

Leadership in Multicultural Work Environment

Eero Ahtola



Author(s) Eero Ahtola	
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<p>During the last 10 to 20 years, globalization has become a reality for majority of businesses and companies have had to change the ways of doing business. Companies now want to grow globally and expand their businesses to cover different regions. This means the teams we work in, are growing increasingly culturally diverse. This sets new challenges for both managers and employees, yet it also creates new possibilities. Many known researchers of the subject, such as Hofstede, Trompenaars and Lewis, have found culturally diverse workforce can have positive impact in the organisation, depending how it is managed. If diversity is well managed, it can improve factors such as innovation and learning. If diversity is not managed well enough, the result might be a failure. Research help organisations to think and develop management styles in modern multi-cultural and multi-locational global teams.</p> <p>Main purpose of research is to identify and analyse factors that affect team performance in multicultural environment. Taken into closer consideration is leadership and cultural differences. Furthermore research will investigate how cultural differences might impact on team performance factors, such as efficient communication and group dynamics. Goal is to improve competitiveness in areas of productivity, commitment, participation and innovation.</p> <p>Main findings from this research are the challenges multicultural organizations face due to cultural differences and the leadership skills needed to manage multicultural team effectively. According to interviews and questionnaires, main challenges are in communication, languages and differences in power hierarchy between cultures. The research results show that important multicultural leadership skills are effective communication, experience of different cultures, ability to act as an arbitrator between cultures and ability to motivate and encourage multicultural teams.</p> <p>The target group selected to participate this research consists of employees and managers of culturally diverse teams from large global companies in technology sector.</p>	
Keywords Multicultural organization, multicultural environment, leadership, sales, organizational behaviour, culture, communication	

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1 INTRODUCTION

In last decades, globalization has impacted businesses in a way that has led to a fast changing work environment. Constant change and adaptation has set new challenges to employees and managers. Regional boundaries for business are fading away and businesses have chance to operate in global scale. When movement of people has become easier, number of people moving from one region, and different culture to another, has grown significantly. This trend requires cultural understanding from people working in such environment. Globalization, together with advanced communication and transportation technology, have increased interactions between people and reduced trade barriers. Understanding diversity, history and multiculturalism have become important skill in modern global organizations.

1.1 Purpose and objectives

Main purpose is to identify and analyse factors that affect team performance in global multicultural environment. Taken into closer consideration is leadership and culture differences.

Purpose can be further divided to following objectives and goals:

- Get better understanding of factors that influence group dynamics in culturally diverse team.
- Investigate how cultural differences inside multicultural team impact on effectiveness and innovation.
- Identify key factors and competencies that increase participation, commitment, energy and productivity in multicultural team.
- How to improve communication?

1.2 Structure

Figure 1. shows general structure of the thesis. After introduction (1.), there is a theoretical chapter (2.) summarizing views of well-known theorists about cultures. Both general and business management views are taken into consideration. After theoretical chapter will follow part that describes in detail what research methods (3.) was used. Empirical part (4.) includes data information collected as part of the research and thesis will end with summary and conclusions (5.).

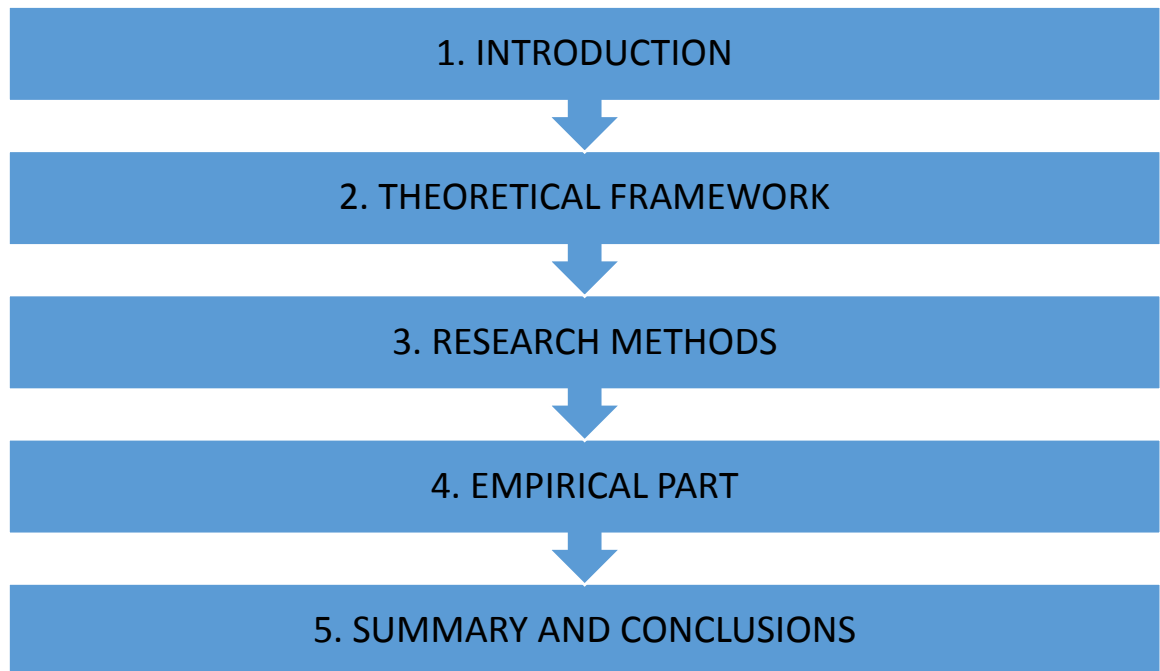


Figure 1. Research general structure

1.3 Research methods summary

The research method chosen is qualitative and purpose is to have descriptive material for the readers to learn about the subject. Data will be collected through questionnaires, interviews, books, journals and articles. Questionnaires and interviews will bring data to the empirical part of this research. Books and articles will form the theoretical framework. Questionnaires and interviews will be targeted towards managers and employees in large global companies in technology industry. Total sample size is 15 persons, three managers and 12 employees. Detailed methods description can be found in chapter 3.

1.4 Scope and limitations

The empirical part is limited to consider large, global and multicultural teams in technology industry. However, the findings can be implemented in other industries as well. Most teams targeted with questionnaires and interviews consists employees from five or more different nationalities. Another limitation is applied to theoretical chapter, where cultural dimensions are considered only at national level.

2 THEORETICAL FRAMEWORK

There are various theorists and experts discussing about challenges organizations face to work effectively across borders. Many companies face major challenges in developing best practices to improve global competitiveness, multinational flexibility and building worldwide learning cultures. Theorists mention that organizations are required to develop cultural sensitivity and ability to learn about multiculturalism. For large and global organizations, there are often groups of managers and executives from different nationalities working together for a common goal. Many organizations have found out that bringing such a group of managers together can get problematic and performance is not always at the level expected.

The theoretical framework will introduce findings from some of well-known researchers in the given subject. The subjects chosen for this thesis are culture, leadership and sales. All subjects are approached with a view which can benefit multicultural organizations (Figure 2.). This framework provides general knowledge on the subjects and researches in this section are based on academic sources.

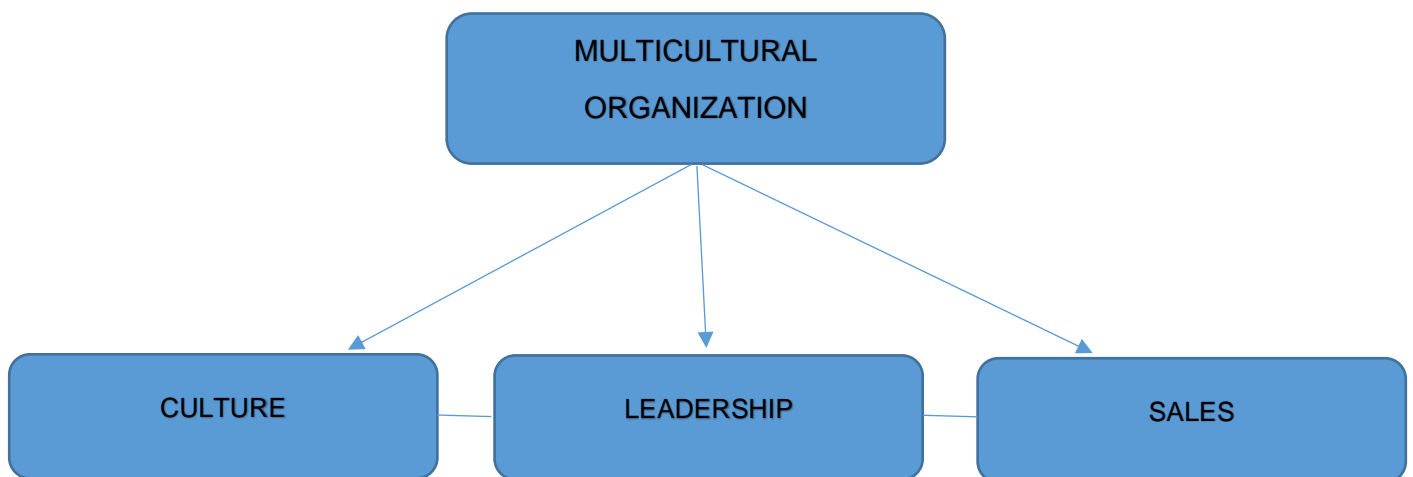


Figure 2. Theoretical framework and key definitions

2.1 Multicultural organization

Multinational and *global companies* are those where internal operations and interactions are multicultural. Adler (2002, 136) emphasizes that it is precisely such an organization multiculturalism is apparent from a wide range of both external relations as well as its internal interactions. According to Adler, in multinational and global companies' multiculturalism affects the organizational culture and thus requires multicultural skills from every leader and employee.

Organization can also be considered multicultural when customers or partners are from another culture. This review refers to a situation where the different cultural backgrounds of people working towards a common goal. These can be both domestic, multinational and global organizations.

Multicultural team consists of representatives from at least three different cultures. Typical examples are UN offices or EU committees. In the business world, there is also an increasing number of professional teams consisting of people from around the world. In such teams, members could also work in physically separate locations from each other. (Adler 2002)

In diversity strategies of international organizations, the focus is often on national level, geographical area or in different languages (Lahti 2008, 90). In this research multiculturalism is studied through national cultures. Thus, a multicultural organization in this research means organizations employing people from different national cultures. This limitation is also supported by the focus on the national level in chapters 2.2.1, 2.2.2 and 2.2.3.

2.2 Culture

Culture can be defined in several different ways. Often it is used to describe the features of the society in knowledge, ideologies, values, laws and rituals. In 1800's, it was intended to describe the different levels of social sophistication. Today, the cultural description is not necessarily used in this context, but rather it is intended to show that different groups of people have different lifestyles. (Morgan 1996, 120)

Hofstede (1992, 20) distinguish two different definitions of culture. In western part of the world, culture is often associated with civilization, or it refers to the education of mind. Furthermore, civilization is connected to education, art or literature. On the other hand, he

emphasizes views typical in social anthropology which includes the basic things of life such as greetings, eating habits, showing emotions and maintaining physical distance.

Values can be considered as core of the culture. They are the first things that children learn and their learning takes place unconsciously. Values are the tendencies to favour certain states and can also be considered as types of feelings. Changing the values formed as a child is very difficult and even its observation is only possible through behavioural analysis. (Hofstede 1992, 25-26)

Adler (2000, 17) also combines culture with values and behaviour. According to him, individuals express their community culture and norms through the values of life. These values influence their attitudes and behaviour. Changing behaviours of individuals and groups modifies the existing culture, which in turn affect values. In this research, the cultural level of the values is considered most important part.

