



LAHDEN AMMATTIKORKEAKOULU
Lahti University of Applied Sciences

CONFLICTS AND MULTICULTURAL TEAM

Developing competencies for managers

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Nguyen, Thanh Tung

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ABSTRACT

This thesis aims to define multicultural team and conflicts and identify the essential competencies for a manager of multicultural teams. It is argued that a manager of a multicultural team should possess more skills and competencies than those who manage homogeneous groups. As a result, a manager of a multicultural team must be able to understand culturally diverse backgrounds, manage conflicts constructively, and comprehend different strategies to handle sensitive situations.

The research begins by reviewing literature on culture, team performance and conflict. A survey was performed on 67 individuals from various cultural backgrounds, to analyze their attitudes towards multicultural teams and their managers. A second questionnaire was conducted on 18 managers from an international company in Vietnam to collect more insightful opinions about managing multicultural teams. From both perspectives of the employees and the managers, different strengths and the weaknesses of nowadays managers were examined and explained carefully. Some findings are in accordance with theories and some show different interesting opinions experienced pragmatically by the respondents.

Eventually, a successful competency model was created by the author to combine all the results obtained from the empirical research and the theoretical literatures. The components of the model consist of different competencies and skills concerning cultural knowledge, conflict management, and team performance.

Key words: Multicultural team, culture, conflict, manager

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1 INTRODUCTION

1.1 Background

The factor of diversity and conflicts tend to be problematic areas in many organizations nowadays. These issues have significant impact on employee performance and effectiveness because the success of the company is highly dependent on the work performance of employees. Multicultural teams are exposed to different national cultures, norms, attitudes and behaviors that influence each individual team member. Companies in which employees come from different nationalities must take these factors into serious consideration as multicultural teams gradually become more popular in the corporate world and are part of competitive edges that they can utilize. Nevertheless, there might be higher possibility of conflicts appearing in a multicultural environment compared to those in homogeneous teams. The role of manager is absolutely crucial when handling multicultural teams in general and conflicts in particular. The ultimate results heavily rely on the competencies that managers already achieved or are willing to acquire.

Furthermore, the studies from both employee's perspective and manager's perspective combine with theoretical literature are the keys to define the competencies for managers to perform effectively within multicultural environment.

1.2 Purpose and Objectives

The purpose of this thesis is to create a guideline for managers to manage a multicultural team effectively as well as to minimize conflicts in specific projects.

To do this, three main objectives are established:

1. Collect information concerning attitudes of people toward multicultural teams and their superiors.
2. Define culture dimensions and their impacts on multicultural team performance.

3. Identify the competencies needed for managers to effectively manage a multicultural team.

1.3 Structure

The thesis basically is divided into four main parts concerning background informations, theoretical literature, empirical research and conclusion.

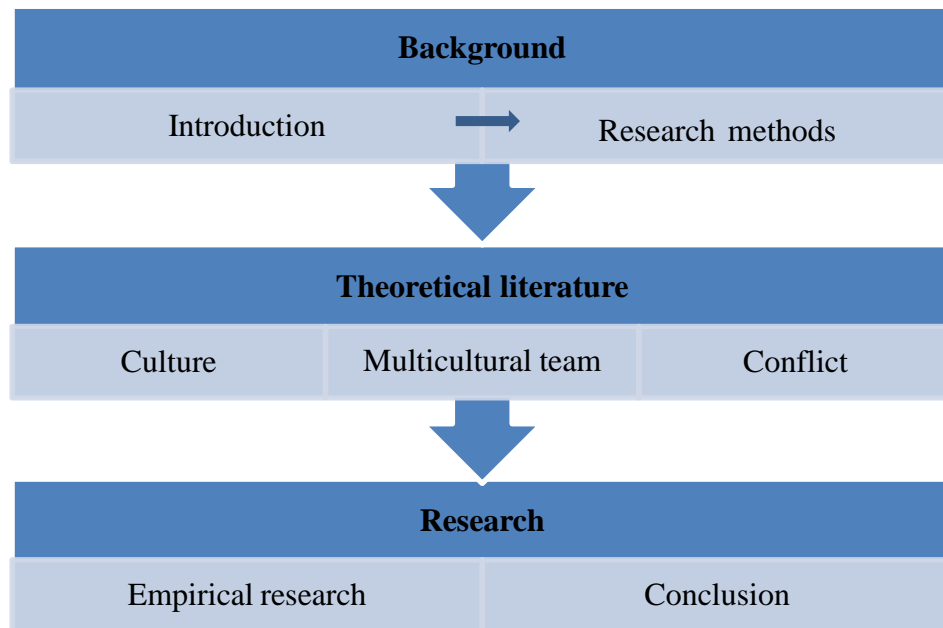


FIGURE 1. Thesis structure

Chapter 1 gives background information for the thesis and introduces the research methods used during the writing process. The purpose and the objectives as well as the limitation and the structure of the thesis are briefly explained in this chapter.

The concept of culture is presented in chapter 2. The definition of culture and different dimensions are the main focus in this part, based mainly on the theoretical literature by Hofstede, Trompenaars and Hampden Turner, Edward Hall and House. In chapter 3, the concepts of multicultural team and factors that influence team performance will be examined. There will be a brief definition of multicultural team and team effectiveness model, followed by the challenges and strategies to manage a multicultural team. The following chapter, chapter 4 examines conflicts and impacts of cultural dimensions on team conflicts. In addition, individual styles of addressing conflicts are also covered.

Chapter 5 presents my analysis of the empirical research which includes an online survey conducted on students who study international business and questionnaire for team managers of KPMG Vietnam. The final chapter, chapter 6 will conclude this thesis with a guideline for development managers' competencies.

1.4 Research methods

Data for this thesis was collected from both primary and secondary sources. Books, articles and internet are the main sources used for theoretical literature part. In order to achieve objectives mentioned above; both qualitative and quantitative methods were used for researching. Questionnaires and interviews are the main tools to collect primary data.

The first goal was to collect information concerning their work attitude and assessment towards multicultural teams and team managers from students who are studying International Business in Finland. To accomplish this task, the author created a comprehensive questionnaire consisting of multiple choice questions, where respondents can circle or tick the most suitable options for them. The nature of these questions is mainly quantitative. However, there was also an open question at the end of the questionnaire, where respondents can give their own opinions and thoughts.

The second part of the research concentrated on gathering opinions and experiences from managers of KPMG Vietnam concerning management of a multicultural team. Interview was the most appropriate option to achieve this task because the number of participants in this survey is limited and collection of qualitative information is more efficient this way. A set of predetermined questions was arranged to which respondents gave individual comments. The goal was to interview from ten to 18 managers of KPMG Vietnam in order to increase the validity of the research.

1.5 Limitations

Limitation of respondents

Although the research includes international individuals, some may not be typically representative of their cultures. Many people interviewed are internationally orientated people therefore the factor of culture in the survey may not bring satisfied results.

The questionnaire to managers of KPMG Vietnam was conducted via email therefore the results might be different from direct face to face interview due to the characteristics of this method.

2 CULTURE

Culture is a complex concept, and there are many definitions of culture. The word culture comes from the Latin root *colere* which means to inhabit or to cultivate. It can be defined as:

“... is the collective programming (thinking, feeling and acting) of the mind which distinguishes the members of one group or category of people from another.”

(Hofstede 2005, 4)

During the late 1980's and early 1990s, the term culture was applied in the business world, to refer to the attitudes and behavior of corporations. Over the last twenty years, understanding different cultures has become essential as companies and organizations are more internationally-oriented (The American Heritage Dictionary of the English Language 2010)

2.1 Geert Hofstede

Geert Hofstede is one of the most influential researchers on national and organizational culture. One of the most remarkable studies of Hofstede's is Value Survey Model (VSM), which contains a collection of 33 questions created to assort members of national groups into cultural dimensions. At first he found that four separate dimensions could be defined from the survey results:

(<http://www.geerthofstede.nl/>, 2013)

The first dimension dealt with is “**individualism versus collectivism**”. Hofstede believe this dimension is the fundamental distinction between cultures. It is preferred for individuals in individualist society to take care of themselves and their own self-interest. On the other hand, collectivism depicts a preference for a society in which the connection between individuals is much closer. It appeared that individualist countries are wealthier than collectivist countries. (Hofstede 1983)

The second dimension is “**power distance**”, which indicates the level of inequality in a certain society. In an organisation, the term “power distance” is referred to degree of centralisation of authority. According to the result Hofstede's

research, he found that a country with a high degree of power distance is also a collectivist country. Nevertheless, it is not proved that individualist countries have low degree of power distance. (Hofstede 1983)

The third dimension is **uncertainty avoidance** (UAI) which measures the degree of uncertainty and ambiguity among people in a society. As a result, in a weak UAI society, people have a natural tendency to be more relaxed and secure. While in a “strong uncertainty avoidance” society, people tend to create security and avoid risk. Religion and history have close connection with uncertainty avoidance. (Hofstede 1983)

The fourth dimension is “**masculinity versus femininity**”, which the fundamental issue is sex role division in society. The masculinity side of this dimension represents a preference for performance, achievement, and assertiveness. While in more feminine societies, the values like cooperation, modesty, caring for the weak and quality of life are preferred. (Hofstede 1983)

At first there were only four cultural dimensions created by Hofstede, but later in 1987 Michael Bond extended Hofstede’s work and convinced him to adopt the fifth dimension called **long term orientation**. This dimension represents society’s search for virtue. (<http://geert-hofstede.com/>, 2013)

2.2 Fons Trompenaars

Fons Trompenaars began to be a cultural researcher at the Wharton School of Business where he worked closely with Geert Hofstede. Trompenaars’s research focused on international companies and over thirty thousand people from more than forty countries were involved in his research. Instead of Hofstede’s five dimensions Trompenaars and Charles Hampden-Turner decided to expand them into seven different dimensions of culture. These dimensions are:

(<http://www.thtconsulting.com>, 2013)

- **Universalism vs. Particularism:** Rules versus relationships?

Universalism is defined as a rule-based society. In universalistic society the same rules are applied to everybody and all situations. General rules, codes, values and standards are prioritized over relationships and particular needs. Universalism looks for similarities in all members of a group

On the other hand, particularism is relationship-based society. In particularist countries people pay more attention to the obligations of relationships and unique circumstances. Human friendships, achievements and certain situations have higher priority over rules. (Fons Trompenaars 1997)

- **Individualism vs. Communitarianism:** Group versus individual?

