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FINAL THESIS REPORT

WORKING IN A MULTICULTURAL ENVIRONMENT

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ABSTRACT

This final thesis deals with working in a multicultural environment. The emphasis is placed on the employee's point of view: what kind of difficulties they might face working in a multicultural work teams, what affects their job motivation, -performance, and -satisfaction.

Globalization has always been a subject of debate, and there are a lot of things that the organization has to take into consideration when thinking about going global. In short, globalization means the increased mobility of goods, labour, capital, and technology. Because the world is becoming a global village, understanding of other cultures is important. Familiarizing one with the different aspects of the target market (language, history, religion) is important in order to best serve the target market.

Culture is defined, and how it affects our personality: culture shapes our thinking, behaviour, and communication in more way than one. Another culture that affects our day-to-day activities is organizational culture. Organizational culture is presented, and how it affects the employee and teams at large, especially when the organizational culture differs greatly from one's own national culture. Just like subcultures exist in societies, they also exist in organizations. It is important for the managers to take into consideration these cultures as well.

Leadership is defined, and different leadership styles are presented along with multicultural leadership strategies. Just like people differ as individuals, they also differ as leaders. Also, every work team requires different things from a good leader, and therefore defining a good leader is impossible. The most important characteristic of a good leader is to be able to recognize all represented cultures in the work team, and take those into consideration in one's leadership style. Changing one's leadership style is difficult, if not impossible, and therefore one should remember that it is not only the work team that needs a right kind of leader, but also the leader needs the right kind of team to manage.

The pros and cons of multicultural work teams, as well as how to manage them properly, have always been a matter of interest to the managers.

The theory has previously suggested that job motivation, -performance, and -satisfaction all go hand in hand. However, the latest studies have shown that this is not exactly the case and therefore, it is important for the management to recognize this and view each of these variables individually instead of as a big group.

A Dutch researcher Geert Hofstede has done one of the most famous studies about culture. His theory about the five determinants is briefly explained.

In order to get some real-life experiences presented in this final thesis, a research was conducted to find out what it is really like to work in a multicultural environment. The questionnaire consisting of five parts, Personal Information, Culture and Organization, Leadership, Working in a Multicultural Environment, and Motivation and Job Satisfaction, was distributed to 15 people. The results of this research can be found at the end of this final thesis.

Keywords: Culture Multicultural Work Teams Leadership Job Satisfaction

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1.1 Introduction

The purpose of this final thesis is to present researched facts about multicultural work teams, how they work, what are the pros and cons of multicultural work teams, and what should be taken into consideration when the organization's staff consists of more than one nationality. A small questionnaire-type study was also made about the matter and distributed to 13 people working or who have worked in multicultural work teams and see how consistent they are with the theory.

Multicultural work teams are still a rather new phenomenon. The concept of globalization is also new, and one can see a strong link between these two. Globalization means the mobility of goods, material, labor, capital and technology throughout the world. The idea is to offer better quality products and services to the consumers, and thus turning the world into a global village, where one can receive the same products and services in every corner of the world. Multicultural work teams play a crucial role in globalization, as they have more insight into international matters due to their different cultural backgrounds and ethnicities.

Working in a multicultural environment can be very stressful or extremely rewarding. This is highly dependent on the organization and the coworkers: how acceptable they are towards other cultures, and how well each culture is taken into consideration in the organization. Culture helps us to define who we really are: it is a patterned way of thinking, behaving, and communicating. It is important that each member of the group is treated equally, despite of their ethnicity and cultural background.

Understanding of other cultures is very important; especially when dealing with multicultural work teams. One of the most famous and popular studies about culture has been done by a Dutch researcher Geert Hofstede. He has created five variables, which help us understand other cultures better.

When managed properly, multicultural work teams can be very efficient and beneficial for the company. The importance of a good manager and a proper leadership style is extremely crucial in multicultural work teams, because the differences within the group

can create serious problems if not properly managed. The leader has to be culturally aware: meaning that he has to recognize all the cultures in the group, but at the same time treat every employee as an individual. There is no one leadership in particular that will work for everyone: just as we differ as individuals, we also differ as leaders.

Miscommunication and misunderstandings are said to be the down sides of multicultural work teams. Multicultural work teams should always place a special emphasis on communication to avoid negative outcomes. Therefore, it is always on the company's best interest to maintain good relationships with their employees.

For some reason people always assume that lack of job motivation immediately results in low job satisfaction, which in turn affects job performance. According to the latest studies, this is not entirely true and instead of grouping those three things together, they should each be look at separately.