Key cultural dimensions described below, are most often discussed in the field of cross-cultural research. Hofstede's and Trompenaars' value dimensions are important cultural models in workplace and offer useful frameworks to deal multiculturalism in organizations (Lahti 2008, 83-86). Although these dimensions have also been criticized, they can be considered as a major area of research in multicultural organizations. In this research, the greatest emphasis is on Hofstede's studies, based on his researches have generated largest amount of follow-up studies.

2.2.1 Geert Hofstede's dimensions of culture

"Culture is the collective programming of the mind which distinguishes the members of one group or category of people from another." (Hofstede 1991)

Hofstede (1983) has identified four key dimensions which impact on cultural differences in national level.

Power-distance: This dimension is a question of involvement in decision making. In low power-distance cultures, employees are seeking involvement and have a desire for a participative management style. In the other end of this dimension, employees tend to work and behave in a certain way they are instructed. This is because they accept they will be directed to do so by the hierarchy of the organization.

Individualism/Collectivism: This dimension reflects the extent to which individuals' value self-determination as opposed to behavior being determined by the collective will of a group or an organization.

Masculinity/Femininity: In some cultures, this can be difficult dimension to use in an organization context. In practice, difficulty has more to do with terminology and linguistics. In highly masculine cultures, dominant values relate to assertiveness and material acquisition. In feminine cultures, values focus on relationships among peers, empathy for others and quality of life.

Uncertainty avoidance: This dimension is about employees' tolerance of uncertainty or ambiguity in their working environment. In cultures, which have high level of uncertainty avoidance, employees want clearly defined, formal rules and conventions governing their behavior.

After cooperation studies with Dr. Michael H. Bond and Michael Minkof, fifth and sixth dimensions were introduced (Figure 3.). The dimensions are long-term versus short-term orientation and indulgence versus restraint. (Hofstede 2011)

Long-Term vs. Short-Term Orientation: Typical long-term cultural values found at this dimension are perseverance, ordering relationships by status, thrift and having a sense of shame. Short-term values are reciprocating social obligations, protecting one's 'face', respect for tradition and personal steadiness and stability. Long-term oriented are usually East Asian countries, followed by Central- and Eastern Europe. Medium-term orientation can be found in North- and South European, and South Asian countries. Short-term oriented are US, Latin American, Australia, African and Muslim countries.

Indulgence vs. restraint: Sixth dimension is Indulgence versus Restraint. It involves aspects not covered by the other five dimensions. Indulgence is common in societies that allows relatively free gratification of natural and basic human desires related to having fun and enjoying life. On the contrary, restraint stands for a society that controls gratification of needs and regulates it by strict social norms. Indulgence is relatively common in North and South America, in Western Europe and in some parts of Sub-Saharan Africa. Restrain is common in Eastern Europe, in the Muslim world and in Asia. Southern Europe takes middle position on this cultural dimension.



Figure 3. Hofstede’s cultural dimensions (modified from Hofstede 1991)

2.2.2 Fons Trompenaars’ seven value-orientations of culture

Trompenaars has focused on understanding the differences between cultures, particularly in the business world and leadership (Trompenaars 1993, 29). According to him, the following seven value-orientations greatly affect how people act in the world of business and management positions (Figure 4.).

Universalism vs. Particularism: Rules versus relationships? Universalism is defined as a rule-based society. In universalistic society, the same rules are applied to everybody. General rules, values, codes and standards are prioritized over relationships. Universalism looks for similarities in all members of a group. On the other hand, particularism is relationship-based society. In particularistic countries, people pay more attention to the obligations of relationships. Human friendships and achievements have higher priority over rules.

Individualism vs. Communitarism: Group versus individual? This dimension is referred to Hofstede’s cultural dimension *individualism vs. collectivism* and it is defined as orientation to individual or part of a group which shares the same objectives and goals. In the case of universalism and particularism, Trompenaars said that “these dimensions are complementary, not opposing, dimensions.”

Specificity vs. Diffusion: How far we get involved? This dimension measures how much people mix professional working and private relationships. In specific-oriented cultures, such as Austria, Switzerland, UK and US show strong separation between work and private life. While in diffuse countries, entry into private life space is often essential for entry in a professional relationship. China, Spain and Venezuela are examples of diffuse cultures, where work and private life are closely connected, but intensely protected.

Affective vs. Neutral: Do we display our emotions? Trompenaars defines this dimension by describing how cultures show their emotions in public spaces. In neutral cultures, it is often inappropriate to express feelings in public, whereas in affective countries, it is totally acceptable. He also distinguishes cultures that exhibit emotion, but separate it from rational reason, and cultures that exhibit emotion without separating it from reason.

Achievement vs. Ascription: Do we have to prove ourselves to receive status or is it given to us? This dimension shows how a culture determines the status of individuals. In achievement-oriented cultures, people believe that individuals are evaluated according to what they have accomplished, whereas in abstinence-oriented cultures, people believe that individuals are attributed status-based on who they are: their age, class, gender, education, etc.

Sequential time vs. Synchronous time: Do we do things one at a time or several things at once? Trompenaars defines this dimension by showing two ways of managing time. The first way is to manage time sequentially. This means people view time as a series of passing events. People of sequential cultures are very strict with time management and they hate to replace their schedules by unanticipated events. On the other hand, for synchronous cultures, events are interrelated with the past, present and future altogether to shape actions. People in synchronic cultures are less insistent upon punctuality and they are more comfortable with unexpected visitors or events.

Internal vs. External control: Do we control our environment or are we controlled by it? Trompenaars defines this dimension as individual's orientation towards nature. In an internal-directed culture, people often show dominating attitude and tend to be aggressive in order to win the desired goal. While in external-directed culture, the attitude of people is more flexible and they are willing to compromise and keep peace in order to maintain the relationship.

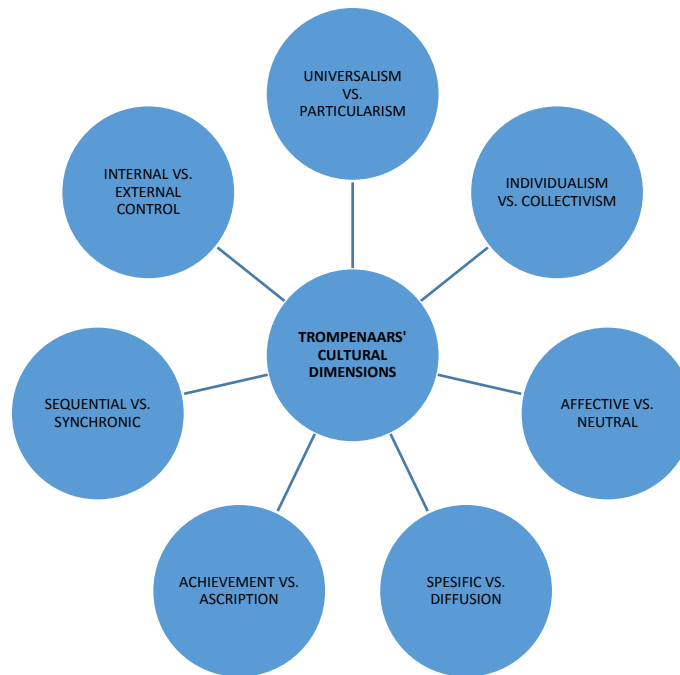


Figure 4. Trompenaars' cultural dimensions (modified from Trompenaars 1993)

2.2.3 Richard Lewis' view of cultural differences

Another way to describe cultural differences is the Lewis model that is based on three categories; *Linear-active*, *multi-active* and *reactive* (Figure 5.). The model is made by British linguist Richard Lewis.

Linear-Active: Determines people who are orientated to organizing, planning, scheduling and pursuing action chains. They reach to do one thing at a time. Germans and Swiss are examples countries belonging to this culture. (Lubin 2013)

Multi-Active: People who do many things at once. They are planning their priorities and actions regarding the importance at the given time. Italians, Latin Americans and Arabs usually belongs to this group. (Lubin 2013)

Reactive: People in this culture gives high priority to mutual respect and courtesy. They usually listen first calmly and quietly their interlocutors before reacting. Chinese and Japanese are examples belonging to this group. (Lubin 2013)

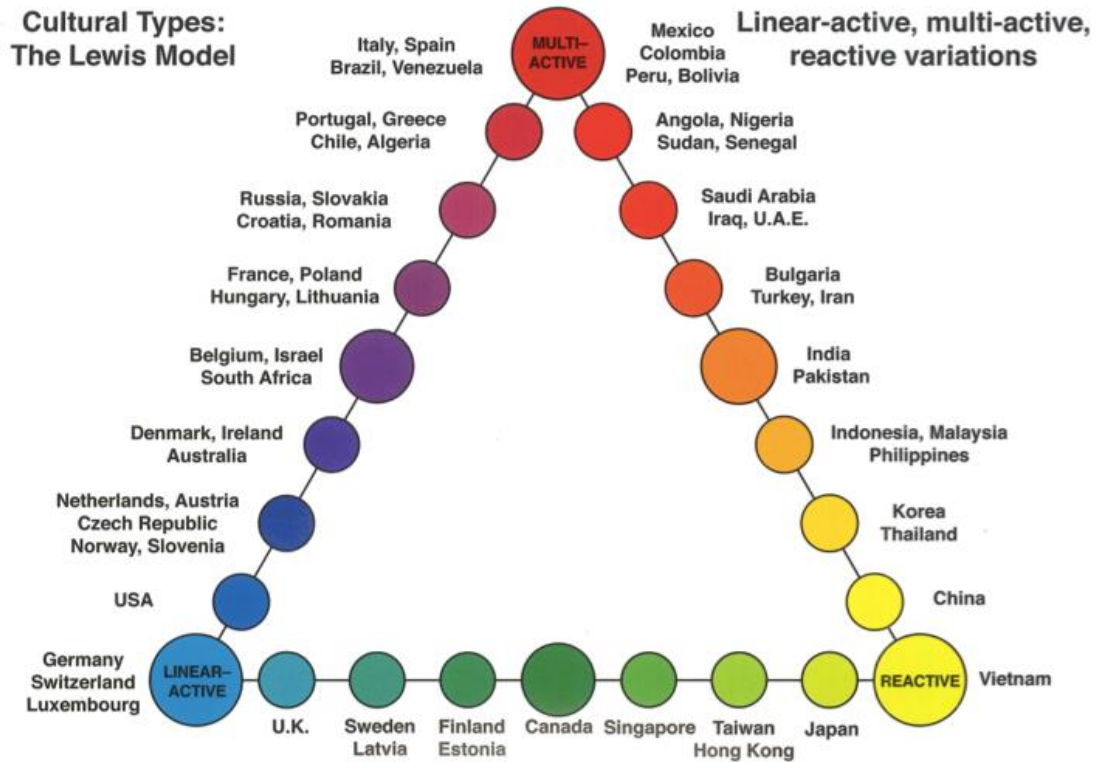


Figure 5. Lewis Model of cultural types (Lubin 2013)

Lewis (Lubin 2013) has as well done a list of common characteristics, divided by categories (Table 1.). This is a generalistic view at national level.