This dimension is referred to Hofstede's cultural dimension individualism versus collectivism and it is defined as orientation to individual or part of a group which shares the same goals and objectives. In the case of universalism and particularism, Trompenaar said that "these dimensions are complementary, not opposing, preferences." (Fons Trompenaars 1997)

- **Specificity vs. Diffusion:** "How far we get involved"

This dimension measures how far people get involved with other's life space. In specific society, people are willing to share a large public space with others and a small private space they conserve and share with only friends. Specific cultures like Austria, Switzerland, the United Kingdom and the United States show a strong separation between work and private life. While in diffuse countries, people protect both spaces carefully, because entry into private space is essential for entry into public space. China, Spain and Venezuela are examples of diffuse cultures where work and private life are closely connected but intensely protected. (Fons Trompenaars 1997)

- **Affective vs. Neutral:** “Do we display our emotions?”

Trompenaars defines this dimension by describing how overtly cultures show their emotions in public. In neutral cultures such as Sweden, Austria, Japan, and India, it is highly inappropriate to express feelings in public, whereas in affective countries like Spain, Russia, and France, it is totally acceptable. He also distinguishes cultures that exhibit emotion but separate it from rational reason like Americans, and cultures that exhibit emotion without separating it from reason like Italians and southern European nations. (Fons Trompenaars 1997)

- **Achievement vs. Ascription:** “Do we have to prove ourselves to receive status or is it given to us?”

This dimension demonstrates 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 ascription oriented cultures, people believe that individuals are attributed status based on who they are: their age, class, gender, education, et cetera. (Fons Trompenaars 1997)

- **Sequential time vs. Synchronous time** “Do we do things one at a time or several things at once?”

Trompenaars defines this dimension by pointing out two ways of managing time. The first way is to manage time sequentially which means people view time as a series of passing events. People of sequential cultures are very strict with time commitment 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. (Fons Trompenaars 1997)

- **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 objective. 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. (Fons Trompenaars 1997)

2.3 Edward T.Hall

According to Edward Hall, culture is described by three variables: Time, Context, and Space.

- **Time**

Hall's theory on time can be related to Trompenaars' Sequential vs. Synchronous dimension. Cultures are classified based on their attitude toward time. In monochronic cultures, people believe that time is a limited, restricted resource. Communication is direct and quick, work is planned, and execution within the time specified is seen as most important. North American and Northern European are the examples of monochronic cultures. In polychronic cultures, people believe that time is infinite, and life is circular. Time cannot be controlled therefore timescales are less strict and time-based planning seen as less important. The examples of polychronic cultures are Latin America, the Middle East and Africa.

- **Context**

Hall defines this dimension by identifying the styles of communication within a culture. In high context cultures, both parties take much for granted therefore communication only hints at much of the information. In contrast, in low context cultures such as the USA, communication is straightforward, including background information. As a result, low context cultures are in greater need for documentation and legal fine print, in which both parties agree on exact conditions. (Hall 1976)

- **Space**

This dimension refers to the boundary around an individual's personal territory. For instance, in the Indian culture, one's personal space is much smaller, both in terms of physical space and in objects perceived to be personal space, than in the USA. (Hall 1976)

2.4 House and Colleagues' GLOBE Cultural Framework

Robert House, at the University of Pennsylvania, initiated a major research project called Global Leadership and Organizational Behavior Effectiveness to study the impact of culture on leadership and organizational behavior practices. The project team comprised 172 researchers who gathered data from 17,300 respondents in 951 organizations across 62 societies. Following works of Hofstede, Kluckhohn and Strodtbeck, and McClelland, this project conceptualized nine dimensions of culture, shown in Table 1. (House 2004)

Table 1. The GLOBE project cultural dimensions (House 2004)

| GLOBE cultural dimensions | Definitions |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Power distance | <i>The extent to which members of a society expect power to be distributed equally</i> |
| Gender egalitarianism | <i>The degree to which societies discourage differences in gender roles and inequality</i> |
| Uncertainty avoidance | <i>The extent to which societies rely on rules, policies, and procedures to minimize ambiguity and unpredictability of future events</i> |
| Collectivism I (institutional collectivism) | <i>The degree to which societies encourage and reward collective action and distribution of resources</i> |
| Collectivism II (in-group collectivism) | <i>The extent to which members of a society express pride, loyalty, and cohesiveness in their relationship with others</i> |
| Future orientation | <i>The degree to which members of a society engage in future-oriented behaviors such as planning, preparing for, and investing in the future</i> |
| Assertiveness | <i>The extent to which members of a society are aggressive, demanding, and confrontational toward each other in their interactions</i> |
| Performance orientation | <i>The extent to which societies reward and encourage individuals for innovation and performance excellence</i> |
| Humane orientation | <i>The extent to which a society encourages its members to be generous, altruistic, and caring, and to show concern for the welfare of others</i> |

3 MULTICULTURAL TEAM

Human beings have been working together and learning to cooperate for millions of years. Efficiency and satisfaction are improved by cooperation and working together. In that sense, the multicultural team has become a competitive advantage of organizational life in different parts of the world. Multicultural teams can provide all elements for an effective fusion of different project management practices (Binder 2007). As a result, more and more theory and practice of effective multicultural teams have been developed recently. Maximizing the synergy and potential for high performance that is present in a multicultural team can result in more creative approaches to problem solving and decision making (Michael J. Marquardt 2001)

Multicultural team can be defined as *“a collection of individuals with different cultural backgrounds, who are interdependent in their tasks, who share responsibility for outcomes, who see themselves and are seen by others as an intact social entity embedded in one or more larger social systems, and who manage their relationships across organizational boundaries and beyond.”* (Claire Halverson 2008, 5)

3.1 Multicultural team performance

According to Brannen and Salk’s research journal, they concluded that cultural differences do not necessarily have a negative impact on team performance. Conflicts are not caused by differences but organizational context and individual team members’ responses to cultural norms. Team members of an increasingly diverse workforce must actively deal with cultural differences in order to connect cultural borderlines. The work of Brannen and Salk’s highlights the multiplicity of cultural identities, and indicates that organizational context plays a central role in deciding the relative importance of those identities. (Brannen M.Y 2000)

Empirical research on the output of multicultural teams has brought up different results. Many studies have shown that heterogeneous groups achieved better performance than homogenous groups. In contrast, some studies have shown that homogenous teams avoid mistakes caused by miscommunication and the

subsequent conflict of more diverse teams. Williams and O'Reilly (1998) reviewed 40 years of diversity research on conflict and communication. In the end, they came to the conclusion that diversity does not have any predictable effects on team performance. A research by Jehn et al (1999) also attempt to illustrate how various types of diversity affect team performance. He created a model that includes three types of diversity discussed in past team research:

- Informational diversity: differences in backgrounds, work experiences and specialities
- Social category diversity: differences in gender, race and ethnicity
- Value diversity: differences in what team members perceive the team's task and goals

In the end Jehn et al (1999) found that value diversity becomes more important for team performance over time while social category diversity becomes less significant over time.

Three conclusions can be drawn up by combining all the studies on multicultural teams' performance. First of all, certain types of diversity affect team process and performance more than other differences. Secondly, team members' responses to diversity and conflict are the major factors in determining how teams process the task and perform. Thirdly, the type of task the team is responsible for and the level of task interdependence also has particular influences on the success of a multicultural team. Accordingly, the nature of a team's diversity can be advantageous or disadvantageous depending on the task involved and how the teamwork is managed. (Claire Halverson 2008, 9)

3.2 Factors that influence multicultural team effectiveness

Theorists have put a lot of effort into building up a model that conceptualizes what makes multicultural teams effective. The following model (see figure 2) integrate the comprehensive existing knowledge about teamwork and processes through a usable framework facilitating transfer to practice. The components of the model are societal/institutional factors, organizational factors, team factors, team climate, and team effectiveness criteria. (Claire Halverson 2008, 9)

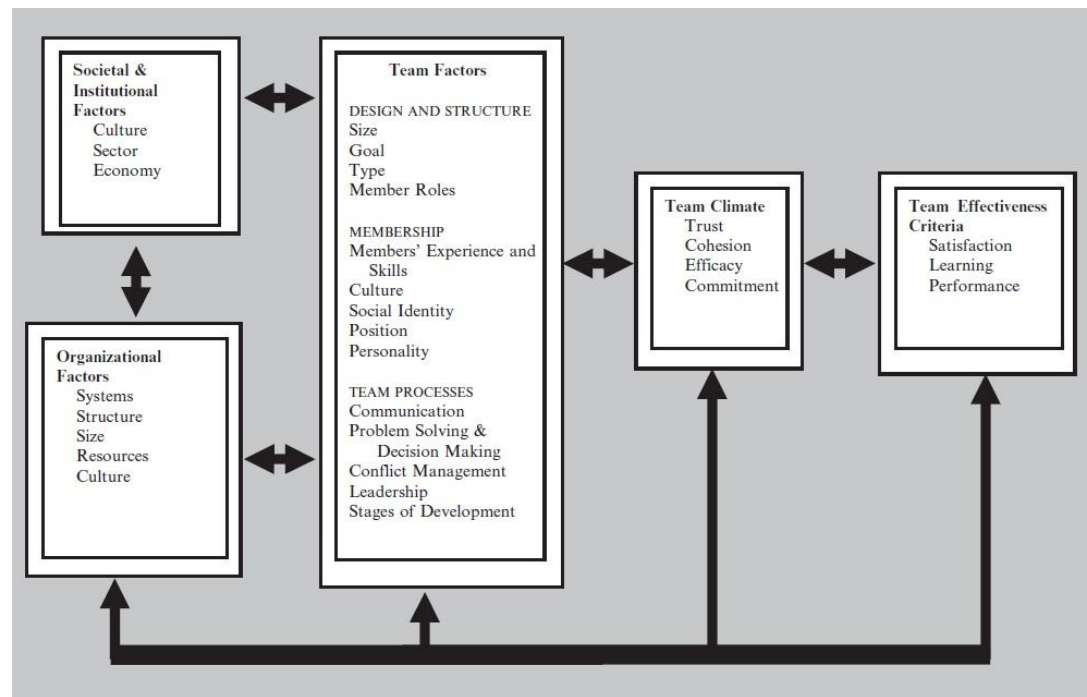


FIGURE 2. Multicultural team effectiveness model (Claire Halverson 2008, 10)

- **Societal and Institutional Factors**

In order to understand multicultural teams, it is crucial to examine culture and how it impacts individual team members. Moreover, other macro-level aspects such as the sector of work (development, education), industry (high technology, manufacturing), may play some role in impacting the nature and effectiveness of multicultural teams in a certain situation. (Claire Halverson 2008, 11)

- **Organizational Factors**

Team achievement heavily depends upon the resources and authority required to complete the task successfully. Organizational arrangements include systems such as compensation, performance management, and training and development. According to Halverson, structural arrangements help to maintain and improve effectiveness of the teams and organizational culture promotes and encourages teamwork. A research on the impact of organizational formalization and centralization on team's effectiveness by Tata and Prasad (2004) concluded that self-managed teams may be more effective in organizational settings with limited explicit rules, procedures, and policies. Organizational culture is also considered

the key determinant of organizational behavior and performance. Within the same national culture, organizational and group cultures may take many different forms (Brannen M.Y, 2000). Organizational culture becomes an important variable to understand team effectiveness. (Claire Halverson 2008, 11)

- **Team-level factors**

The team-level factors are divided into three subcategories: team design and structure, membership, and team processes.