2.1 Research questions and problems

For this final thesis, I conducted a small research to test how consistent the theory about multicultural work teams is with the reality. There has been a lot of debate about how effective multicultural work teams really are, and are miscommunication an everyday problem, as some have suggested. The theory points out that it is important for everybody, meaning the organization as a whole, the leader, and the work group, to acknowledge the cultural diversity, and take every culture into consideration. This may sound ideal in theory, but I wanted to find out if this was really the case with multicultural work teams. The main idea was to find out whether some of the most popular myths about multicultural work teams are really true, and how people feel working in a multicultural work teams.

3.1 The Research Method

A lot of theory has been written about working in a multicultural environment, but just like in any other case, the theory and practice tend to differ. In this final thesis, I wanted to research what it is really like to work in a multicultural environment. I decided to do this by gathering background information about the subject, and then determine which variables I would want to look into. Working in multicultural environment covers a lot of different aspects, but one the most important one is to find out how people fit into multicultural work teams. I decided to write a questionnaire and send it to people who are presently working or who have worked in the past in multicultural work communities.

The questionnaire was sent to 15 people and I received 13 of them back, giving the questionnaire a returning rate of 87. All respondents worked in multicultural, international, well-known organizations. Most of the respondents worked in Finland, but many had work experience from other countries as well.

The questionnaire consisted of multiple choice questions, where the respondents had to either circle or tick the option most suitable for them. I decided to use multiple choice questions, because they are quicker for the respondents to answer, and also easier to analyze than open questions.

This conducted research actually has characteristics of both research styles: quantitative and qualitative. Quantitative because the research was conducted in order to test the written theory. Nevertheless, a qualitative research is more suitable for this research as the sample size is small and can therefore not be generalized. The questionnaire focuses on the respondent's feelings, and conducting the research on the same focus group might create different results every time as people's feelings can change quite rapidly.

Quantitative research tests feelings, reactions, attitudes and motivation. Because of these facts, the quantitative research method was the best to use for this research as the idea was to find out the focus group's opinions on several organizational matters.

4.1 Globalization

For years now, there has been a lot of discussion about globalization and how that will affect the markets and business in general. “The term ‘globalization’ describes the increased mobility of goods, services, labour, technology and capital throughout the world.” (Globalization: definition and related links) The increased mobility is even easier today as the technological devices make it easier for people to travel, communicate, and concentrate on doing business outside their country’s borders. There are two driving forces which have helped to further the rise of globalization: telecommunications infrastructure and the internet.

“In general, as economies become more connected to other economies, they have increased opportunity but also increased competition.” (Globalization definition) Globalization has brought about a lot of debate and people are divided into three camps: those for pro-globalization, the others for anti-globalization, and the people who just don’t care to make up an opinion. The pro-globalization camp argues that globalization increases competition, and as a result, consumers will receive better quality, high end products. On the other hand, the anti-globalization camp reminds that there are only few companies that are able to compete under such pressure, which forces the smaller organizations to back off from the market. The debate over globalization won’t probably ever end, and there is no simple answer how it will affect the world’s markets. We can all make our own assumptions, but one should familiarize himself with the matter before jumping into conclusions.

4.2 Going Global

The main idea of globalization is for organizations to organize their activities on a global basis to be able to take advantage of worldwide demand for their products. (George and Jones 1999:622) Who wouldn’t want their product to be as successful and well-known as Coca-Cola, for instance? One thing that should be kept in mind is that although the product may be very popular in one country, or even in one particular continent, it doesn’t mean that it will necessarily be successful in other countries. In order to succeed in the foreign market, the “global organizations have to be responsive to the needs of

foreign consumers and tailor or customize their products to suit local tastes” (George and Jones 1999:622). This means that globalization and customization are strongly linked with one another. For instance, people are of very different size in Asia than they are in Europe or in USA. Because of this, the organization has to make sure that the clothes are modified to actually fit the people of the target country. Furthermore, religion and culture play also big roles in global business. When people first think of McDonald’s products, they probably think of Big Mac. McDonald’s is a global organization, operating in every corner of the world. Nevertheless, McDonald’s has taken into consideration the differing tastes of their target markets. For instance, selling beef burgers in India would be insulting to the mainstream of people who are Hindus, because they see cows as sacred animals. Because of this, McDonald’s is aware that the vegetarian burgers are most likely to be the most sold burger in India. McDonald’s introduced rye hamburger in Finland a few years back. The rye hamburger had to go due to the battle between Finnish fast food chain Hesburger and McDonald’s, but for the while that it was available also at McDonald’s, it sold rather well.

4.3 Globalization and Multicultural Organizations

Globalization requires multicultural organizations, because they have already some insight on how to make it in other markets. Multicultural organizations are better aware of the pros and cons as well as the complications of running a multicultural business. This means that although the organization may have not yet expanded abroad, it still has experience about how to manage with different cultures, and what is important to each culture. They have better understanding about how to make the business work without accidentally insulting the target market by doing something that is considered not acceptable by the mainstream. Furthermore, since they have multicultural work teams working in the organization, they can find the right people to describe the target market, and help to make the modifications accordingly. For instance, if an organization is thinking about expanding to Germany, it is a huge benefit if the organization has some German workers, who are familiar with the country, culture, habits, and language. Of course, organizations are likely to hire experts, but nevertheless, the fact that the organization already has some links to the target markets, can help quite a bit.