Table 1. Typical characteristics list of each category in the Lewis' model

Linear-Active	Multi-Active	Reactive
Talks half of the time	Talks most of the time	Listens most of the time
Does one thing at the time	Does several things at once	Reacts to partner's actions
Plans ahead step by step	Plans grand outline only	Looks at general principles
Polite but direct	Emotional	Polite, indirect
Confronts with logic	Confronts emotionally	Avoids confrontation
Job-oriented	People-oriented	People-oriented
Sticks to facts	Feelings before facts	Statements are promises
Result-oriented	Relationship-oriented	Harmony-oriented
Stick to agenda	Roams back and forth	Often asks for "repeats"
Written word important	Spoken word important	Face-to-face contact important
Restrained body language	Unrestrained body language	Subtle body language

2.3 Multicultural leadership

Multicultural leadership can consist terms of *cross-cultural management* (Adler, 1986), *multicultural leadership* (Mäkilouko, 2003) and *diversity management* (Lahti, 2008). This chapter gives general overview at this vast field of research and deals with essential aspects related to this research work.

Definition of leadership is usually distinguished in two different dimensions. Management is often referred to management of issues, operations and material resources. Leadership dimension of management include the management of people, development of the working community and maintenance of job satisfaction (Salminen 2002, 109). From the perspective of multicultural organizations, the leadership dimension is more interesting and relevant to this research.

Managing cultural diversity is often challenging. This is due to that multicultural teams face greater issues than homogeneous teams in developing sufficient communication skills to achieve the essential level of integration that is required for superior performance. Moreover, multicultural teams could fail to create a synergistic culture, which results in low performances. However, Adler and Gundersen (2008, 145-147) provide guidelines for effective management that minimize diversity-related productivity losses and increase team integration.

1. *Task-related selection*: Team members should always be selected according to their abilities to perform given task rather than their cultural background. (Adler 2008)
2. *Recognizing differences*: Teams must recognize, understand and respect cross-cultural differences to be able to enhance communication. Once each team member can differentiate their stereotypes from the actual personalities and behaviours of the other team members, they begin to understand why the team members from other cultures think, feel and act the way they do. (Adler 2008)
3. *Establishing a vision or a superordinate goal*: Individuals of diverse teams often have difficulty agreeing on their purpose due to they do not understand each other's intents. Thus, leaders should help their team and set a vision or goal that overlooks individual differences, in order to maximize team effectiveness. (Adler 2008)
4. *Equalizing power*: When all members can participate, teams usually produce more and better ideas. The distribution of power should be managed according to each member's ability to contribute to the task. (Adler 2008)
5. *Creating mutual respect*: Effective team work requires respect. Mutual respect can be enhanced by selecting members with equal abilities and minimizing judgements based on cultural stereotypes. Common goals, cooperation and equal statuses reduce prejudice. (Adler 2008)

6. *Giving feedback*: Multicultural teams might have difficulty in decision-making and therefore managers should give team members positive feedback on their process and output. Both as a team and as individuals. Positive external feedback helps the team to see itself as a team and to value diversity. (Adler 2008)

2.3.1 Cultural synergy

In the multicultural leadership context, the word synergy means that leaders combine the strengths of all the individuals in their teams. Norms and rules are developed by all the members to fit the social situation and support the team performance. This leadership style is effective to manage a multicultural team. Synergistic leaders pay more attention to solve the different expectations in their teams and encourage people to learn from each other. Teamwork and common goals should be promoted regularly. However, processes of the teamwork are usually longer due to larger number of differences. Lack of face-to-face interaction slows the process further. (Mäkilouko 2003, 89-96)

The Figure 6 below, shows characteristics needed from leaders in order to form cultural synergy. (Mäkilouko 2003, 90)

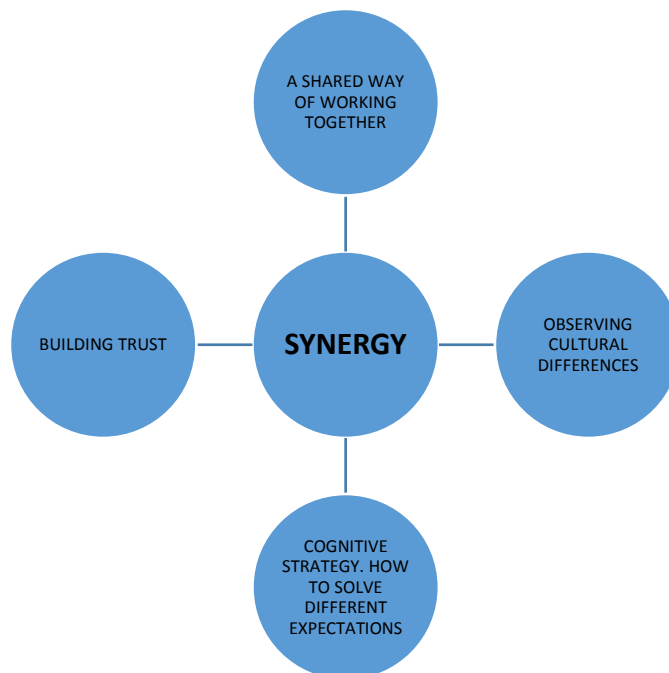


Figure 6. Cultural synergy characteristics (modified from Mäkilouko 2013)

Learning about culture requires the leader to make effort to build good relationships with the team members. Relationships bring unity to the team. Trust is also formed based on relationships which are often used to resolve problems in a manner that does not break

the cycle of trust. Leaders take time to get to know their team members and fully utilize all the strengths of the people and cultures involved. An active leadership style is required to be applied in a synergistic team. This means applying plenty of discussions and personal interaction with team members. (Mäkilouko 2003, 93-95)

Cultural synergy also means minimizing cultural problems and maximizing benefits. This is not possible if multicultural diversity is not managed (Adler 1991, 104-105). Managing impacts of cultural synergy requires managers to develop policies, strategies, structures and practices based on the cultural patterns of the team members local culture. However, culture or cultures should not be seen as limiting factors (Adler 1991, 108).

2.3.2 Cultural polycentrism

Mäkilouko (2003) believed that the *polycentric leadership style* (Figure 7.) is the most effective multicultural leadership strategy. The term polycentrism is used widely in international business management. Polycentrism-oriented businesses adopt belief that every country is unique and needs a different approach (Wright 2014). In the cultural context, Mäkilouko (2003) defined polycentrism as the way that leaders treat cultures with respect and try to preserve them as they are. Leaders should try to learn about different cultures and adjust their styles accordingly. According to Mäkilouko (2003), this strategy works effectively when team members are located in various countries. The leaders in these teams usually work as integrators between cultures. However, polycentrism is seen to be a difficult strategy to apply. It requires a high level of experience in leadership with multicultural teams.

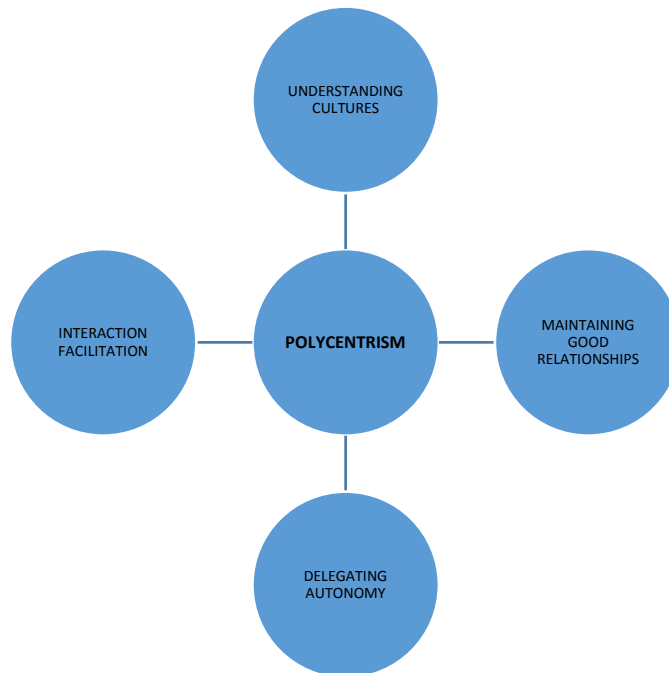


Figure 7. Characteristics of polycentric leadership style

Polycentric leaders are confident about understanding different behaviours in their teams. This knowledge is normally collected through experiences. Polycentric leaders always seek learning opportunities. According to Mäkilouko (2003), polycentric leaders have three major personal characteristics: *cognitive complexity*, *psychological maturity* and *emotional energy*. The cognitive complexity is the ability to relate, understand and learn other cultures. Psychological maturity is understood as a degree of emotional resilience to maintain a proper attitude and cultural empathy in all circumstances. Emotional energy is needed to handle emotions arising from uncomfortable and stressful situations (Mäkilouko 2003, 121)

Polycentric leaders sometimes delegate their authority to team members. It seems to be quite impossible to supervise daily or weekly when the team members are located in various countries. Dispersed teams tend to need some members who are accustomed to autonomy. Autonomy often increases trust, motivation and commitment. It requires a supportive team design and effective communication. Relationships and trust are the characteristics of an effective multicultural team. Whereas synergistic leaders aim to build relationships and trust among team members, polycentric leaders make effort to maintain the established relationships and trust. (Mäkilouko 2003, 124-127)

Another characteristic of cultural polycentrism is interaction facilitation. The term facilitation means “to make easy”. The goal of facilitator is to create an environment where complicated work is made easier for participants. Polycentric leaders seek to facilitate interaction among the team members. They try to make complex communication easier. People tend to communicate directly with whoever is considered to need the information or to have the answer for a certain problem. Thus, the team receives directions from a large number of people. The result is often chaos that delays the work. The problem is common when team members are located in several countries. Detailed communication plan is seen as a solution for this communication chaos. Team members need to have basic rules of keeping the leaders and other team members informed about the issues and how they are approached. This helps to prevent conflicts and confusions during the teamwork. (Mäkilouko 2003, 128-129)

Polycentric leadership is where the management and organizations are somewhat adapting to the local culture. However, other cultures are free to use the best practises from any one locality and to adapt it to their own circumstances accordingly. (Morden 1995)

2.3.3 Communication

In a team that includes culturally diverse members, the biggest challenge seems to arise from the cross-culture integration. Different languages and culturally different perspectives can make the interaction hard to interpret and respond. Thus, a skilled multicultural leader must obtain cross-cultural communication competence to address any performance challenges (Congden 2009, 74). A high level of cross-cultural communication is required to successfully obtain information from a colleague from different cultural background. Previous literatures have found out several characteristics of cross-cultural communication competence. They are relationship skills, communication skills and personal traits such as inquisitiveness.