- *Team design and structure* variables include team size, goal, type, and member composition. The size of the team is determined by the nature and complexity of the task to be performed as well as resources available. The quality of a team's output and dynamics are sensitively linked to a team's size. According to Gardenswartz and Rowe (2003), team goals are defined to articulate and translate the overall mission. Frustration, lack of timely progress, and unmet or incomplete goals are the consequences of when there was no discussion of the team's overall goal. This is even more essential for multicultural teams due to the variety in expectations, individual goals, and backgrounds that members bring to the team. Therefore, multicultural teams need to develop collective understanding of their goals and link them to the members' individual expectations. (Claire Halverson 2008, 12)
- *Team membership* elements include team members' experiences and skills, cultural background, social identity (issues such as class, race, gender, and ethnicity) and individual aspects of personality and intelligence. (Claire Halverson 2008, 13)
- *Team processes* cover important areas such as communication, problem solving and decision making, conflict management, stages of development, and leadership. All of these processes play major roles in the operation and effectiveness of multicultural teams. (Claire Halverson 2008, 14)

- **Team climate**

The areas of trust, commitment, cohesion, and efficacy are considered as mediating variables linking the team-level factors and the effectiveness criteria. These elements are the key foundation for collaboration and cooperation. By increasing trust among team members, communication and decision-making processes might be strengthened. (Druskat 2001)

- **Team Effectiveness Criteria**

Besides productivity and performance, team members' satisfaction and learning are now considered integral to comprehend the team's effectiveness. Learning and satisfaction may contribute to strengthening teamwork. Furthermore, team member satisfaction creates positive feedback that boosts the effectiveness of multicultural teams. (Claire Halverson 2008, 14)

3.3 Challenges

The majority of managers tend to assume that challenges on multicultural teams originate from differing styles of communication. In reality, this is only one of the four categories that can create difficulties to a team's success. The challenges for multicultural teams are direct versus indirect communication; accents and fluency; attitudes toward hierarchy and authority; and conflicting norms for decision making. (Brett J, Behfar K & Kern M 2006)

Direct versus indirect communication

The differences between direct and indirect communication may cause serious damage to relationships between team members when projects encounter problems. Communication in Western cultures is usually straightforward and explicit. The meaning of the speech is apparent, and it does not require listeners to know about the context or interpretation from the speaker. On the other hand, for Eastern cultures, meaning is hidden in the way the message is presented. Negotiators in Western cultures directly ask questions about other party's preferences and priorities. In cultures where indirect communication dominates, negotiators may have to deduce preferences and priorities from changes in the

other party's settlement proposal. Consequently, communication challenges reduce the effectiveness of information sharing, and also create opportunities for interpersonal conflicts. (Brett J, Behfar K & Kern M 2006)

Accents and fluency

Nowadays even though English is the official language of international business, problems with translation and fluency may cause misunderstandings or frustration. Non-native speakers' accents also have impacts on perceptions of status or competence. Most of the time, it is difficult for team members to recognize expertise of nonfluent team members due to their influence of conversation. Interpersonal conflicts can easily appear if teammates are intolerant or impatient with a lack of fluency. Consequently, motivation for nonnative speakers to contribute to the team is also diminished. Eventually, company's investment in a multicultural team goes to waste. (Brett J, Behfar K & Kern M 2006)

Attitudes toward hierarchy and authority

Multicultural team managers always assume that the structure of their team is rather flat. In reality, for team members from specific cultures, the position in an organization determines how they are treated. Inappropriate deference for higher-status members may damage team members' stature and credibility and even create humiliation toward others if most of the team members are from unbiased cultures. As a result of differing cultural norms, team members think they are treated disrespectfully, the whole project group can be dismember. (Brett J, Behfar K & Kern M 2006)

Conflicting norms for decision making

The factor of culture has a huge impact when it comes to decision making processes especially when decisions should be made quickly or when intensive analysis is required beforehand. American managers like to make decisions rapidly and with rather little analysis by comparison with managers from other countries. (Brett J, Behfar K & Kern M 2006)

3.4 Strategies

There is no one right answer to solve a particular kind of multicultural problem. Four strategies were summarized by the most successful international managers to deal with above challenges: *adaptation* (accepting cultural gaps openly and working around them), *structural intervention* (changing the team structure), *managerial intervention* (setting norms early or bringing in a higher-level manager), and *exit* (removing a team member when other options have failed). The most important step is evaluating the situation and condition under which the team is working. (Brett J, Behfar K & Kern M 2006)

Adaptation

Adaptation will work perfectly if team members are willing to accept their cultural differences and to be responsible for resolving how to live with them. Adapting is often the best possible approach to a diversity issue, because it wastes less managerial time than other strategies. If team members involve in solving the problem themselves, they will learn more from the process. Team members with this type of attitude can be significant about protecting their own substantive differences while assenting to the processes of others. (Brett J, Behfar K & Kern M 2006)

Structural intervention

In order to remove some specific sources of conflict in a team, reorganization or reassignments are necessary to reduce interpersonal disharmony. This approach can be especially effective when team members are proud, defensive, or holding on to negative stereotypes of one another. Another structural intervention might be to split the team into smaller working groups of mixed cultures or mixed corporate identities in order to process information more efficiently. (Brett J, Behfar K & Kern M 2006)

Managerial intervention

Managerial intervention refers to active participation of manager or team leader in dealing with the challenges. Managerial intervention is necessary when emotions or behaviors of team members are distracted or disrupted, or when there is

challenge with considerable and measureable consequences such as human resources, financial or relationship. (Kristin Behfar 2006)

Exit

Leaving the team is the last option for managing challenges when neither adaptation nor managerial and structural interventions is effective. Unsatisfied team members often just skip out of the rest of the project if the the conflict remains unresolved. When the nature project is huge and complicated for instance producing products or services, the exit of one or more members was a strategy of last resort. Team members either voluntarily leave or a formal request from team managers is the final solution. Exit was likely when emotions were overwhelming and too much face had been lost on both sides to save the situation. (Brett J, Behfar K & Kern M 2006)

4 CONFLICT

4.1 Definition of conflict

“Conflict on teams is defined here to mean a struggle, or state of disharmony or antagonism, or hostile behaviors, resulting from contradictory interests, needs, or beliefs, or mutually exclusive desires” (Claire Halverson 2008, 212)

Conflict is a natural part of social existence and appears to be a reality for people working together. In a multicultural team, disputes are inevitable and often based on fundamentally different needs, interests, perceptions, or cultural norms. Conflicts in work teams can come from confusion about roles, poorly run meetings, private agendas, and conflicting personalities. (Levi 2001)

There are two measured types of conflicts which can be defined as *task conflict* (resource distribution, procedures, facts, etc.) and *relationship or emotional conflicts* (e.g., feelings, preferences, values, style). (De Drue & Weingart 2003)

4.2 Impacts of cultural dimensions on team conflict

According to the research by Cheung and Chuah, there are thirteen sources of conflict in a project, as shown in the left side column of the table (see table 2). The right-side column comprise cultural dimensions which may have negative influences on team conflict. For instance, the conflict based on scheduling may potentially arise on a project if team members from both polychronic and monochronic cultures. (Cheung and Chuah, 1999)

A multicultural team appears to face more sources of conflict than a mono-cultural team, because value systems on the team are divergent. Therefore the multi-cultural project manager must comprehend conflict management thoroughly, and be able to control the conflicts effectively in order to improve the team's performance.

Table 2.Sources of conflict (Cheung and Chuah 1999)

| Sources of project conflict | Cultural dimensions which may influence level of conflict |
|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Scheduling</i> : timing, sequencing, duration and feasibility of project | Sequential time vs. synchronous time (Hall, Trompenaars) Internal vs. external control (Trompenaars) |
| <i>Managerial and administrative procedures</i> : reporting relationships, responsibilities, project scope, plan of execution | Power Distance (Hofstede and House) Uncertainty Avoidance (Hofstede and House) Universalism vs. Particularism (Hofstede) |
| <i>Communication</i> : poor communication flow between manager and team members | Affective vs. neutral (Trompenaars) Context (Hall) |
| <i>Goal or priority definition</i> : Project goals, priorities and missions are not clearly defined | Masculinity vs. Femininity (Hofstede) Long term vs. short term orientation (Hofstede) Individualism vs. collectivism (Hofstede, Trompenaars) |
| <i>Resource allocation</i> : competition for limited resources | Individualism vs. Communitarianism (Hofstede, Trompenaars) |
| <i>Reward structure/performance appraisal or measurement</i> : inappropriate reward and performance appraisal structure | Achieved vs. ascribed status (Trompenaars) Long term vs. short term orientation (Hofstede) Specificity vs. diffusion (Trompenaars) |
| <i>Personality and interpersonal relations</i> : ego-centred, personality differences or those caused by prejudice or stereotyping. | Individualism vs. Communitarianism (Hofstede, Trompenaars) Specificity vs. diffusion (Trompenaars) |
| <i>Costs</i> : lack of cost control authority, or dispute over allocation of funds | Power Distance (Hofstede and House) |
| <i>Technical opinion</i> : disagreement over technical issues and performance specification | Uncertainty Avoidance (Hofstede and House) |
| <i>Politics</i> : problems of territorial power or hidden agendas | Power Distance (Hofstede and House) |
| <i>Leadership</i> : poor input or direction from senior manager | Uncertainty Avoidance (Hofstede and House) |
| <i>Ambiguous roles/structure</i> : overlapping assignments or roles particularly in matrix organisations | Power Distance (Hofstede and House) Universalism vs. Particularism (Trompenaars) |
| <i>Unresolved prior conflict</i> : disagreements stemming from prior unresolved conflicts. | |

Divergent perspectives are the consequences of disagreements on cultural norms. Approaches to power distance between managers and employees, individualism versus collectivism, the management of time, and even the dynamics of interpersonal space or habits of eye contact should be appreciated when starting to resolve a conflict with people from different cultural background. Considering time and personal space issues, simple distress with divergent norms can result in high level of tension and eventually conflicts. If universalist and particularist values strongly present in a multicultural team, members may disagree severely over following a rule or procedures. Conflict can develop from misinterpreted nonverbal gestures or tone of voice. A wrong assumption can draw an unexpectedly negative reaction, leading to unexposed hostility or open argument. Generally, in a multicultural context, the chances for conflicts over values of cultural dimension increase. (Claire Halverson 2008, 221)