Understanding of other cultures is of vital importance in multicultural organizations. Without truly understanding each aspect of one's culture, it is very likely that difficulties will occur. Culture has such a great impact on all of us and it's needless to say that culture helps us define who we really are. Culture teaches us what is acceptable, what is not acceptable and how we see things in life in general. The definition of culture follows below.

5.1 The Definition of Culture

The concept of culture can be sometimes somewhat confusing. Although cultures have been studied for decades now, it is still difficult to describe culture in just one word. Many people define culture as the environment they live in and associate things like language, history and habits with culture. However, culture is a lot more than that. It can also be stated that culture is a patterned way of behaving, thinking, and communicating. This means that every culture has its own way of communicating with its members, which also in a way guides their behavior towards their own culture, but also towards other cultures. This is easily spotted as when groups of individuals from different cultures are compared, the communication and behavior tends to vary from group to group. (Mäkilouko 2003:18)

One definition of culture is: “The system of shared beliefs, values, customs, behaviours, and artifacts that the members of society use to cope with their world and with one another, and that are transmitted from generation to generation through learning.” (A definition of culture) Although one may say that culture is transmitted to generation to generation, it is important to remember that culture isn’t transmitted in birth; the child learns the culture by interaction with other people and thus learns the ground rules of social behavior. (Mäkilouko 2003:18)

One thing that should be remembered is that people have always created their own cultures and cultures themselves never stop developing. People need some common understanding and skills about certain critical issues, such as language and culture, for human interaction. To be in a group, people must agree on the norms of the group. This is basically of how cultures are formed, although in reality, it doesn’t of course work as quite simply as that. (Mäkilouko 2003:17-18)

5.2 Subcultures

Subcultures are cultures that exist within the national cultures, that is, within the borders of a country. This is very common especially in countries of large population, such as United States. Although the American dream is a familiar concept to many, the ethnic

diversity in the country is extremely large. The Hispanic subculture is very strong in the United States, making Spanish the second most commonly spoken language in the US. There are also some areas that are habituated only by Hispanics.

“A cultural subgroup is differentiated by status, ethnic background, residence, religion, or other factors that functionally unify the group and act collectively on each member” (The Free Dictionary). This means that subcultures are made up of several levels, for instance regional, ethnic, religious, linguistic, social classes and gender to mention a few.

5.3 The Eight Country Clusters

Despite the difference in values, beliefs, needs and cognitive processes between cultures, some national cultures bear a resemblance to one another. In most cases the values are almost uniform, but differences still exist, especially in beliefs. In his book “Multicultural Leadership” Mäkilouko presents eight a synthesis of country clusters to more describe the similarities within the countries. The countries are divided into eight clusters based on their history, language and ethnicity. Below is a figure of the synthesis of country clusters. (2003:29)

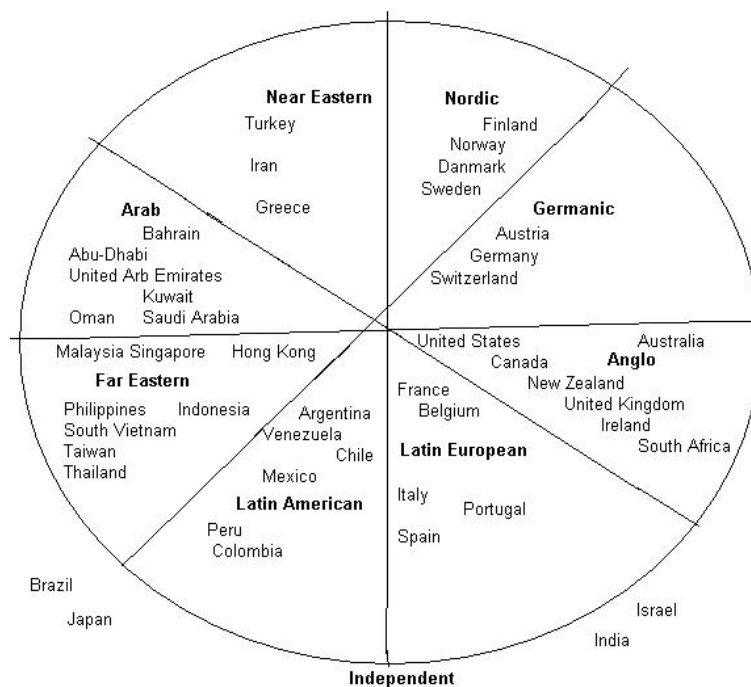


Figure 1.1

Although people are very aware of the culture that surrounds them in everyday life, they sometimes fail to notice another culture that shapes their thinking. This is organizational culture, which exists in every organization, no matter of the size, personnel or the area of expertise.