Apart from the knowledge of different languages and cultures, cross-cultural communication competence also requires affective and behavioural skills. These skills are, for instance, empathy, human warmth, charisma and the ability to manage anxiety and uncertainty. (Congden 2009, 74-75)

The model of Cross-Cultural Communication Competences (Matveev & Nelson 2004; Matveev, Rao & Milter 2001) comprises four dimensions: interpersonal skills, team effectiveness, cultural uncertainty and cultural empathy. In the dimension of interpersonal skills, team leaders acknowledge the differences in the communication styles of people

from different cultures. They are flexible in solving misunderstandings and feel comfortable in interacting with people from other cultures. Team effectiveness dimension comprises the ability to clearly communicate roles, team goals and norms to other members in multicultural teams. Cultural uncertainty dimension reflects the ability to display patience in intercultural situations. The leader is able to be tolerant of uncertainties and ambiguity arising from cultural differences. Cultural empathy includes the ability to understand the world from other's cultural perspectives. Culturally empathic leaders appreciate different working styles and accept things done in dissimilar ways. (Congden 2009, 75)

Effective communication in a multicultural environment involves several factors (Figure 8.). These include asking questions, separation of different perspectives, building of self-consciousness, identification of diversity and avoidance of stereotypes. Appreciating different styles and active listening is of great importance in the creation of effective communication. In addition to these, it is important to take into account the effects of honesty and flexibility in communication. In order to achieve most efficient and functional multicultural communication, all the elements should be taken into account. (Warren 2017)

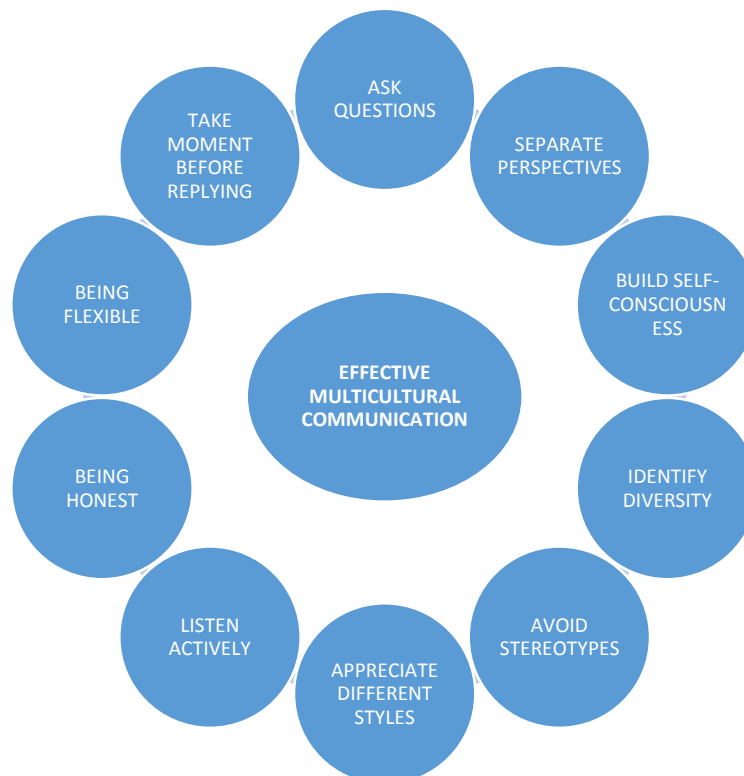


Figure 8. 10 elements of effective multicultural communication (Modified from Warren 2017)

In an effective multicultural communication in business world, spoken language and speaking style should be given careful consideration. One should remember to speak clearly and slow enough in order to persons from different cultures understand. Breaks every once a while is recommended. In cross-cultural communication, it is recommended to avoid asking negative questions. There is risk of misunderstanding and “losing face”. In spoken language slang words should be avoided and stay as grammatically clear language as possible. Using humour as a part of communication should be used only when situation is appropriate and usually when persons involved are familiar with each other. Humour towards individual in front of others should be avoided. (Payne 2008, Ferraro 2005)

2.3.4 Managing diversity

The diversity of the stakeholders such as suppliers, customers, colleagues and shareholders as well as the diversity of social and political environments are becoming increasingly complex and thus, more difficult to manage. Customer and markets are changing rapidly. Currently corporations are not only competing regionally and locally, but also worldwide. Whether it is in sales, marketing, production or HR, corporations are increasingly being forced to think and act globally. Customers as well as staff are becoming more internationally, interculturally and biographically diverse. People from an ethnic background which are different than those of the dominant group in a society are becoming demographically significant in many parts of the world.

Morden (1995) explains that it is becoming increasingly unrealistic to take a universalistic view towards the practices and principals of management as they are applied in other countries and cultures. He believes that what works well in one country may be inappropriate in another, and this apparent logic has at least two implications: *best fit* and *polycentricism*. Best fit is where managers may need to take a best fit or contingency approach to the organisation and management. Polycentricism is where the organisation and management have in some way adapted to the local culture; however, other cultures are free to take the best from any one locality and to adapt it to their own circumstances.

In the today's business world, managers are increasingly challenged by the many changes taking place in the global business arena. Harris (2003) adds that the emergence of team work has become accepted as a key way of coping with the highly complex and dynamic nature of the work. Internationalisation strategies now require managers to work through multinational team networks. Experienced managers thrive in the international context, understanding how to gain the cooperation of their foreign partners and workers.

2.3.5 Multicultural skills

As a result of numerous studies, a wide range of capabilities are considered to be related to the cultural competence. Learning local language and knowledge of local history, politics and economics are relevant skills, which person working in foreign culture should orientate. Expressing genuine interest and respect for local culture is as well important. It is essential to achieve respect and trust of local colleague. This way good and permanent working relationships can be established and useful networks created. One important feature is that one should be sensitive and not complain if local habits differ from one's own. (Salo-Lee 1996)

Multicultural competence is not only a list of skills that people should have and which can, as such, be transferred to any situation. An interculturally efficient person is capable of adapting to many situations and also working successfully with different people and operating environments. Most important features when operating in multicultural environment are flexibility of behaviour, efficient communication and cultural sensibility. In challenging situations, participative competence has become important. This means the ability to participate in joint projects and activities by communicating, sharing information, and stimulating learning of a group. (Salo-Lee 1996)

Good multicultural leadership requires patience and respect towards others. Patience is needed because learning and adopting foreign cultures takes a lot of time and leaders should honour the practices of other cultures in comparison to their own culture. Good self-confidence also plays an important role in leadership in different cultures. Good self-confidence guarantees a solid foundation for learning and understanding other cultures. (Schneider, Barsoux 2003)

For a good leader in a multicultural work environment, the most important features are tolerance and open-mindedness. All members must be able to adapt to new and sometimes troublesome situations as well. In addition to tolerance and open-mindedness, cultural empathy is also important. Leader must be able to step into an employee's shoes. Leader should show sympathy and be interested in learning from other cultures and people. Good historical knowledge helps a multicultural leader. History provides examples and insider information about people's behavior in different cultures. (Mäkilouko 2003, 8)

2.4 Sales in multicultural environment

In the last few decades, changes in social demographics, wealth distribution and legislation have forced modern sales organizations to recognize importance of cultural diversity in customer markets as well as in own sales forces. Some companies have employed multicultural salespersons to help their pursuit in multicultural target markets. Traditionally, companies have conceptualized cultural identity as a membership in one particular category, determined by nationality or race. However, modern global sales organizations include sales managers and sales subordinates who can identify with several cultural categories or frames. These cultural frames present important prospects and also challenges for today's sales managers who work with sales subordinates having compatible or incompatible cultural frame. (Smith, Larsen & Rosenbloom 2009)

Sales managers role in modern sales organizations has become more demanding and with more complexity. Sales managers plan, control and direct the actions of their sales subordinates including recruiting, selecting, motivating, training, evaluating and compensating. They also need to perform such tasks as marketing, making market analysis, forecasting, gathering competitor intelligence and promotion. Furthermore, they assist on the financial side of the business with revenue management, budgeting accounts and making profit analysis. Finally, sales managers are also required to be good listeners, both professional and personal, of individual members of sales force. Beyond this already broad range of sales management tasks, today's sales managers should pay attention to a range of relationship issues that are driven by growing numbers of culturally diverse sales forces. As more multicultural employees enter in the workforce and advance in their positions, a "one size fits all" approach to sales management should no longer be valid in modern way of leading multicultural sales organizations (Hymowitz 2007).

Today many sales organizations acknowledge the importance of culturally diverse sales team, they should also consider how cultural diversity impact in relationships between sales managers and sales force. When these individuals do not share similar heritage, their interactions may be misinterpreted. (Herbig & Kramer 1992). Naturally, one expects an individual would feel more comfortable interacting in their own cultural style and possibly own language (Comer 1998), yet researches in multicultural management has focused almost exclusively on cultural differences at the national level. While helpful in some context, this focus has limited our ability to discern how individuals learn and manage multiple cultural frames.

3 RESEARCH METHODS

Chapter 3 starts with general introduction to the three approaches to applied research, following by description what approach was chosen for this research. After that there is a chapter describing theories behind qualitative and quantitative researches, following by chapter of the research method used in this thesis.

3.1 Three approaches to applied research

Action research: The action research focuses on examining how does people work, in order to develop their activities. The mentality is a continuous development. The action research focuses on different interaction situations, for example in an organization, community or team. In addition to the cause-effect, researchers also ponder the intentions to be studied. Research is often restricted to include, for example, a particular project. The activity research can utilize both qualitative and quantitative information collection methods. The goal is to create a plan for the development or improvement of operations. The idea of an action research is a cyclical way to approach the topic. Study, plan, test, study more, improve the plan implement etc. In the constructive phase of the cycle, researcher focuses on the future and development while reconstruction observes the occurring and past activity. (Heikkinen, Rovio ja Syrjälä 2007)

The action research seeks concrete change and benefits in the subject being studied. The researcher is actively involved in development and brings change into the topic being investigated. He can use his own experiences and observations as an exploratory material. The researcher's role is therefore not only an objective and a passive person, but he may be part of the subject. When planning to start an action research, you should already think about the approach. These include a critical-, inclusive- and communicative action study. (Heikkinen, Rovio ja Syrjälä 2007)

In a communicative action study, employees are seen as a driving force, experts who use their skills in the development process. In this perspective, emphasis is placed on interaction and equality in the transition to change. It seeks to involve employees in developing activities and utilizing their existing know-how. Communicative action research appreciates open discussion and reciprocity. In Finland, this trend has been called an equal debate. At workplaces, efforts are being made to bring the development into everyday life, creating a culture of continuous development. As a feature of communicative action research, employees are even obliged to take part in this activity. (Heikkinen, Rovio and Syrjälä 2007)

Leading sales in multicultural environment is therefore considered an action research, due to the fact that it has to continuously improve its operations to stay competitive.

Case study: The case study -research method seeks to understand a certain event or phenomenon. Its aim may be to describe the phenomenon as understandably as possible. The case study is looking for a more in-depth understanding of the factors that have influenced the emergence or creation of an event. There may be many events or just one case. (Laine, Bamberg and Jokinen 2008)

It is possible to approach a case study in two different ways. Either by pondering what a case is about and combining it with concepts, or by developing concepts and defining a case suitable for it. The theoretical basis of the research is based on existing studies and can be further elaborated and clarified. The case study shows that a researcher can formulate his or her own theoretical background on which the work is based. (Laine, Bamberg and Jokinen 2008)

The case study can contain all the theories describing the case. Researcher seeks as much information as possible on the subject from various sources so that he has the necessary understanding to be able to carry out the research and argue the results. Researcher collects his or her material through many different methods. This is called triangulation. (Laine, Bamberg and Jokinen 2008)

The triangulation attempts to find the point of study in three different ways. Triangulation is important in the research process, as it can, among other things, combine theories and find something new, apply a holistic perspective without affecting research, and reduce the possibility of unilateral assumptions by the researcher. (Laine, Bamberg and Jokinen 2008)

Constructive research: The constructive research applies especially to business world. Constructive research utilizes all models, studies, diagrams and plans. These researches can be used as a basis for creating a new observation and thus, learning about new, existing knowledge. This research method is characterized by experimentation, the testing of theories, the creation of new hypotheses and their re-testing. The aim is to create a new model or hypothesis through construction that can be utilized in concrete terms. (Lukka 2014)

3.2 Selected approach and why it was chosen?

The approach selected for this thesis is an action research. In the development of working life, activities are progressively developed in cycles. While working as part of a sales organization, continuous development of team performance is essential part of the work. During the research, I subjectively observe our ways of working. I also act as a project manager during the research, leading several meetings, surveys and interviews, from which collected material will be used to develop ways of working. The goal is to motivate the sales organizations to work with mentality of continuous development.