4.3 Individual styles of addressing conflicts

In multicultural environments, work teams are influenced by diverse cultural perceptions, practices, and personalities. Therefore, different styles of dealing with conflict will positively or negatively affect personal and group dynamics. A widely used system for classifying conflict styles is Thomas' (1976) matrix which covers 5 conflict management methods: *avoiding*, *accommodating*, *competing*, *compromising*, and *collaborating*. These five styles of handling conflict are described in terms of needs (see Fig. 3)

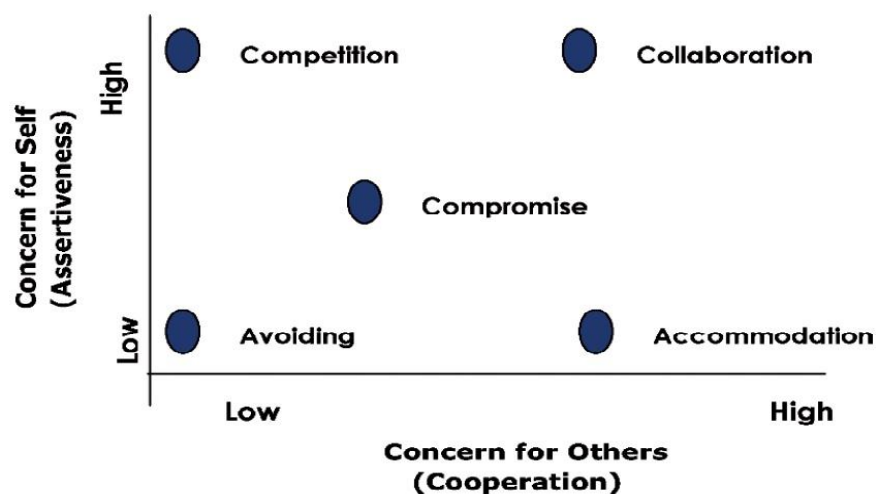


FIGURE 3. Conflict management methods (Thomas 1976)

Individuals approach different conflict situations with varying styles. For example, in a more formal conflict at work a person may be more coercive, while he or she may be more accommodating with friends. It can be useful for individuals to assess their own preferences and styles in addressing conflict to see what pros and cons arise when applying their particular style. Pros and cons of these five methods are explained in Table 3

Table 3. Pros and Cons of five conflict management methods

| Method | Concept | Pros | Cons |
|----------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------|
| <i>Competition</i> | Individual pursues their own concerns at the other person's expense | - Resolves problems quickly | - Sacrifice relationship |
| <i>Accommodation</i> | Individual neglects their own concerns to satisfy concerns of other person | - Preserve relationship - Keep the peace | - Build up resentment |
| <i>Avoiding</i> | Individual does not pursue their own concerns or those of other person | - Easily averting conflicts in short run - Reduce tension | - Cannot resolve problem completely |
| <i>Compromising</i> | Individual pursue acceptable solution which satisfies both parties | - Harmonize the conflict from both sides | - Meet some needs of each party, but not all |
| <i>Collaboration</i> | Individual attempts to work with the other person to find solution which fully satisfies the concerns of both parties | - Meet everyone's needs - Improve learning and relationships | - Require a lot of time and effort to achieve |

4.4 Approaches to conflict resolution

John Ungerleider proposed four main approaches to conflict resolution offering different perspectives and interventions relevant to a wide variety of conflict situations: *negotiation*, *third-party mediation*, *systematic conflict transformation* and *peacebuilding*. (Claire Halverson 2008, 224)

- **Negotiation:**

Principles for intercultural negotiations that apply to communication in multicultural teams include:

- Be flexible, get acquainted with the other culture, and use approaches that will create better condition for communication, avoid what may be irritating.
- Be careful not to get stuck in stereotypical judgements and assignment of characteristics
- Be aware of language barriers, check understanding frequently, go slow, and ask questions.
- Be careful about attributing meaning to nonverbal behavior; nonverbal communication is significant and may even contradict verbal input.
- Be aware that mistrust can breakdown communication and communication is essential

(Claire Halverson 2008, 225)

- **Mediating**

In a multicultural team, sometimes it is necessary for a neutral third-party to mediate an argument between team members with culturally diverging norms for dealing with conflict. The mission of the mediator is to interpret, buffer, and coordinate contradictory linguistic or nonverbal messages and negotiating styles to avoid losing self-respect and honor of adversaries and keep communication continuing. A mediator working across cultures should comprehend relevant cultural behaviors, norms, and wisdom that can be beneficial in transforming a conflict. In traditional societies, a social leader or elder will be selected as a mediator. (Claire Halverson 2008, 226)

- **Conflict Transformation and peacebuilding**

Conflict transformation includes situational analysis and strategic interventions which assesses the sources and dynamics of a conflict and attempts to transform

the structures and relationships that sustain conflict system. Conflict transformation helps conversations or problem-solving processes between members of groups in conflict develop in a more positive tendency. Four basic steps of transforming conflicts are: *acknowledgement*, *reconciliation*, *envision* and *strategize*, and *sustaining*. All team members that are affected by the conflict should acknowledge that there is a problem and commit to working together to deal with the conflict. The major reasons the conflict should be defined and reconciled collectively by the team members. The team should agree on a common vision for what they can do together and how they can do it. Finally managers determine what the team needs in order to maintain their ability to continue to work mutually to eliminate the causes of the conflict, and to build peace. (Claire Halverson 2008, 227)

5 ANALYSIS OF EMPIRICAL RESEARCH

5.1 Survey for international business students

5.1.1 Character and arrangement of the survey

The survey was created online via Google Drive (<https://drive.google.com>) and aims to target students who are studying international business from different countries. The questionnaire consisted of three main parts: *personal background*, *work related attitudes toward multicultural teams* and *attitudes toward managing department*. While the first part was designed to gather general information about the sample group such as gender, age, and work experience, the second part was focusing on attitudes towards conflict and working in multicultural team. The third part of the questionnaire aim to collect opinions and attitudes toward their superiors.

The questionnaire was sent to 210 students from different nationalities and schools and 67 valid responses were collected. All of respondents have worked in multicultural teams before which are totally suitable for the aim of the research. This could be considered necessary empirical foundation in order to successfully analyze the issues.

5.1.2 Personal background

The first background question determines the gender respondents. As can be seen from the figure 4, the questionnaire was answered by 37 male and 30 female students.

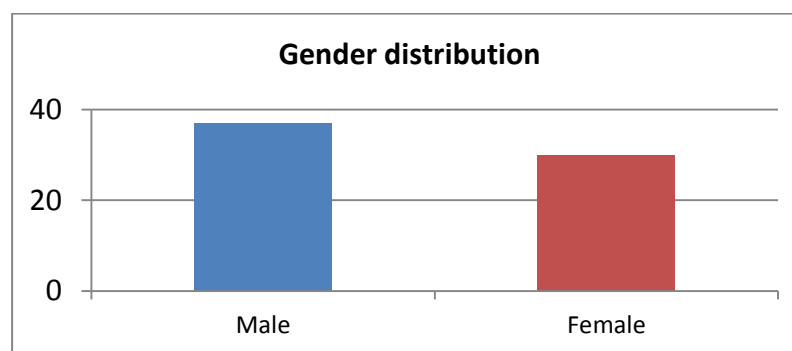


FIGURE 4. Gender distribution

The next question is to define the five age groups that respondents are belong to (see figure 5). The result was as expected; 92% of respondents (62 out of 67) were below thirty years old.

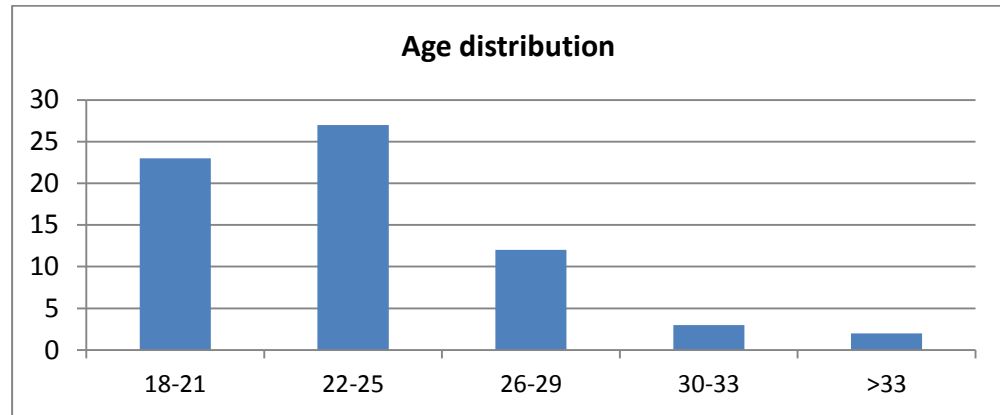


FIGURE 5. Age distribution

The third background question aims to analyze the diversity of the respondents. The result shows that respondents come from 22 different nations of four main continents (America, Asia, Europe, and Africa). These results provide a very good cross-section of internationality as the factor of multiculture is concentrated in the research. This is also the prerequisite foundation for further analysis. Figure 6 indicates the nationalities that have the most respondents.

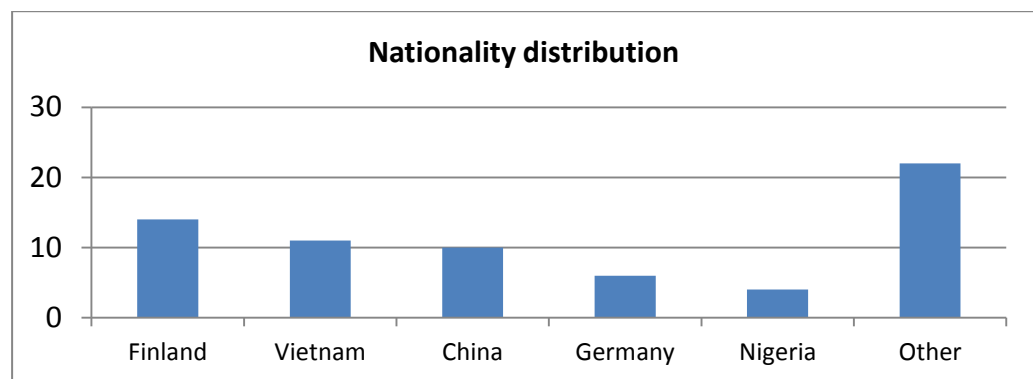


FIGURE 6. Nationality distribution

Through the next question, the purpose was to define how many respondents had already obtained professional experience in areas related to their business studies. The result illustrates that mass majority of students (92%, see figure 7) had already worked. This also proves the common tendency of students nowadays, which is gathering practical experiences prior to or during their studies. In more detail, the majority of 57 out of 67 respondents had worked for less than 2 years and only a very small number of students (5 out of 67) had more than 2 years of professional experience.

