think of how their rich experience can be used, as for example transmitting the "silent knowledge", the specific and important information that is not written on paper. Companies should be prepared in advance for changes in work communities for more diverse. And therefore it is wise to discuss about diversity issues beforehand.

Human beings have all different sets of characteristics and thus assumption of same things might take longer time or stress more the ones than the others. For example, some people are better at working hard on one single definite problem and will implicate in that all they can, whereas others have great ideas and are good at organizing, but aren't able to focus on details. Some are born with sales talents, etc. There is a greater chance to find the right person in a diverse work community. The company can give duties to the wrong people, who as for them, will fight against big challenges of unknown and are forced to constraint foreign expertise.

It is not only a question of outperformance of a team that is expected to be enhanced when team members are from different horizons, but also diversity has its role to play in companies' and countries' social cohesion. Enabling working in less tensed and more interactive environment, such new methods of working will therefore be more productive.

Manager's responsibility is to convince workers and give them the feeling that there are true advantages for community in differences. Along with wider various experiences there are more chances to successful problem solving. Different views on things create more opportunities to quickly find solutions, which is necessary in increasingly rough competitive markets.

To conclude, it is worth rising up discussions about the diversity on higher management level, especially when it comes to challenges in innovation teams. Furthermore, it should not be forgotten to take diversity into account when aiming to create synergy at working place. It is important, because everybody brings a difference that increases curiosity for each other, flexibility, the possibility to develop new ideas and so forth.

## **6 Conclusion**

More and more companies are becoming aware of diversity topics at workplace in order to improve the competitiveness. Aimed at understanding the importance of this subject, it is good to start thinking of answers for the following questions:

- How can diversity help business corporations expanding worldwide?
- How does the diversity improve an organization's strategy on human resources?
- How does diversity help building company's image among its clients?
- How can diversity improve a company's business operations?

Before a manager could judge the importance of diversity for the work community, it is necessary to understand the meaning of this term. Diversity is considering every person as unique individual, accepting that everyone has different background and tolerating others' ideologies. (Estlund 2003, 120-122.) Consequently, a diverse work team consists of members that differ in age, gender, appearance, nation, culture, personality, ethnic origin, interests, values, tastes, attitudes, sexual orientations and viewpoints that should all be equally respected. Assuming that every person is an individual, all the teams may be considered more or less diverse. (Hopkins 2009, 106-107.)

With globalization, business corporations have to learn managing workforce heterogeneity. Organizations are taking examples from their successful counterparts around the world as it significantly improves companies' performance. Any work team is a conglomeration of people that differ in many ways. In order to lead a multifold team like that, all of the facts mentioned above should be taken into account. It does not mean creating personalized privileges for every team member, but showing respect, implicating them equally in a work process and pointing out their strengths.

Today companies are just starting to see diversity as an opportunity that should be used to improve efficiency in the local and international markets for better results of tomorrow. At this point, manager should give a definition for an "efficient team" and the skills needed for achieving the set goals. In case where it is possible to recruit new talents according to the set task, manager is able to plan the working process and the distribution of work beforehand.

It is more challenging to adapt existing employees' competences to new projects each time. On the other hand, this is a clear development possibility so for the manager as for the employee. The manager explores team members' competences, field of know-how and tests their boundaries; the team members in return get a chance to participate in training courses and expand their area of expertise. Continuous two-sided feedback conversations between the leader and the subordinate is an excellent a way to improve mutual affinity, trust and connectedness. (Estlund 2003, 177.)

The members of productive team are motivated and take their work seriously, interested in what they are doing, aware of the purposes of their work as well as of the company's objectives and strategy. Functioning according to the jointly agreed rules, sharing the responsibilities and spurring each other are also significant features of an efficient team. (Estlund 2003, 28.) The leader of this kind of team is acting transparently, assigning the tasks and expressing clearly. The leader is accessible in problem situations and is encouraging the subordinates.

Many organizations see diversity as a problem or a big challenge and their opinion is justified by presence of such risks as conflicts of cultures, communication difficulties, bias, stereotypes and misunderstandings. All of the managers interviewed for the study unanimously agreed that using less traditional methods of work and organizational structure is a gain of the competitive advantage in the global market. It was also repeatedly mentioned that striving to benefit from the labor force heterogeneity is one of the most efficient ways to add value to the work.

The objective of diversity management is to use talents, abilities, skills and knowledge of individuals for the good of themselves as employees but also the organization in its whole. When the labor force heterogeneity is managed correctly, all the employees will feel like getting advantage of their work. (Wrench 2007, 76.) Thus, managing a diverse workforce is actually being a part of the team where everyone does the part of the work in which they are the best. Manager has a role of a tutor and indicates the way to the objectives to other team members who are acting specialists, each in one's own field of knowledge.

Diversity management is an ability of leading human resources fairly, impartially and objectively. There are various reasons for the diversity management skills to become an important aspect in Human Resource Management. The most obvious explanation is globalization that entails changes in nowadays market situation. Companies' mergers and alliances are constantly observable as businesses are adapting their activities according to the demands, most often from production to services. In addition, increasing multinational interactions in companies and the emergence of strategies require team efforts and new, intercultural competences. (Hopkins 2009, 107-198.)

Finally, interviewing independent international managers working in different environments, countries and industries as a main result has brought a common opinion that diversity is an integral part of modern work society today. There is no doubt that a competent leader should always keep in mind the advantages diversity brings into the collective. Such are cross-learning, diverse expertise and know-how, creativity, sharing wide range of ideas and coming up with innovative solutions, gaining extended way of thinking, lifetime learning about new cultures and continuous improving of social skills.

Thanks to the diversity, a team as a whole survives in the intellectual competition. Workforce diversity helps improving companies' business operations as well as relations between firms and their customers. Developing diversity oriented way of thinking in the team, of course, requires a lot of effort, motivation from workers and time from managers. However, due to the competences and emotional awareness while implementing innovations, the diverse team is able to create a corporate culture that supports sustainable success, and better understands motives and reasons for the upcoming changes in a company.

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## **Interview questions**

What does diversity at workplace mean?

What challenges do managers face when leading the diverse teams?

What advantages are brought by mixing different talents and characters in the teams?

How a productive and results achieving work team can be described?

How the concept of diversity may be applied in the organizations for optimizing work processes and achieving synergy in teams?

Why managers should or should not get more information about the diversity at workplace?

How the acknowledging working in multicultural environment helps developing the work community?