3.3 Qualitative or quantitative research?

The qualitative and quantitative researches aim to find a response to a research problem. However, the methods of study are not mutually exclusive. Both methods of research can be used in the same development project and in action research typically includes both two approaches. (Alasuutari 2011)

The qualitative research seeks more in-depth knowledge of the subject as compared to quantitative research. It seeks to find an answer or an idea, behind the numerical material. Quantitative material may be more objective, due to it does not affect the subjective views or values of a researcher at the same time. The numbers speak for themselves. Knowledge from qualitative data is sought by choosing a clear way of analyzing that excludes randomness. (Alasuutari 2011)

One of the distinguishing features of qualitative research is the methods how to collect material. These may be, for example, interviews and observations. The research plan can change as the research progresses. It develops through data collection, interpretation and analysis into processes. Large sample size is not essential, but more importantly how to get in-depth knowledge from the samples and their quality. Researcher does not make hypotheses that cannot be changed. It is important to clearly define the subject. (Eskola and Suoranta 1998)

Quantitative research seeks to prove or describe the phenomenon being studied. The research aims to find a result that can be generalized. In quantitative research, the research material is statistical. It deals with large amounts of data. In quantitative research, averages are searched and correlated between results and research data. Usually there are

deviations in the data and that need to be taken into consideration. Pre-defined measurement methods are used for processing data. A hypothesis which a researcher seeks answers, is essential to the research.

3.4 Research methods used in this thesis

Action research is the chosen method for this thesis. The thesis' phases and cycle of the project consist of the following parts: understanding and determining the context and purpose; diagnosing, planning action, taking action and evaluating action. (Coghlan & Brannick 2007, Figure 9)

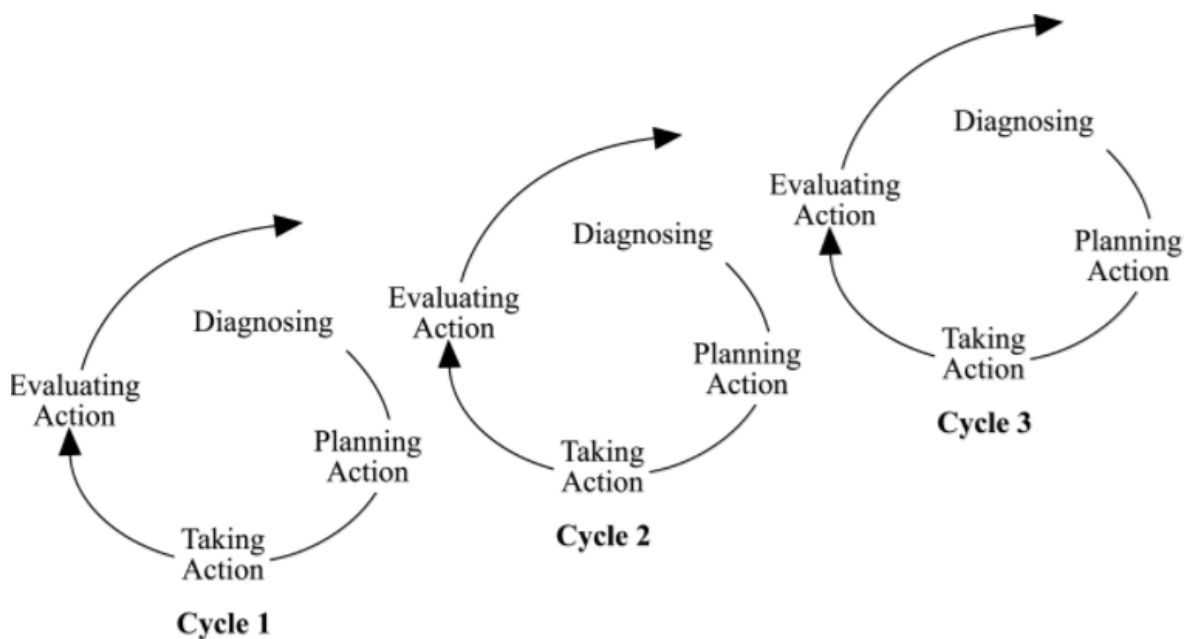


Figure 9. Cycle of action research (modified from Coghlan & Brannick 2007)

An action study is a feasible approach for this research, because the goal is not to create a completely new way of working, but to develop further current ways of working.

An action research can be applied when it comes to developing an own or team's work. Action Research is a systematic dialogue between practice and theory in real-life situations and in the research process cyclically follows the steps of design, operation, observation and reflection. The aim is to develop activities in each cycle. (Kananen 2009)

In the first phase of action research, understanding both the internal and external contexts of the project determines the desired future status and the necessary resources for implementation. In the second phase, the researcher and the participants makes diagnosis in coordination, identify the problems and study an essential literature. The analysis of the context and purpose of the first stage as well as the second phase diagnosis and theory provide a framework for the design of a coherent activity. The third phase will improve practical activities by implementing the measures planned in the previous phases. The fourth phase of the work evaluates the actual activities and results of the work. The evaluation of action gives the starting point for the next cycle. (Coghlan & Brannick 2007)

There is a common feature for all action researches; observation, reflection and change. (Juuti 2006)

Action research is a continuous improvement of work, which simultaneously involves the research and development of working life. Action research is strongly linked to working life and aims at understanding and eliminating practical problems in work, as well as getting permanent changes in work. Action research takes the research into the actual activity and the researcher himself is actively involved in both research and action. (Kananen 2009)

Action research always involves people from working life. People who are investigating the problem and who can jointly find solutions and at the same time commit themselves to the changes required (Kananen 2009). The researcher and participants are setting themselves concrete goals, so the change and the objectives are already present in the project. (Kuula 2001)

4 EMPIRICAL PART

Empirical part shows the results of collected data through questionnaires and interviews. Due to the qualitative nature of thesis, large emphasis will be given to answers through open-ended questions and valuable feedback received through interviews.

4.1 Introduction

Empirical part shows the results of interviews and questionnaires. There are two points of view taken into consideration. Employee's view, where questions are targeted to employees without direct reports, and manager's view for managers who have direct reports.

Data collection started by sending questionnaire 15 employees of which 13 responded and three managers of which two responded. One interview of manager was done to complete the data collection.

As per scope and limitations of the research, data collection is sent to employees and managers in large global companies within technology sector.

4.2 Analysis – Employee's view

Chapter 4.3 demonstrates results from questionnaire targeted to employees. Majority of the employees who responded the questionnaire, are working in sales-, project- or product management positions and do not have direct reports.

Majority of employees who responded the survey, are relatively experienced, based on the answers to question about age. (Figure 10.)

Question – Age

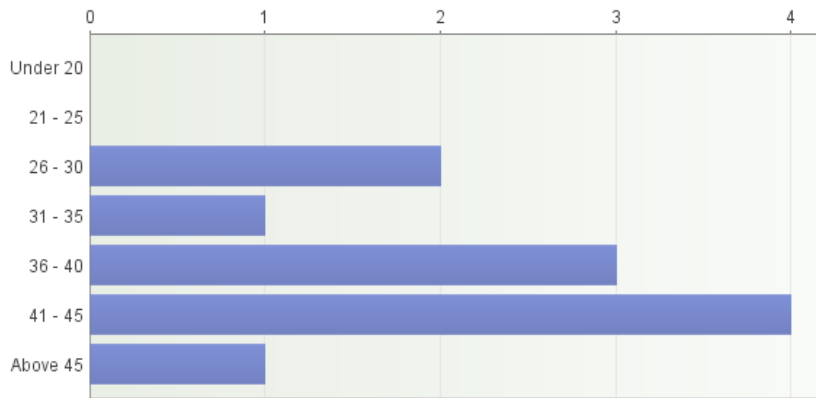
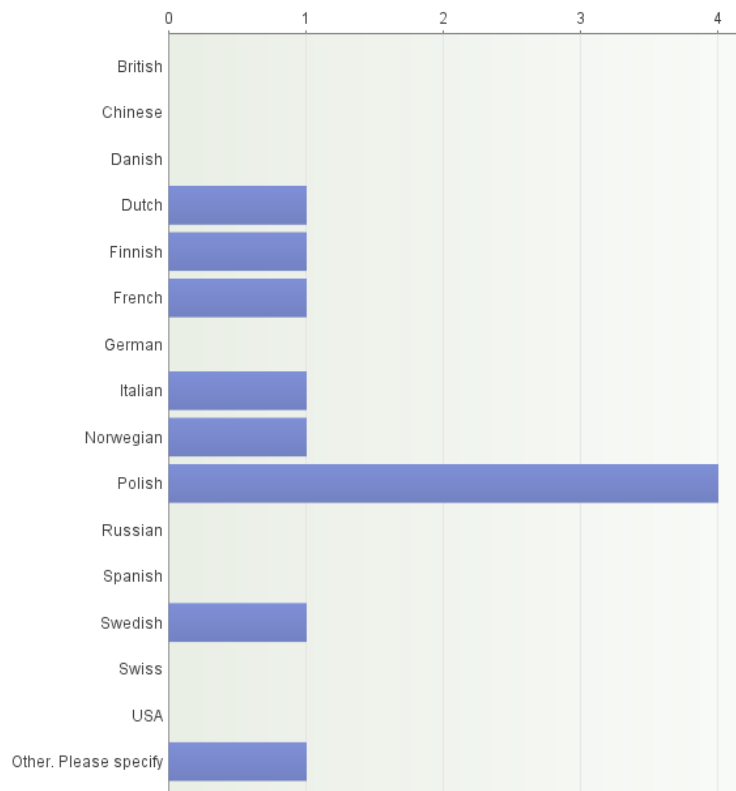


Figure 10. Responders age groups

One of the goals of this research is to get people from wide range of different nationalities involved, in order to analyze and find concrete differences in the responses. Below figure 11 shows nationalities of the respondents. Majority is European nationalities and within Europe, Polish nationalities was largest group to respond.

Question – Nationality



Open text answers

Other. Please specify

- Mexican

Figure 11. Responders nationalities

Responders time working at the company (Figure 12.) is ranging from less than a year, up to 10+ years. Majority have been working from 3 to 6 years.

Question – How long have you been working for the company?

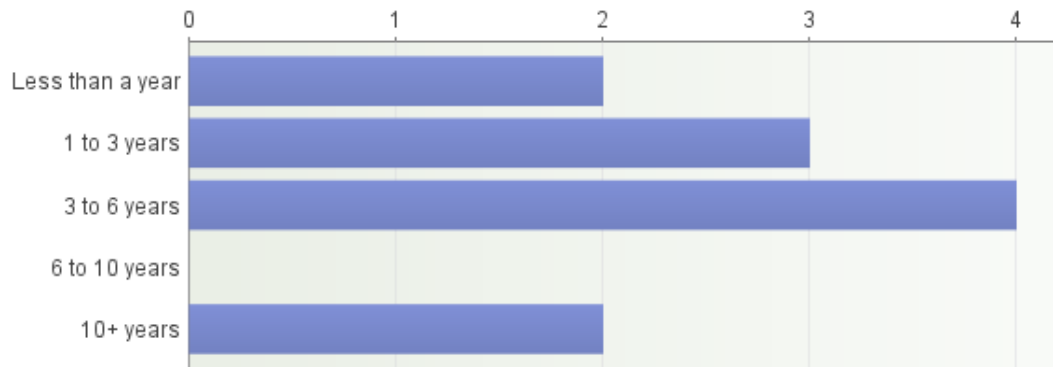


Figure 12. Time responders have been working for the company

As employees are working in large global companies, it is expected that they have several different nationalities working in their respective teams. Figure 13 below shows that big majority have more than five different nationalities working in their team.