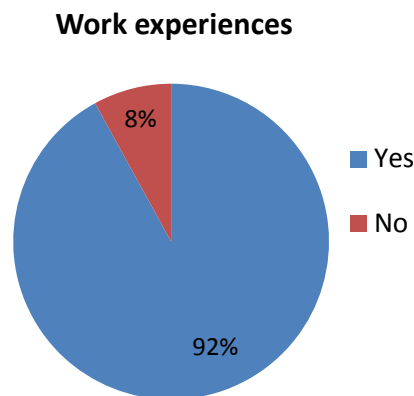


FIGURE 7. Work experience

The last two questions of the personal background part aim to collect the information of respondents concerning their experiences with members from different countries. The results concluded a surprising figure of 98% of respondents stated that they had worked in multicultural teams which left only one single individual who had not been in a diverse team before. Figure 8 illustrates the most common countries from which respondents had worked with. It is obvious that Chinese dominates their presence in multicultural teams due to the huge amount of Chinese students studying and working abroad. Moreover, the questionnaire was conducted mainly in Finland therefore Finns appear to be rather frequent members of the diverse team.



FIGURE 8. Most popular countries where team members are from

5.1.3 Work attitudes toward conflict and multicultural team

The second part of the survey focuses on studying about the specific attitudes of people working in multicultural environment. The main factors to be taken into consideration in this part are *reactions, conflicts and preferences for handling those*. Eleven statements were given to the respondents to which they pick the most suitable answer based on the level of agreement toward the problem.

The first statement was “*I prefer to work in a multicultural team more than a homogeneous team*” and received following distribution of answer

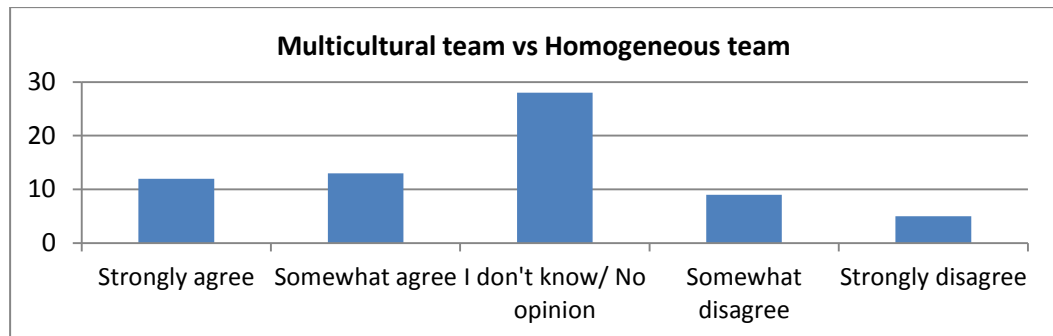


FIGURE 9. Multicultural team vs homogeneous team

The result showed that 25 of 67 respondents claimed to be more favourable towards this statement. Only five respondents strongly disagree with this statement. Nevertheless, there were still a huge number of neutral answers (28 out of 67) from the respondents which they claimed to have no opinion. These indecisive answers can be correlated to different factors such as culture, communication style, and personal favorites.

The second statement was “*I believe understanding of other cultures is important in a multicultural team*”. The distribution of answers was displayed in figure 10.

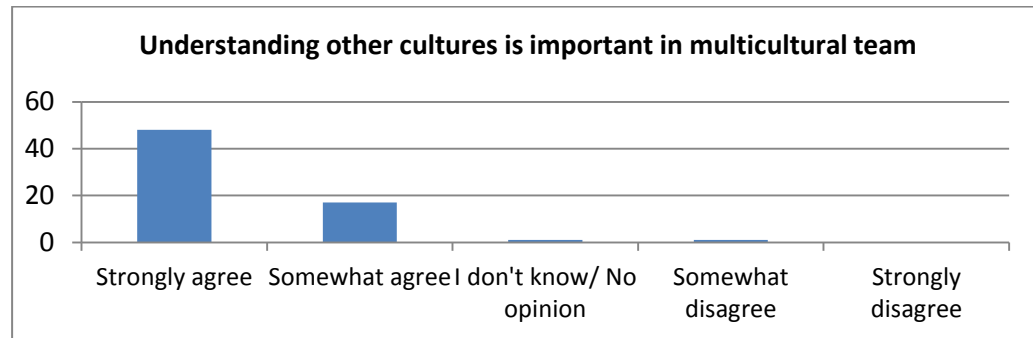


FIGURE 10. Understanding other cultures is important in multicultural team

As can be seen from figure 10, the outcome implies almost all of respondents “strongly agree” or “somewhat agree” with this statement (65 out of 67 responses). This indicated that most of the students recognize the importance of understanding culture other than their own in multicultural teams.

Figure 11 illustrates the distribution of opinions gathered for the third statement: “*I have difficulties in working with people from different cultures*”.

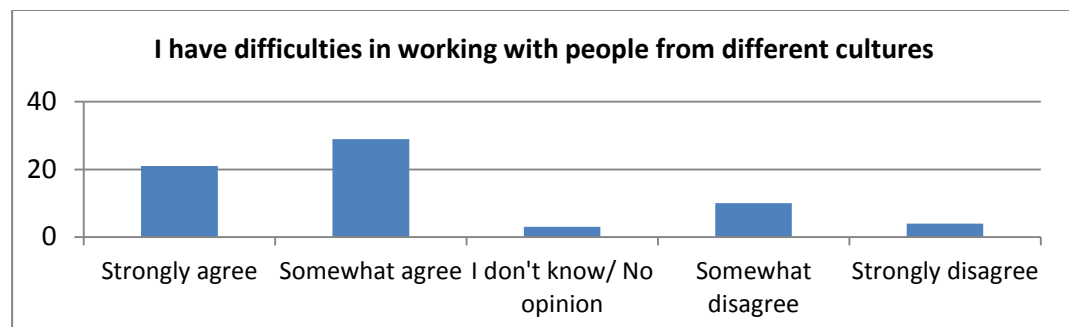


FIGURE 11. Difficulties in working with people from different cultures

According to the result, it is obvious that almost 75% of 67 respondents stated that they had difficulties in working with people from different cultures. Only a minority of students had neutral opinions or disagreed with this statement. Overall, this shows that people most of the time encounter problems or difficulties with team members from different cultures or nationalities.

The fourth statement was: *“I feel more responsible when I work in a multicultural team”*. Most of respondents were certain that this is something they prioritize for as 16 “somewhat agreed” and 29 “strongly agreed” on the meaning of this sentence (as figure 12 shows), while ten remained “no opinion”, nine “somewhat disagreed” and only three “totally disagreed”. This indicates that majority of international business students prioritize higher level of responsibility when assigned to work with people from different cultures.

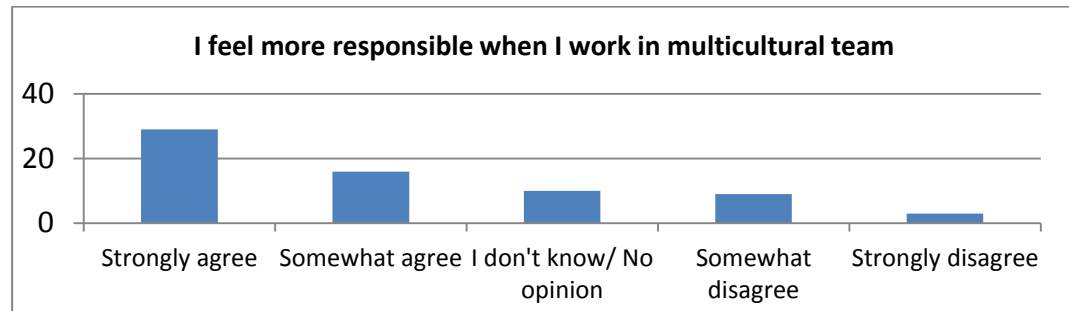


FIGURE 12. Responsibility when working in multicultural team

Another factor related to responsibility in working in multicultural team is level of stress. The fifth statement was *“I feel more stressful when I work in a multicultural team”*. The results received are fairly distributed to all the answers (see figure 13). Only six respondents were indecisive in their answers. This outcome implies that level of stress is not necessarily affected by the factor of diversity.

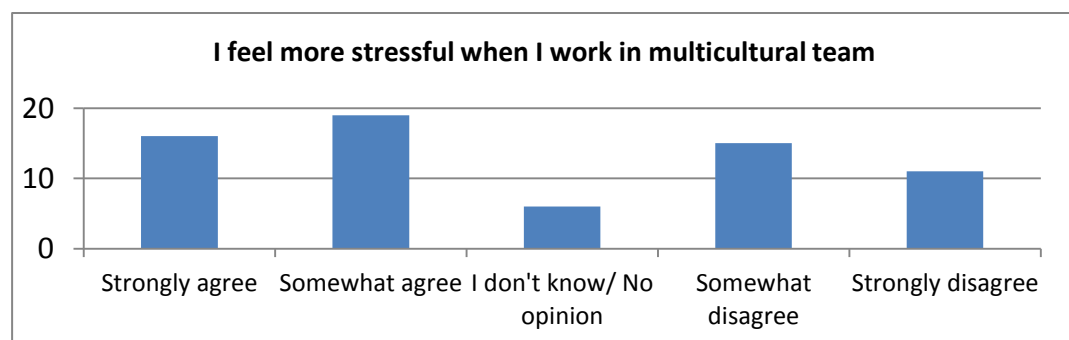


FIGURE 13. Stress when working in multicultural team

On the following statement *“I believe language is the biggest barrier in multicultural teams”*, the affirmative response of the students was quite big (see

figure 14), considering that 23 "strongly agreed" and 24 "somewhat agreed", while eleven kept a neutral stance. Only five "somewhat disagreed" and four "strongly disagreed". This proves once again the importance of language and how it can be a big obstacle in multicultural teams.