Question – How many people of different nationalities are working with you?

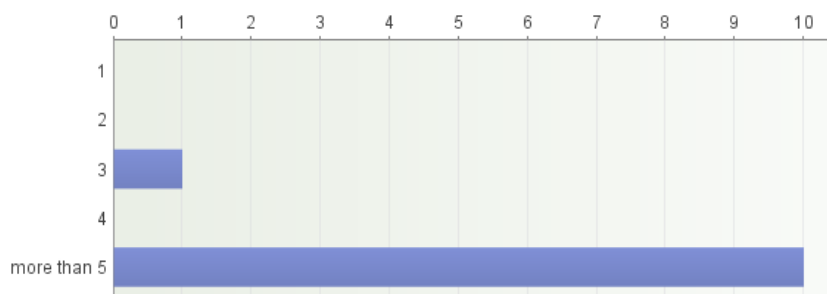


Figure 13. Different nationalities in responders' team

First open-ended question of the questionnaire, is about the advantages working in multi-cultural team. Many of the respondents mentioned that learning new skills is an advantage when working in multicultural team. New skill can be languages, larger perspectives or fresh ideas. Respondents also mentioned that people from different cultures brings new approaches to problem solving.

Open-ended question – What are the advantages of working in a multicultural team?

*“more possibilities to speak the customer language”
“better understanding of cultural specific aspects”
“more sources of information/point of view”*

“Diversity and different background make every single person in the team unique. Always learn something new.”

*“Practice of English and learning a bit of other languages”
“Learning about other cultures and countries”
“Better understanding of people in other cultures”
“Growing as a person with new experiences daily”*

“The different approach to solutions”

*“Cannot imagine it different!”
“Multinational, multicultural environment gives enormous opportunities to learn.”
“It is always challenging and never boring.”*

*“Getting broad range of perspectives and approaches on the same subject, giving the possibility to spread the best practices”
“Possibilities to learn from the people we'd never have a chance to meet in other circumstances”*

*“Share of ways of working.”
“Ideas flow in different way. We do not lock up in a Nordic mindset or dedicated country.”
“Acceptability on ways of working”
“Flexibility”*

*“experience from other markets”
“different approach to solve some problems”
“fresh look at the market”
“easier working with end users who have many branches located in different countries “*

“to learn from others with different point of view, share experiences from various different environments”

Following the question of advantages working in multicultural team is question of the contrary, disadvantages. Biggest disadvantage seems to be communications related. Higher change of miscommunication and misunderstandings.

Open-ended question – What are the disadvantages?

“more chances of miscommunication”

“Only disadvantage could be the language barrier and cultural habits that sometimes get misunderstood”

“The distances and language”

“Lack of understanding between the teams due to lack of experience in different cultures/countries”

“Decision makers making decisions based on their own experience and knowledge, not considering others' views”

“Communication in a second language is not as fluent and clear as it is in a native language”

“If there are only few foreigners in the organization, they can be set aside (isolation) and also meetings or gatherings can be in local language that maybe the foreign do not speak yet.”

“sometimes misunderstanding due to different culture / behaviors; distance between each location; language”

Next area of interest was to find out if having a multicultural team affect overall efficiency of a team (Figure 14.). Majority of responders think it is not an issue. This question consists of two parts, rating questions and an open-ended question.

Question - How would you rate efficiency of your team?

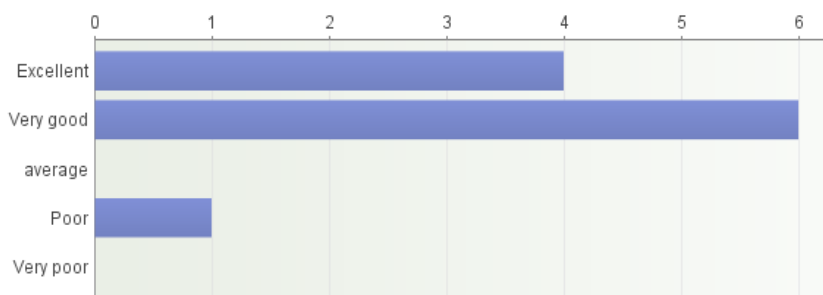


Figure 14. Responders answers on team efficiency

Open ended question – Please give more information related to your choice?

“priorities might be different and communication difficult when there are a lot of work and information to share”

“It’s very efficient to learn from one and other and exchange experiences. Wide range of accuracy when reaching out to customers and internal colleagues”

“I was always lucky in all my positions and teams to be surrounded by highly professional, motivated, interesting and nice people.”

“Decision makers on a different continent not accepting the fact, that the reality on the other side of the world is completely different and the approaches working there, are not working here.”

“It is very free of mind and doing and a very relaxed environment. The company language is truly English, even in coffee breaks”

“We can use our colleagues contacts, if for example new investment is in country A where I’m working and investor is coming from country B where my colleague from the team (but located in other country) is working.”

Next question was about the communication within the team employees are working in. English is widely used language in target organizations, yet none of the respondents speak it as a native language. Goal was to find out whether this causes problems in communication. Results, in figure 15, show that language does not form almost any barriers in the communication. Communication rate with in all responds were either excellent or very good. This question consists of two parts, rating questions and an open-ended question.

Question - How would you rate the communication with your colleagues?

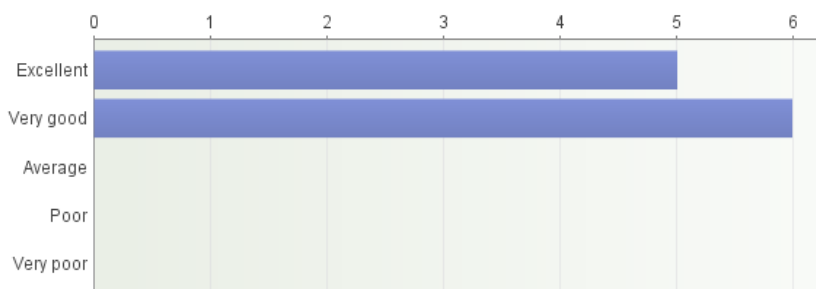


Figure 15. Responders answers on communication rate

Open ended question – Please give more information related to your choice?

“Foreigners need to make an extra effort to integrate and therefor are very open to discuss with everyone.”

“Some cultures are more outspoken than some others but overall the team spirit being good, communication is excellent”

“Communication works great since everybody speaks English. If something is unclear, we can just be open and ask”

“Speak weekly via Telecon and sharing on WEB communication”

“To a very high extend it is up to you how to manage communication within your team and/or with your business partners and customers. Take a lead. Be open to support. Stay positive. Help people by motivation and energizing them.”

“Communication with the closest team is very good, as we speak the same language and can understand each other without misunderstandings. The atmosphere and common goal also make it easier.”

“We have many tools to communicate:

- phone calls – email – teleconference - team meetings”

“no language barrier, easy & open contact; openness to discuss any type of topic, share experiences & help on request”

Another goal was to find out whether having a multicultural team affects the relationships between colleagues (Figure 16.). Outcome was that multiculturalism does not have big impact on the relationship. All respondents rate the relationship either excellent or very good. In open-ended follow up question, many highlights that colleagues are also friends outside of work.

Question - How would you rate the relationship with your colleagues?

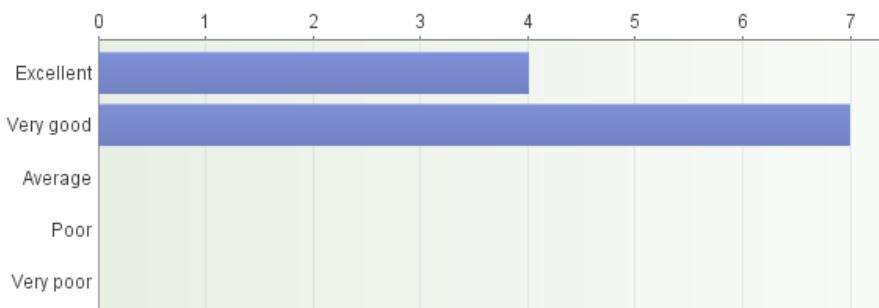


Figure 16. Responders answers on relationship with colleagues

Open ended question – Please give more information related to your choice?

“I believe everyone is helpful but since I only joined 9 months ago, there is space for improvement”

“Close relations since we have regularly and often daily contact”

“caring and supporting”

“Although we do not have many opportunities for direct meetings I always have impression that we are good long-term friends. We have a lot of common topics either when discussing professionally or privately.”

“Very good relationship on a professional and also personal level. Common goal, common opinions and common enemies, unite us.”

“They are kind and seems like they have learned time ago (maybe is in the culture) the acceptance of foreign people and the ways of working around”

“We have common targets like team and we are working like one team. In my opinion we are partners.”

Next question was about how people would react to a certain event occurring within the team and if there would differences due to cultures. Result was that even employees are from different cultures, they still react similarly to an event (Figure 17.).

Question - Do you think members of different cultures respond differently to same event?

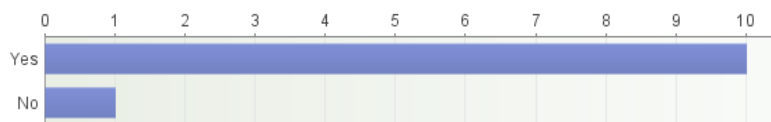


Figure 17. Responders opinion if cultural background can make different reaction to same event

There is often a challenge to get the colleagues together to share ideas and best practices. Especially when team members are in different locations. According to survey results (Figure 18.), majority believe even having different nationalities and different locations in the team, there are enough opportunities to share ideas and best practices with colleagues.

Question - Do you get enough opportunities to share ideas and best practices with your colleagues?



Figure 18. Responders opinion on sharing best practices

Finally, participants were asked to give any other input related to the topics. Common view is, that working in multicultural team adds value for team members.

Open ended question - Any other input you would like to give about the topic?

“In general, I believe managers should use more the chance of having a different point of view when having a multicultural team”

“I think working in a multicultural team makes everybody grow as individuals and get a better understanding of people”

“Meeting people in person breaks barriers and enables people to find similarities. There's a huge difference in relationships both on professional and personal levels, based only on the phone conversations and the ones where the people have had a chance to meet in person.”

“As said, it is very free and also expression of ideas is free. If compared to other countries in north Europe”

“Working in multicultural team is added value for team members. Allows team members develop his skills and know the other way of thinking.”

“It's more than pleasure to work in multicultural environment & very important for personal development. The pity is that nowadays there is less and less differences between each nations.”

4.3 Analysis – Manager’s view

Collection of data from managers was done via surveys and interviews. Analysis is further divided in three key areas. Leadership, communication and culture.

Manager’s view is started with general comments and background information why multi-cultural skills are becoming more important. As a summary, increasing globalization and easiness of communication across the globe has resulted to a situation, where more companies are operating at a global scale.

“World is becoming global, but also is becoming flat. What I mean by that is easy communication across globe. Internet made it flat and easy. No matter what function we are working for, we are working in multicultural level.”

“Be adoptable – Remember when you travel to a different country or culture, it is their culture that is dominant. Watch how people behave, observe the cultural aspects and adopt your style to align. This demonstrates openness and respect”

“Cultural intelligence is difficult to measure. IQ is easy to measure, it’s measurable. Emotional intelligence is also measurable. Cultural intelligence can be measured by 360 environmental interviews. Talk to the people who are working in such environment. There’s a lot of literature. Global cultural intelligence is a “must have” to function in today’s world. Cultural intelligence is important to improve for organization who wants to be better in the future.”

“Sales is only part of broader picture, which is always very multicultural. We are not local anymore, nobody. We need to always take into account multi-cultural world we are living in. World has come global, multiculturalism we are dealing with. We go to Starbucks for coffee, that is American company, but they also need to know local requirement We go to an international movie theatre chain, but they are also serving local customers.”

Managers also emphasized that it is worth studying local cultures in order to understand the employees you are working with. Understanding local cultures could mean language, history, behaviours and recent economic and political developments. These comments are well in line with theory in Multicultural Skills -chapter (2.3.5) presented by Salo-Lee (1996). He mentioned that learning local language and knowledge of local history, politics and economics are relevant skills.

4.3.1 Leadership

Leadership chapter focuses on areas leaders could take into account while operating in multicultural organizations. Key pick from the comments is, that it is worth studying the local culture of the person you are leading or country you are visiting. Often best way to work is to choose neutral approach and try to adapt to local environment.

“Leading multicultural multilocal teams, cross-functional leadership is more cooperation than leadership. Leadership is always broader topic. A lot of learning in behind. What I mean by that, once you touch multicultural multilocal team, cross-functions or partnership cooperation, there is always learning curve. You learn about local environment and priorities, a learning curve to fit what is local priorities. Body language is important, face-to-face meetings can be important. You need to take account priorities of local environment.”

“How local environment is fitting to what you want to achieve and you might face situation when you need to adjust your thinking in order to cooperate local terms.”

On question about challenges of leading multicultural and multi-local team, leaders state that typical challenge is about remote communication methods. Even when organizations have modern working communication tools on place, feedback was that tools do not substitute the effectiveness of face-to-face meetings. Other challenge is translating the executive leadership’s vision and strategies, sometimes done in different cultural environment, into clear actions within the employees.

“Remote communication is really a challenge. Face-to-face meetings and personal relationships are more helpful for business than remote. We need to remember that communication on phone is probably less than 30% of what you can do face-to-face. Vision and way of communication is 30% vs. 100% you could do. Communication definitely a challenge. Building a trust and building maturity of the business participants is a challenge but it is also a possibility. I think once you create a business maturity and seniority within the team, then the distance is less challenging element. We all work in certain frameworks of tasks what we have to do, and understanding those tasks requires good way of communicating what we are all moving forward to. “What I would say also is that once you get the team matured and a good way communicating, the maturity grows very fast. The way of communicating what we need to achieve and what our priorities are, it’s making it easier for a leader to achieve goals in longer terms. Challenge is, once you have a local team located in same office, it is easy to see what they are doing, if you have the goals and objectives based business, you got to prepare your team to be acting based on those goals and objectives rather than on every day charge of the work.”

“Challenge is also to set the right priorities and set the right objectives within the cultural locations. I think that it is crucial that we communicate goals and objectives both ways. It is very difficult, if not impossible, to set up those goals and objectives being remote for someone local. Taking into consideration the local environment is very important.”

“Another challenge is to create a bridge between company vision and taking into account the local environment, so that it is matching the bridge, what is communicated from headquarters, what the company wants and what is locally feasibly to take into account. It is important that bridge is not only one-way path of information, it should be feedback-focused, what is communicated to the regions. Challenge is also to be able to question the vision. So every leader needs an ability to communicate back to company and challenge and also to smooth the message out to communicate the vision back to the regions. It is combination of business and cultural leadership.”

Similar with employee's feedbacks, managers as well mentioned, that learning is one major advantage when leading multicultural organization. There are wider approaches towards problem-solving and best practises can be taken from other cultures for implementation.

Open ended question - What are the advantages of leading a multicultural team/organization?

“In hierarchic cultures, I see benefit of things happening with direct orders. However, the non-hierarchic culture needs to give their commitment. Benefit is to have local people who has the contacts to the customer and know the local business culture and can say what is working and what is not working.”

*“Different problem solving,
different approach in brain storming”*

As mentioned in Richard Lewis' model of cultural types, linear-active cultures can face challenging situations with reactive cultures. An example was given that person from reactive culture was hiding a mistake done in the work, which eventually later came out. This slowed down development which leader from linear-active culture wanted to progress with faster pace.

Open ended question - What are the disadvantages?

“In hierarchic cultures people may not say the true situation but polish things. people may not do what is requested if it is not possible to do, but they don't say it to you from the beginning. This comes clear later on in the follow up.”

“All nationalities don't function in the same way. Some need to talk more, some less, some take orders, some look for collaboration and consensus and finding a common goal and everyone's commitment does not come the same way to each nationality.”

“People behave in ways under pressure that is very different from "normal" polite behavior as it may be the way to push things through in their culture. This may end the collaborative attitude on the others.”

“Time zone”

“Different emotional levels”

When discussing about efficiency of multicultural team, there was a few cases where room for improvement was needed (Figure 19.). As mentioned earlier, lack of face-to-face time can result to lower efficiency. Maturity of team members will lead to better overall efficiency and helps managers to build trust within the employees. With independent and mature team members, there is less need for micromanaging and training by the manager.

Question - How would you rate efficiency of your team/organization?



Figure 19. Responders opinion team efficiency

Open ended question - Please give more information related to your choice?

“It is always easier when you have met the people face to face and built the trust to do the business. Without this, things can get complicated, e.g. sales arguments are sent via e-mail although they should be discussed in person with the customer.”

“Leader creates team work, efficient leader makes team efficient”

4.3.2 Communication

In the interviews and questionnaires, managers emphasized that there are several methods of communication, but they can be roughly divided to two. Written and spoken communication. It was also mentioned, that rhythmic and constant communication lays up solid foundation for team leadership. It is worth for leaders to think about communication strategies. For example, set up periodic meetings for a team in calendar for long term, and advise team member what could be the methods of contact with more rapidly arising questions.

“In my opinion, there are couple of ways communicating that are fulfilling each other. The first one is written word, written communication which is quite official and based on business priorities. Sort of core of business communication. Then the other one which is always informal, it’s more business oriented and it is not as frequent as the written communication. It goes in parallel. So in one hand we communicate whatever the company is putting a focus on. For example, we have bi-weekly call at European level and weekly call at regional level. Then we have separate strategy calls and number of individual calls. So we have formal and rhythmic written communication as principal and in parallel we have more individual business and personal-focused calls so we can see whatever from formal communication is missing, we can fulfil it with that parallel individual communication. More feedback we have in less formal level, more healthy it becomes for the business.”

On maintaining good relationships, managers stated that all team members should be taken into account and give easy chance to give feedback. It was also mentioned that each business discipline should focus on communicating their topics from their respective areas. Yet this is not always reality, especially for sales teams. It is a challenge for a sales team leader to process the constant flow of news from top management as well as other disciplines and filter the relevant topics for important for the team.

“I think it is critical that everybody feels in a team as a part of a group. There is also priority in the team. I’ve been always having a very simple principal in my head that whatever we are working with we are working on a solution that makes sense. Everybody’s voice is very important. Team members ideas count, their voices count, very important. It sounds simple, but it is not easy. In the ideal world, I would say that different people within the organization that has been engaged in different kind of communications. It is important for organization to channel the communication by the right function. For example, HR topics are communicated by HR within everybody in the organization that are applicable. If we have supply chain topic then it is them that communicate. How we channel the communication is important.”

With clear rules and consistency in communication, managers believed that communication rates within teams can get to a very good or excellent level. Managers also mentioned that being silent is not recommended. Even with limited information, it is better to communicate that rather than being silent.

Question - How would you rate communication with your team/organization?

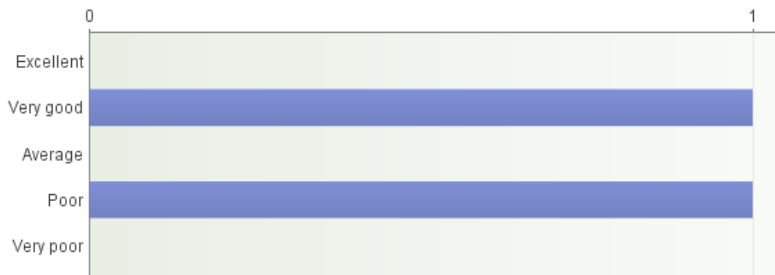


Figure 20. Responders opinion on team efficiency

Open ended question - Please give more information related to your choice?

“Leader drives and inspire communication with right rules and efficiency”

“There has been a research at elementary/high school level, to cut the long story short, they proved that the less intense the communication is within the class room, the more uncertainty and fears coming from the class. So, it’s very good to communicate more and more rather than be silent. Silence brings more fears and uncertainty. That shows that if we do not communicate, we make people create their own scenarios in their heads and at the end we will be responsible for lack of communication. Even if we do not know, even we are not sure about the topic. It is better to communicate even with lack of knowledge or lack of information, than not communicate anything. If we apply this to business, that means that we can lose lot of engagement of people, lot of initiatives only by not communicating. It is better to talk than be silent.”

Managers responded that their relationships within their teams are either average or good level (Figure 21.). Some admitted that leading multi-locational and multicultural team sets challenges on maintaining good relationship, due to lack of face-to-face time.

Question - How would you rate relationship with your team/organization members?

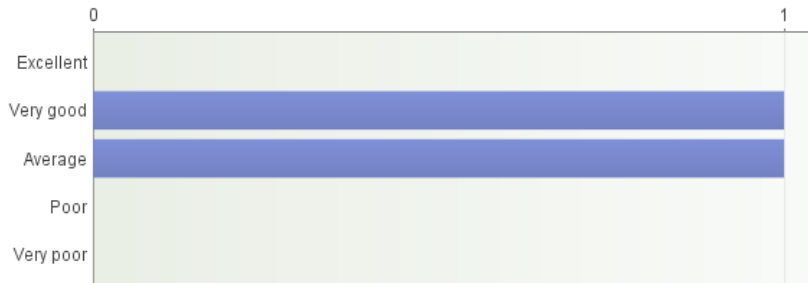


Figure 21. Responders opinion on relationship with team members

Open ended question - Please give more information related to your choice?

“The virtual team is average and communication is as per need basis when something comes up. Everyone is busy with their own tasks. The local team is good.”

“Leader is responsible for that matter”

4.3.3 Culture

As stated in theoretical chapter 2.3.4 Managing Cultural Diversity, Morden (1995) explains that it is not realistic to take universalistic approach when delivering same message across different cultures. Similar feedback was given by managers. It is best to be anticipative towards different cultures and filter the message accordingly.

“Most important task and challenge for anyone who is communicating or organizing anything multiculturally, is to anticipate the potential differences. Not being surprised what’s coming next, but being more anticipative. So if we are looking at different regions and we are communicating this way, let’s anticipate how they will perceive it. I think being general for multicultural leadership, we need to be anticipating what can be happening. Have scenario A, B, C and D before you act. So if we communicate to an Asian guy they did wrong that’s going to be difficult and very hard. If we look at the culture the Asians are always underestimating themselves, they are self-demanding. If you look at the Americans and their self-assessment. Their self-assessment will be always little higher than Europeans and definitely higher than Asian. So if you are giving the feedback to American guy or Asian guy, you need to take into account how they assess themselves and how they react to feedback as well, to be prepared for that. It is challenge for global

company always to put together global announcement in a way that it is very clear and not hurting anyone's feelings or mindset."

On misunderstandings due to cultural differences, managers advised that good listening skills helps to avoid issues. Experience in working in international environment as well helps understanding better the country-specific habits.