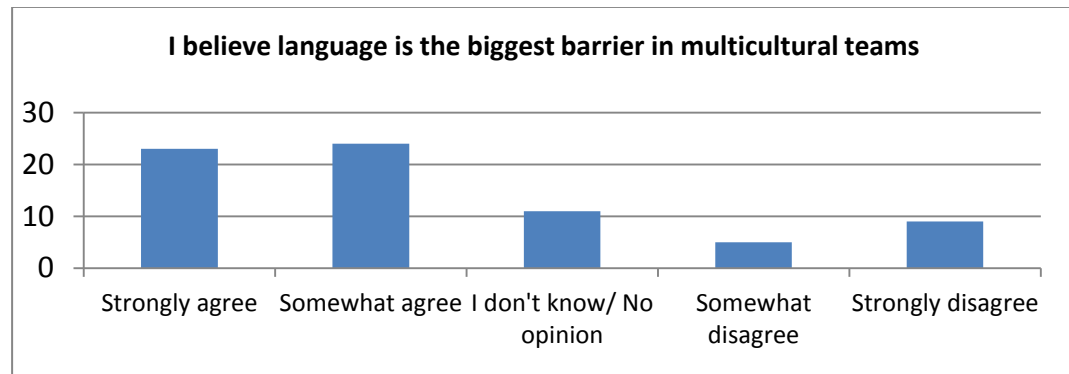


FIGURE 14. Language is the biggest barrier in multicultural teams

An overwhelming number, 58 of 67 respondents, however, displayed a positive attitude towards the seventh statement "*I believe working in multicultural team will end up with better results*" as illustrated in figure 15. Only seven respondents stated that they "strongly disagreed" and three "somewhat disagreed" with the results they got when working in multicultural teams. This concludes that the students have strong belief in working in a multicultural team as the outcome might improve.

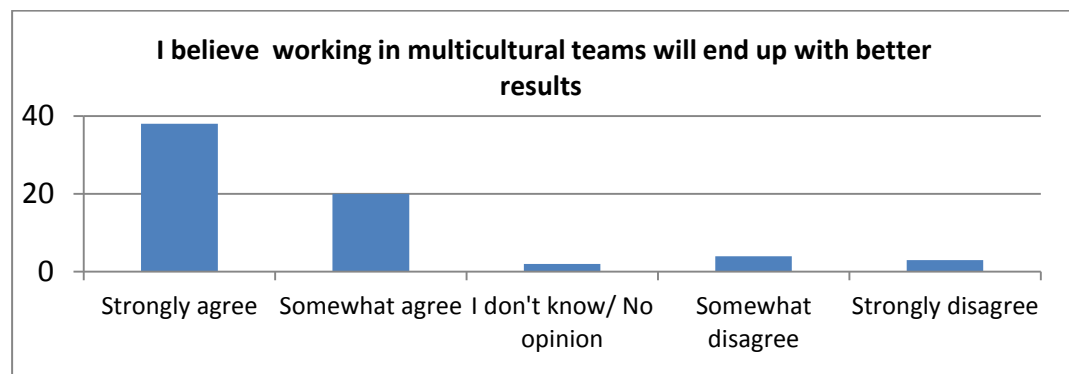


FIGURE 15. Working in multicultural teams will end up with better results

The following questions were more directed at finding the attitudes of respondents towards conflicts and how they decide to handle them. In this regard, the eighth question aims to define "*The main source of conflict in multicultural teams*". The

respondents were given four alternatives: *miscommunication*, *cultural differences*, *mistrust* or state their own opinion.

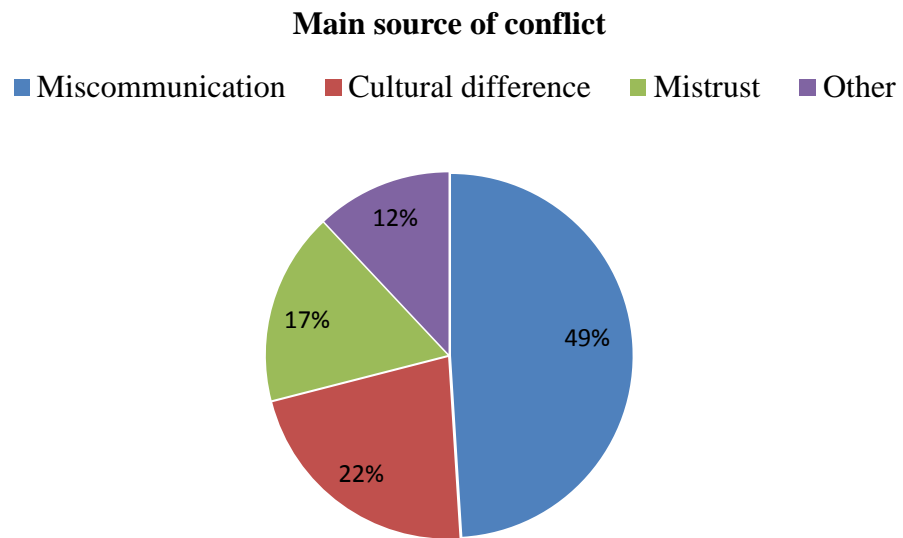


FIGURE 16. Main source of conflict in multicultural team

According to the result, the students claimed the biggest source of conflict was in fact miscommunication (49 percent). The runner-up was the *cultural differences* with 22% and followed by *mistrust* with 17%. This is an open question and respondents are free to state their own answers. Only 12% of respondents chose other as their answer and claim the following alternatives as the main sources of conflicts: *unfair reward structure*, *different personalities*, and *management styles*. These sources of conflicts are also mentioned in chapter 4.2 according to the research by Cheung and Chuah.

Logically connected to the previous question, the final question of this part aims to research on how respondents prefer to handle their conflicts when working in a team. The four options are: *Avoiding*, *Compromising*, *Accommodating*, and *Collaborating* which are based on the conflict management method by Thomas (1973). As each of these methods has its own pros and cons which can be found in chapter 4.3, the options of respondents should be more flexible therefore in this question, they can choose more than one answer. Figure 17 shows the distribution of the answers.

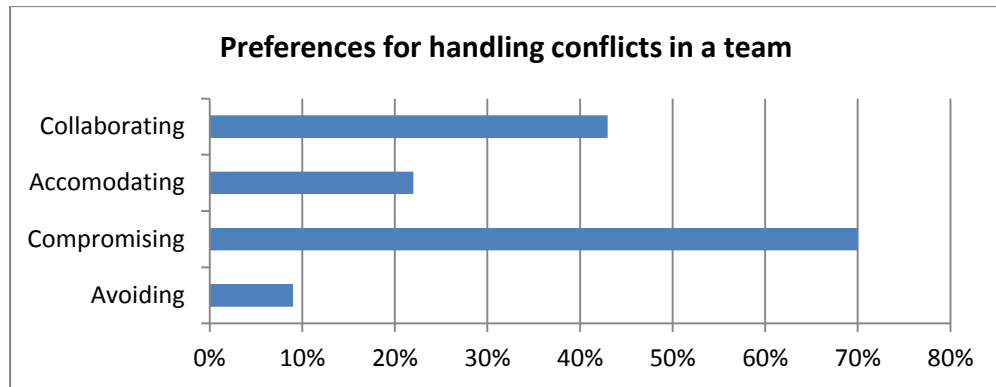


FIGURE 17. Preferences for handling conflicts in a team

As can be seen clearly from the chart, *compromising* and *collaborating* are chosen the most by the respondents (43% and 70% respectively) while *accommodating* and *avoiding* are less favourable with only 22% and 9%. The outcome shows that students prefer to work on the problems and look for a solution which satisfies both sides in order to resolve the conflicts.

5.1.4 Attitudes toward managers

The third part of the survey concentrates on apprehending the attitudes of respondents towards their superiors. The main purpose is to collect the most appropriate competencies that managers need to improve the efficiency of their multicultural team under the perspective of employees.

The first statement was “*I believe multicultural team managers are more skilled than those managing homogenous groups.*” and received following distribution of answers (see figure 18)

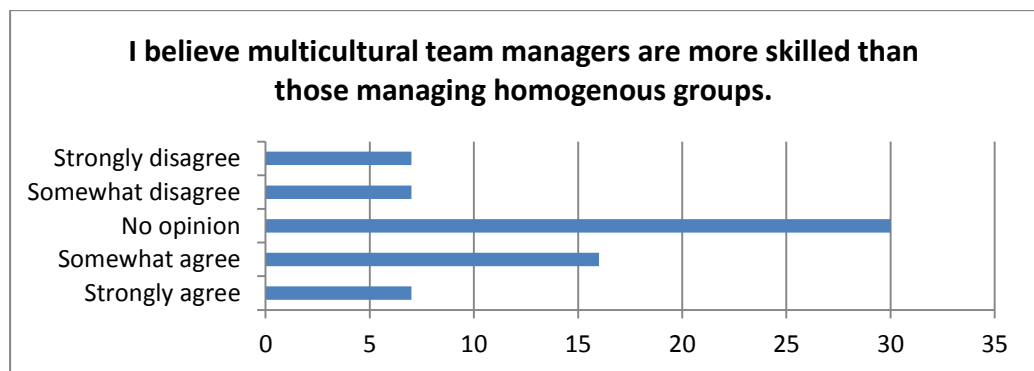


FIGURE 18. Multicultural team managers are more skilled than those managing homogenous groups.

The outcome showed that 30 of 67 respondents claimed to be neutral toward this sentence. Only 16 students “somewhat agreed” while the rest of the options are distributed equally with 7 respondents for each answer. In this sense, it is still quite ambiguous to draw the conclusion from employee’s perspective to determine which managers are more skilled as the number of neutral answers are too high.

In the following question, respondents are asked if they are “*satisfied with their leader’s management style*”, the answers are distributed exceptionally unevenly. The result implies that most respondents “strongly agree” (27 responses) or “strongly disagree” (32 responses) (see figure 19). Overall, respondents are strongly affirmative toward this statement as it directly defines the satisfaction of the employees.

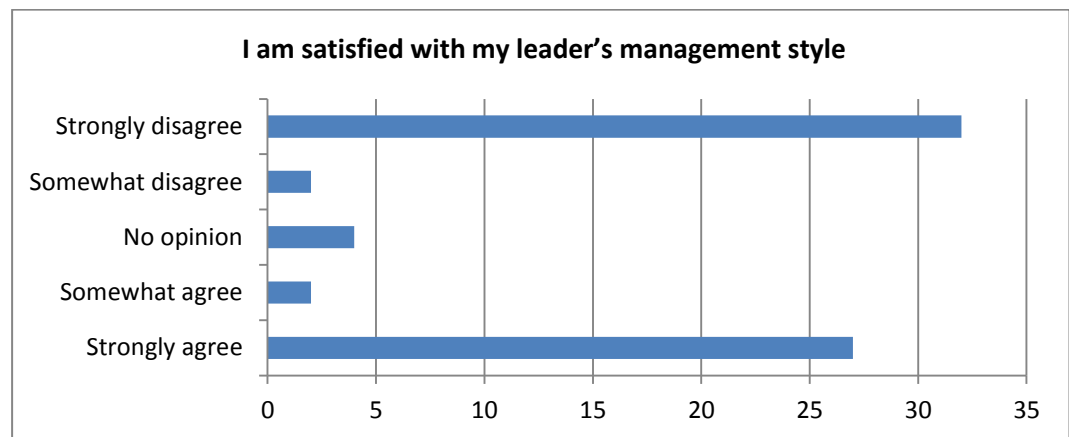


FIGURE 19. Satisfied with leader’s management style

The third statement was: “*I believe the manager will have the biggest influence in multicultural team performance*”. The distribution of answers is shown in figure 20 and it is obvious to see a third of respondents “somewhat agreed” and 15 even “strongly agreed” with this statement. Eleven “somewhat disagreed” and eight “strongly disagreed” while only six respondents remained no opinion toward to the sentence. In general, majority of respondents recognize the essential role of manager in team performance.