"It is more about how you structure your communication. If we are communicating one way only, you can bet there are plenty of misunderstandings. General rule of any cultures wants to get the feedback and want to listen before we communicate anything. Yes, misunderstandings are normal thing as long as there is wrong way of communication. Listening and taking into account the feedback is important in order to minimize misunderstandings. "

"I was talking with guy from Spain just recently. He was telling: "look this guy from England is making teleconference meeting at 08:00 o'clock." Normal Spanish guy at 8 o'clock is still sleeping, the guy joined the call with but he was totally unresponsive. The English guy setting up the call did not take into account the cultural environment."

"We are also taking into account the cultural differences, let's say if French guy would manage UK market. It is a cultural misunderstanding that will never work. As well if you put German guy manage Polish team, or give a Turkish guy to manage Greece. You give an Indian guy to handle the UK, can be a failure from very beginning."

4.4 Summary and evaluation of results

Despite having several benefits, multicultural team can face challenges (Table 2.). Cultural diversity often lowers cohesiveness within the team and it is even more common when the team members are located physically in different locations. Perceptual and attitudinal problems, as well as miscommunication, can lower cohesion of multicultural teams, which results to lower productivity. Mistrust and dislike are common problems, due to that team members tend to be more attracted to persons from their own culture. Mistrust, however, results usually from unintentional cross-cultural misinterpretations rather than real dislike. It is also common, that team members falsely assume that national stereotypes apply to their colleagues. Cultural diversity in teams also means linguistically diverse, which can cause problems with communication due to that not all team members have same level of language skills. (Adler & Gundersen 2008)

Table 2. Benefits and challenges summary of multiculturalism

Benefits	Challenges
<ul style="list-style-type: none">• Different ideas, new perspectives.• Creative, dynamic and innovative working environment.• Learning from other cultures.• Companies can expand from local to global.	<ul style="list-style-type: none">• Leaders have to deal with diverse expectations and behaviours, thus have high cultural intelligence.• Chance of miscommunication and language barriers.• Lower levels of cohesiveness.

5 SUMMARY AND CONCLUSIONS

In this chapter, researcher discusses about the research including topics of trust-worthiness, ethical viewpoints and conclusion. Chapter is finished with ideas and suggestions of further development and reflection of own learning throughout the research process.

5.1 Discussion

The reliability of this research can be considered good, because the targeted group of people for data collection was reached. All respondents work in large international companies and come from various cultural backgrounds. Although truly global view could not be reached, due to limited data from Latin American and African cultures. The response rate from targeted group of people was good, yet the total number of respondents could have been higher to have better reliability. While nature of this research is qualitative, reasonable amount of data was collected from respondents to have good reliability. Majority of respondents were experienced working in multicultural environment and their input was well in line with theories introduced in chapter 2.

Data collection for empirical chapter of this research was done through interviews and questionnaires. Reliability of interviews can be verified by looking for repetitiveness in replies for similar questions. Qualitative research often aims for understandable and adaptable view on certain phenomena, not a complete objectivity. In this thesis, researcher was interested of different view people have towards multicultural working environment. We can say that the views of people change and adapt when working environments changes. Therefore, it is not realistic to receive completely equal replies from interviews.

Validity means the ability of the research method to measure exactly what it is intended to do. An example for a lack of validity can be considered a situation in which respondents understand an interview question differently than interviewer. This is an interesting point of view especially in researches of multiculturalism. It has been suggested that multicultural research is dominated by western cultures (Adler 1986). Consequently, the western dominance should be taken into account in the studies of cultural dimensions. The interview questions in this research was shaped so that they are reflecting everyday work-related issues.

5.2 Conclusions and managerial implication

After evaluation of data from interviews and questionnaires, it was found out that both employees and managers favour working in multicultural environment. Large majority of employees believed that multicultural environment gives them opportunity to learn something from other cultures and gave them better understanding of the way others are working. Managers agreed similarly with employees about the learning. However, managers mention that feedback from employees, through middle-management up to executive level, can be difficult to obtain.

In general, both employees and managers agree that multicultural teams are needed and they need to function efficiently despite cultural differences. Reason for it is that customers are also distributed in a number of different countries and projects can include stakeholders globally. They as well thought that contributions from different individuals added value to the team, facilitated the generation of creative ideas and new perspectives.

In order to manage multicultural team effectively, managers mentioned some characteristics that are helpful, such as respectful towards other cultures, trustworthiness, flexibility, communicative, anticipative, consistent, good listener, approachable, politeness and open-mindedness.

Regular meetings play important role in managing multicultural teams. Leaders could organize meetings with a following simple example agenda. 1) What has happened since last meeting? 2) What will happen in coming weeks? 3) Any support needed? Feedback from employees will provide indications where business is going and help to prioritise actions needed to be taken.

As stated in Multicultural Leadership -chapter (2.3), theorists suggest polycentric leadership style is the most effective in multicultural environment. Polycentric leaders believe every country is unique and needs individual approach strategy. In polycentric leadership style, leaders treat cultures with respect and try to preserve them as they are. Leaders should try to learn about cultures and adjust their style accordingly. According to Mäkilouko (2003), this strategy works effectively when team members are located in various countries.

As indicated in the beginning of this research, chapter 1.1, main purpose is to identify and analyse factors that affect team performance in global multicultural environment. Purpose was further extracted to goals and objectives. Such as study group dynamics in culturally

diverse team, investigate what skills leaders need and identify how to improve, communication, participation, commitment, innovation and productivity. Majority of the goals set in the beginning, was achieved. Deepest review was given into areas of leadership and communication. Factors such as innovation and commitment would have required further investigation in order to have deeper understanding.

5.3 Suggestions for further development

As stated throughout this research, managing diversity in multicultural teams can be a challenge for organizations and team leaders. The set of skills (pages 11, 15, 17 and 41) leaders need is long. While leaders with such set of skills is not easy to find, further development idea is to use findings from this research and implement them in recruitment of team leaders.

Another suggestion for further development is to take a deeper look at communication strategies within larger group of international companies. How they run their periodical meetings and how often? Do they have guidelines for unformal communication? Best practices could be collected and shared.

5.4 Reflection of own development

Conducting an academic research for a master's degree usually follows sequential steps like identifying topic for research, creating a purpose, reviewing and evaluating literature, gathering data, designing questionnaire and interviews, performing data analysis and making the conclusions. Biggest challenge was to find a topic for the research which can add value for employer, research readers and researcher himself. Research of leadership in multicultural work environment was perfect fit due to that researcher have past experience of working in such environment and have also intentions to continue understanding the dynamics even better.

In the beginning of this project, there were few options to choose as a topic of the thesis. After kick-off meeting with thesis instructor from university and supervisor from employer, the idea of thesis topic started to form. Thesis should focus on multi-cultural global teams and the dynamics around them. The topic is driven by rapid globalization in past few decades, as well as a recent strategic alignment in employer's organization.

After going through the theories of cultures and psychologies behind them, it came as a surprise how large studies have been conducted. However, even when those studies are done relatively recently, some 10-30 years back, they might not be valid for long time. This is due to that it seems that cultures are starting to mold together and larger areas work culturally in similar fashion. This again is a result of internet, globalization, easy travel and accessibility to almost any part of the world. Several languages are going to fade away which further enhances this development.

Majority of study courses of the degree was done in 2015 and 2016. Although thesis ideas were being considered throughout the years, it started to move forward after kick-off meeting in February 2017. Between kick-off meeting and December 2017, progress was periodical. This was mainly because of as well periodical nature of daytime work. Prioritization and balancing was needed during thesis process. Total time spent for this research is between 700-800 hours.

Biggest personal learning and development during this thesis process was in the areas of research methods and time management. During my first academic research, done around 10 years ago, it was as well qualitative nature, but that time did not understand well theory behind it nor theories behind other methods. During the two research courses as part of degree, qualitative and quantitative, and this research, the theories finally started to open. Time management skills also got better. Simply due to fact that daily work, thesis and family all require time and prioritizations. My proposal is to try to find good long run of hours for thesis at time, since getting back to it after long break takes time.

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Appendices

Appendix 1. Questionnaire for employees

Dear colleagues,

I am conducting a research as a part of my Master's degree about working in multicultural team. I would like you to participate to this questionnaire as a part of the research.

Goal is to collect experiences of colleagues who are working in a multicultural team and separately experiences of managers and executives, who are leading these teams. Data will be analysed and best practises will be shared in order to improve communication, participation, commitment, innovation, effectiveness and similar factors.

Collected information will be kept strictly confidential and used for the purpose of this thesis only. Questionnaire is done anonymous. Please take time to complete the questionnaire and I would appreciate if you could complete all questions.

Job title: _____

Function: _____

Age: Under 20 21- 25 26- 30
 31- 35 36- 40 41- 45
 Above 45

Sex: Male Female

Nationality: British Chinese Danish Dutch Finnish
 French German Italian Norwegian Polish
 Russian Spanish Swedish Swiss
 USA
 Other (Please specify): _____

How long have you been working for the company?

Less than 1 year

1 to 3 years

3 to 6 years

6 to 10 years

10+ years

How many people of different nationalities are working with you?

1

2

3

4

more than 5

What are the advantages of working in a multicultural team?

What are the disadvantages?

How would you rate efficiency of your team?

- Excellent
- Very good
- Average
- Poor
- Very poor

Please give more information related to your choice?

How would you rate the communication with your colleagues?

- Excellent
- Very good
- Average
- Poor
- Very poor

Please give more information related to your choice?

How would you rate the relationship with your colleagues?

- Excellent
- Very good
- Average
- Poor
- Very poor

Please give more information related to your choice?

Do you think members of different cultures respond differently to same event?

- Yes
- No

Do you get enough opportunities to share ideas and best practices with your colleagues?

- Yes
- No

Any other input you would like to give about the topic?

End of questionnaire. Thank you for giving valuable input to the project.

Appendix 2. Questionnaire for managers and executives

Dear Managers and Executives,

I am conducting a research as a part of my Master's degree about working in multicultural team. I would like you to participate to this questionnaire as a part of the research.

Goal is to collect experiences of managers and executives who are leading a multicultural team, organisation or business unit. Data will be analysed and best practises will be shared in order to improve communication, participation, commitment, innovation, effectiveness and similar factors.

Collected information will be kept strictly confidential and used for the purpose of this thesis only. Questionnaire is done anonymous. Please take time to complete the questionnaire and I would appreciate if you could complete all questions.

Job title: _____

Function: _____

Age: Under 20 21- 25 26- 30
 31- 35 36- 40 41- 45
 Above 45

Sex: Male Female

Nationality: British Chinese Danish Dutch Finnish
 French German Italian Norwegian Polish
 Russian Spanish Swedish Swiss
 USA
 Other (Please specify): _____

How long have you been working for the company?

Less than 1 year

1 to 3 years

3 to 6 years

6 to 10 years

10+ years

How many people of different nationalities are working for you?

1

2

3

4

more than 5

What are the advantages of leading a multicultural team/organisation?

What are the disadvantages?

How would you rate efficiency of your team/organisation?

Excellent

Very good

Average

Poor

Very poor

Please give more information related to your choice?

How would you rate the communication with your team/organisation?

Excellent

Very good

Average

Poor

Very poor

Please give more information related to your choice?

How would you rate the relationship with your team/organisation members?

Excellent

Very good

Average

Poor

Very poor

Please give more information related to your choice?

Do you think members of different cultures respond differently to same event?

Yes

No

Do you get enough opportunities to share ideas and best practices with your peers?

Yes

No

Any other input you would like to give about the topic?

End of questionnaire. Thank you for giving valuable input to the project.