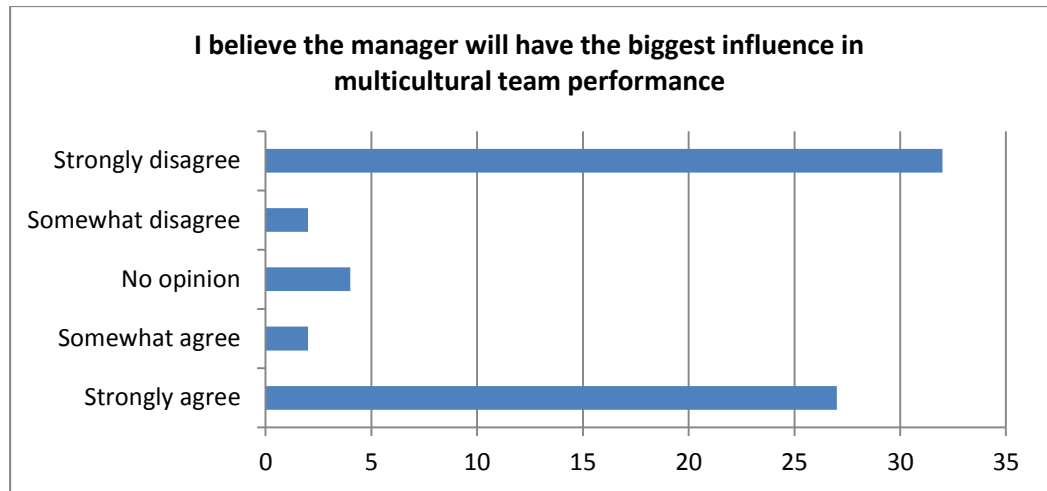


FIGURE 20. Managers have the biggest influence in team performance

In the fourth statement, respondents are asked if their “*managers understand the employee’s cultural background*”. The distribution of answers indicates an exceptional result as almost 78% of respondents (52 out of 67 responses) assented that their managers are somehow capable of understanding the employee’s cultural background (see figure 21). Only seven students “strongly disagreed” with the statement. A small conclusion can be drawn from the result of this question is that understanding employee’s cultural background is a critical competence for managers to have.

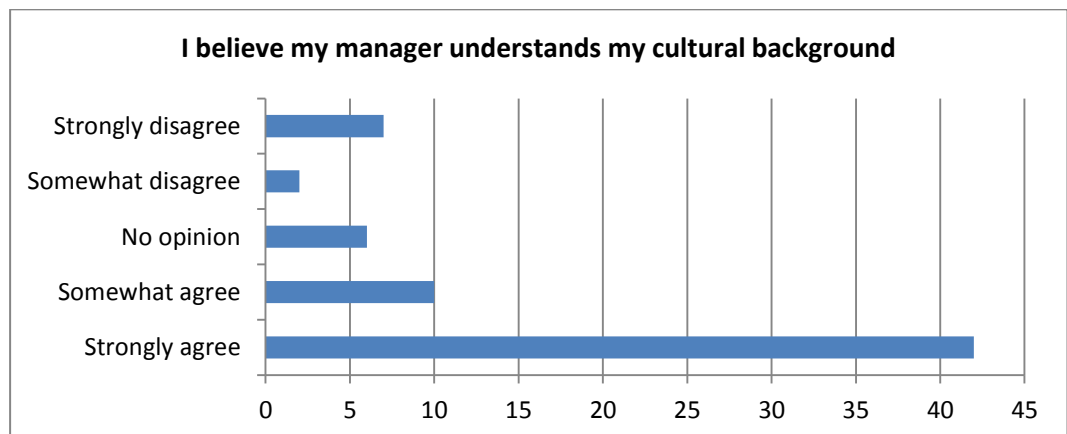


FIGURE 21. Manager understand cultural background

Related to the understanding of managers towards their employees, the next statement was “*I believe my manager understands strengths and weaknesses of each team member*”. The result shows quite diverse reactions among respondents (see figure 22). While altogether 32 students either “strongly agreed” or “somewhat agreed”, 11 respondents remained neutral. 16 respondents, on the other hand “somewhat disagreed” and even eight “strongly disagreed”. This proves that only some managers are able to understand strengths and weaknesses of each team member according to the perspective of the employees.

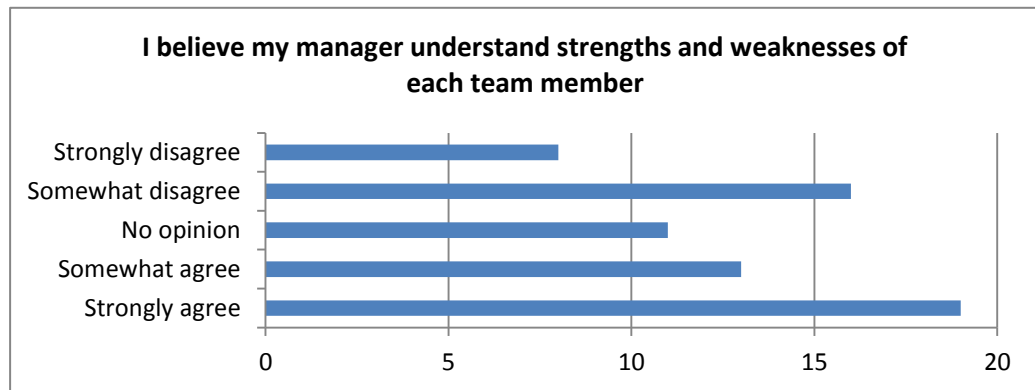


FIGURE 22. Manager understand strengths and weaknesses team member

When it comes to how managers treat their employees, it is helpful to understand the factor of equality in multicultural teams. The sixth statement was “*I believe my manager treat everyone equally*”. The outcome indicates very strong negativity towards the statement as 27 respondents “strongly disagreed” and 21 “somewhat disagreed”. Only nine respondents had positive opinion towards this statement while eleven respondents had no opinion (see figure 23).

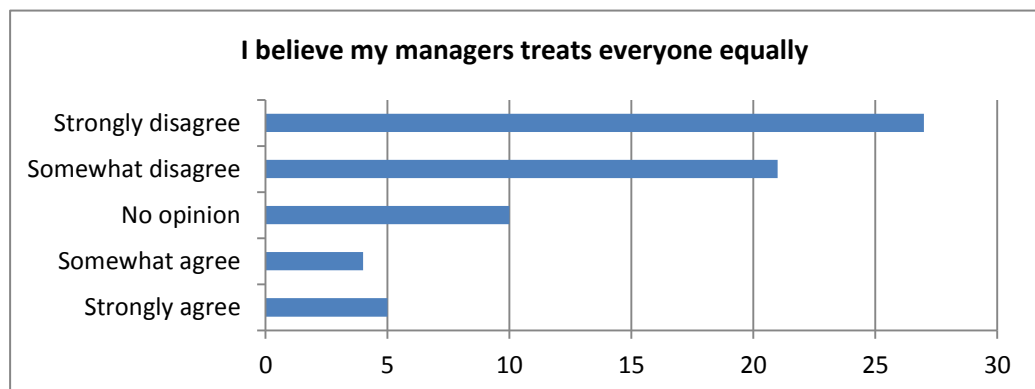


FIGURE 23. Managers treat everyone equally

The seventh statement of the third part was: *“I believe my manager respects my opinions”*. The result is as expected, the vast majority, 59 out of 67 respondents (88 percent) show disagreement with this statement while only three students “strongly agreed” (see figure 24). This once again proves a critical weakness of managing department nowadays which are not taking employee’s ideas into consideration.

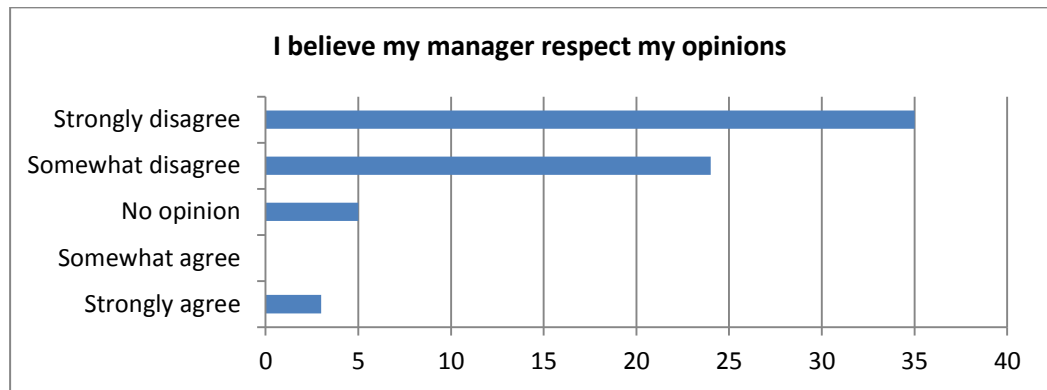


FIGURE 24. Managers respect my opinions

This final question was used as an additional open question in order to collect some qualitative information from the respondents. The results are summarized in table 4 below.

Table 4. Summary of respondents’ opinions

| |
|----------------------------------------------------------|
| • Ensuring team member feels comfortable at his/her work |
| • Providing positive and constructive feedbacks |
| • Listen to team member opinions and difficulties |
| • Keep open atmosphere around the team |
| • Encourage team members to be active in discussions |
| • Avoid overuse of authority of superior positions |
| • Provide training and development programs |

5.2 Questionnaire for managers of KPMG Vietnam

KPMG is one of the most internationally orientated in the world. Every year, thousands of new employees who come from diverse cultural backgrounds are recruited. A huge number of managers of KPMG's Vietnam also come from different nationalities which can help to improve the validity of the questionnaire. These are the main reasons why the questionnaire was conducted on this company.

5.2.1 Character and arrangement of the questionnaire

The questionnaire for the managers of KPMG Vietnam consisted of two qualitative questions. In general, qualitative research provides more realistic and reliable results. Therefore, the concentration on a sample group is the basic requirement to collect sufficient amounts of data. The questions aim to find out, how, from a team leader's or manager's perspective, the management of diverse teams work in practice and how they assess and characterize team performance.

The questionnaire was forwarded on 19 February to the managers and team leaders via the internal KPMG Vietnam email server and supplemented with the request to answer the questions as briefly as possible. Eighteen managers' answers were received as of February 21.

5.2.2 Analysis

1. What are the main differences between managing multicultural teams and culturally homogenous teams?

First of all, KPMG's managers completely agreed that, managing multicultural teams is more challenging. They also acknowledged the huge impact of cultural backgrounds and language on the individual attitudes of each team member. The factors like expectations and level of responsibilities are also mentioned to differentiate the two kinds of team. It can be implied that from manager's perspective culture backgrounds and communication issues are what make multicultural teams different from homogeneous teams. Various kinds of

communication are essential in order to achieve positive results from culturally diverse teams as one manager mentioned that “It takes less time to explain the task to a homogeneous team than a multicultural team”

Communication in this sense is more demanding especially for managers because cultural backgrounds have big influence on the expectation and motivation of team members. It is obvious that team members from the same or similar cultures find it easier to communicate and tend to trust each other easier. Misunderstanding can also be a problem when team members are not located in the same place which was mentioned by one respondent. The messages are not translated correctly to the recipient, which might result in conflicts.

The working methods in multinational teams in Vietnam are also different compared to a homogenous team thus the managers have to adjust their behavior and attitudes appropriately. For instance, one participant of the questionnaire proposed that “Vietnamese teams are more reliant on the follow up instructions from the superior while in a multicultural team, the members work more independently with or without the instructions”. Another respondent also mentioned about the impact of cultures on motivation and expectation in which Vietnamese teams in general look for stability and compensation while culturally diverse teams have a tendency toward better working environment and relationships.

2. What kinds of skills and competencies are necessary in order to manage a mixed group of native and foreign workers?

Most managers agreed that communication skills and knowledge of different cultural backgrounds are some of the most important determinants for creating a high-performance multicultural team. The ability to listen to the employees, to understand problems within the team, and to communicate appropriately with them are emphasized many times by the managers. This implied that as a manager he or she should not focus only on the work-related issues but should also keep a sociable attitude as well. There was a very interesting opinion from a manager in which he mentioned “sense of humour” as one of the beneficial competencies.

Equal treatment to every team member is furthermore indispensable. Common rules and criteria should be created by the manager and those rules should be applied to everyone without exceptions in order to provide equality to all team members.

A further opinion was that "ability to provide positive and constructive feedback and also accept negative feedback" is another important asset of multicultural team managers. This respondent also emphasized the importance of culture and personalities and their impact on how team members react to negative feedback. This is true for some specific cultures as it is completely unacceptable for the superior to give negative feedback directly to their subordinates. Moreover, for managers to accept negative feedback from their subordinates, it is the foundation to become a more successful leader. In this sense, it also creates a more equal environment for everyone in the team working within. Besides, competencies such as tolerance, leadership skills, or avoidance of abusing power are also mentioned by a few managers but not necessarily as the most important ones.

6 CONCLUSION

A lot of theories as well as practices have been put into developing high-performance multicultural teams. All the proposed theories in this thesis are the basic knowledges of how a manager can have a better understanding of multicultural teams as well as managing conflicts and developing the most essential competencies. Still there is no obvious method to managing successfully a culturally mixed group of employees. In this sense, the objectives of the work conducted for this thesis was not able to provide such satisfactory result but the goal was rather to emphasize the most necessary theoretical knowledge as well as experiences with both perspectives of employees and managers of an international organization in Vietnam. In the end, a theoretical model was created in order to summarize the main competencies required for multicultural team managers (see figure 25)

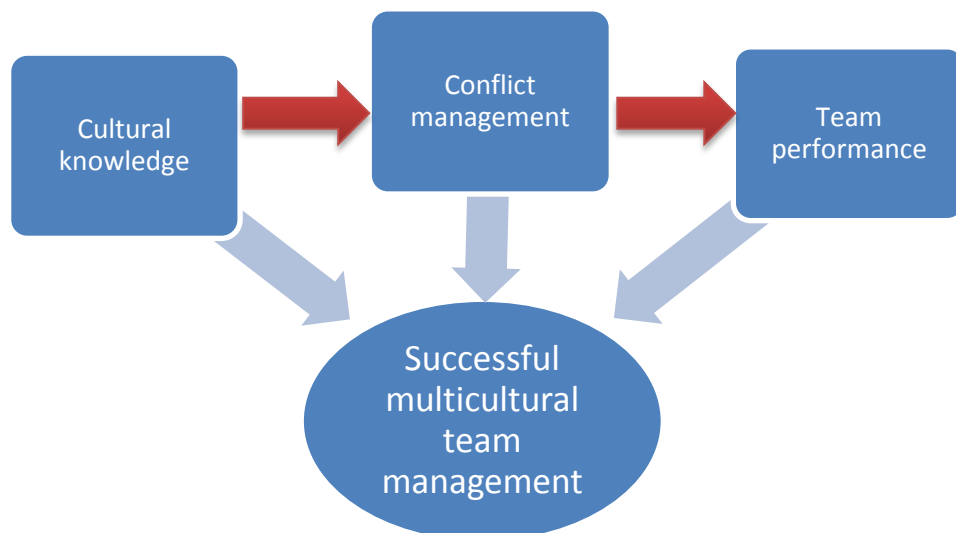


FIGURE 25. Successful multicultural team manager competency model

Cultural knowledge:

- Understanding of their own cultural background and value set
- Becoming aware of cultural norms
- Defining all the cultural backgrounds within the team
- Understanding the specifics of the cultures with which team members are working (overall knowledge of cultural dimensions by Hofstede, Trompenaars, Hall and House)

- Excel at verbal as well as non-verbal communication skills as it is required to listen and understand the differences

Conflict management:

- Define the sources of conflict within the team
- Understand the impact of culture on conflict
- Knowledge of how to address and prevent conflicts
- Ability to adapt different approaches to conflict resolution

Team performance:

- Factors that influence multicultural team effectiveness
- Understand the challenges as well as the advantages in the factor of diversity
- Apply suitable strategies for different situations

Firstly through obtaining theoretical literature, then through own research – it is apparent that teamwork and management in a multicultural team appear to be generally more challenging than in a culturally homogenous working environment. This assumption might indicate that multicultural management requires certain specific skills from the manager, whose main task is to integrate the strengths of all members involved in the working process and manage them to work on a common goal. Moreover, the successful manager should be culturally aware and able to estimate the impact of diversity via the interactions with employees from different cultures. Equality towards all cultures within the working place is an essential prerequisite in this regard.

In general, a successful manager should have excellent social skills and therefore is able to utilize all informal communication channels in the team, which help to achieve and maintain good professional relationships with the subordinates. As a manager, the task is also to create mutual trust and openness within the team and improve the motivation and satisfaction in order to achieve the best work results possible. For the multicultural managers, it is furthermore necessary to keep close relationships especially to team members who have different cultural backgrounds. This is the foundation for the managers understanding the individual

more thoroughly which later on helps the manager to apply a better management style. Therefore, it is undoubtable that a successful international manager should have the ability to adapt several different management styles and switch from one to another flexibly. Besides, cultural awareness is not only important for the manager; it is also a necessary asset for every team member as well. Good relations amongst colleagues are a significant internal element for allowing a multicultural team to function smoothly as conflicts easily arise from the smallest cultural mistakes.

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APPENDICES

Survey questionnaire for international business students

Below is the link to my survey questionnaire:

https://docs.google.com/forms/d/19t_uGZho_gUjUcvygxe5P48vNYe8B2E0lt833_ezfGoc/viewform

Questionnaire answers by KPMG's Vietnam managers

1. What are the major differences between managing multicultural teams and culturally homogenous teams?

- Managing multicultural teams is more difficult
- Communication styles are totally different comparing between western teams and eastern teams. It is getting more complicated when both of these nationalities are mixed together
- Language and cultural differences are the main factors that differentiate the teams
- People with different cultural backgrounds also have different expectation and motivation. For Vietnamese teams, members expect to have stability and are highly motivated if the compensation is suitable while for culturally mixed teams, some members have higher expectation for working environment and relationship rather than reasonable salary.
- Multicultural teams face a lot more conflicts and problems than teams that are dominated by the natives
- Different kinds of conflict are encountered in multicultural teams like mistrust, misunderstanding of the task, schedule...etc.
- Multicultural teams have team members from different countries and cultures in which attitudes about their tasks and responsibilities generally differ from each other's and therefore it is more demanding to manage a multicultural team.
- It might be that team members are not all located at same location and direct communication are not always possible which might encounter misunderstandings.
- A common language between team members differs from everything else and English should always be used if there are more than 2 members from different countries. Not sharing the same language can result in disagreements and conflicts especially in multicultural teams.
- Different in perception of responsibilities and authority. Sometimes, team members from multicultural team are less aware of these issues

- Cultural backgrounds and personal differences are the main differences between these two groups
- It takes less time to explain the tasks or assignments to homogenous teams than to multicultural teams as within a homogeneous team; members are more likely to share their ideas and understanding towards problems. As managing a multicultural team, everything should be made clear to every member.
- The way of working in Vietnam is very different, Vietnamese teams are more reliant on the follow up instructions from the superior while for multicultural team, the team members work more independently with or without instructions

2. What kinds of skills and competencies are necessary in order to manage a mixed group of native and foreign workers?

- Knowledge of various cultural backgrounds
- Communication and language skills
- Effective communication especially listening skill
- Always keep being open-minded to everyone and willing to learn new things
- Besides being serious when working, sense of humor can also be necessary for managers to keep their employees relaxed
- Ability to provide guidance and coaching to employees for improvement
- Be aware of cultural differences in the teams.
- Listen and understand the problems of every team member, provide support and encouragement.
- Manager should be able to understand about employees future plans, career objectives, and things that give them satisfaction
- Keeping equality within the team despite of different cultural backgrounds
- Experiences in leading skills are totally necessary
- Listen and respect the opinions from team members
- Accept the differences and have appropriate reactions towards difficult situations

- Tolerance for minor mistakes
- Sufficient comprehension of cultural backgrounds and behaviors
- Be an active listener
- Create a good relationship with team members
- Ability to generalize the ideas but also avoid being cursory
- Be realistic
- Ability to provide positive and constructive feedbacks and also accept negative feedbacks. Cultures and personalities can have big influences on how people react to negative feedbacks. This is also the factor that separates good managers from excellent managers.
- Ability to make the right decisions
- Avoid abusing authority power in a team