5.4 Hofstede's Dimensions (Geert Hofstede Cultural Dimensions)

A famous Dutch management researcher, Geert Hofstede, introduced his theory about cultural dimensions in the 1970s. His study is perhaps “the most comprehensive study of how values in the workplace are influenced by culture”. Hofstede identified four primary dimensions to assist in differentiating cultures: Power Distance, Individualism, Masculinity, and Uncertainty Avoidance.

a) Power Distance (PDI)

Power distance calculates the degree of equality, or inequality for that matter, between people in the society. The main focus is on how equally money and power are distributed in the society; i.e. are there big economic gaps between people (rich versus poor) and whether there is only one distinct group of people holding the power.

b) Individualism (IDV)

Individualism means the degree of which the society reinforces individual achievement, and interpersonal relationships; i.e does the society encourage independency or collectivity.

c) Masculinity (MAS)

The masculinity dimension focuses on how masculine the society is; are the two sexes equal or does the society believe the other one to be more superior? If the country ranks high in masculinity, it means that there is a high degree of gender differentiation. For countries that have low masculinity index, the discrimination between genders is almost non-existent and women are treated equally in every aspect of the society.

d) Uncertainty Avoidance Index (UAI)

This dimension “...focuses on the level of tolerance for uncertainty and ambiguity within the society - i.e. unstructured situations.” It also means that how rule-oriented the country is. By instituting rules, regulations, laws and other ways of control, the society tries to reduce the amount of uncertainty.

e) Long-term Orientation (LTO)

Later, Hofstede introduced a fifth dimension, long-term orientation, which describes the degree to which the society embraces, or on other end of the spectrum doesn't embrace, the long-term devotion to traditional, forward thinking values. If a country has a high long-term orientation, it means that tradition is very important. According to Hofstede, “this is thought to support a strong work ethic where long-term rewards are expected as a result of today's hard work.”

6.1 Organizational Culture

Organizational culture is the “system of shared meaning held by members that distinguishes the organization from other organizations”. (Robbins 1998:595).

As Robbins states “organizational culture is concerned with how employees perceive the characteristics of an organization’s culture, not with whether or not they like them” (1998:596). This distinguishes organizational culture from job satisfaction, which concentrates on finding affective responses to the work environment.

6.2 Dominant Culture

In large organization’s it is not unusual to have a dominant organizational culture and various subcultures. The dominant culture expresses the core values that are shared throughout, or at least by the majority, of the organization’s employees. “Culture is the social glue that helps hold the organization together by providing appropriate standards for what employees should say and do” (Robbins 1998:601).

6.3 Subcultures

Just like subcultures exist in societies, they also exist in organizations. Subcultures usually develop to reflect common problems or situations that the employees might face in their work. For instance, the Finnish organization Nokia operates in every continent of the world. Nokia as an organization has some core values that the organization expects its members to respect, no matter where they are in the world. Because the tasks differ from continent to continent and from country to country, it is only natural to assume that each of Nokia’s branches also has their own subcultures in addition to the dominant, organizational culture (the Nokia culture).

6.4 Culture's Functions in an Organization

Robbins introduces five functions, which culture performs in an organization. These functions are:

1. to create distinction between one organization to others,
2. to convey sense of identity,
3. to facilitate the generation of commitment to something larger than one's individual self-interest,
4. to enhance social system stability, and
5. to guide and shapes the attitudes and behavior of the employees

6.5 Maintaining Organizational Culture

The organizational culture is very likely to stay the same if the organization doesn't experience any major changes. Organizational culture can be maintained by giving employees a set of similar experiences. Robbins introduces four procedures that "ensure that those hired fit in with the culture, reward those who support it and penalize those who challenge it" (1998:605). These procedures are 1) the selection process, 2) performance evaluation criteria, 3) training and career development activities, and 4) promotion. Robbins highlights three forces that in his opinion play an important part in sustaining culture; selection, top management, and socialization. (Robbins, 1998:605) More emphasis is placed on socialization as it eventually determines whether or not the person is a suitable member of the organization.

The goal of **selection** process is to identify and hire individuals that possess the knowledge, skills, and abilities to perform the appointed job. The managers are seeking to find the best candidate with these skills and ability to adjust to the organizational culture. "Selection, therefore, becomes a two-way street, allowing employer or applicant to abrogate a marriage if there appears to be a mismatch. In this way, the selection process sustains an organization's culture by selecting out those individuals who might attack or undermine its core values." (Robbins 1998:605)

It is needless to say that the influence the **top management** has on their employees and also on organizational culture, can not be denied. The way the top management

behaves, the values they support, their views about management, individuality and other established norms are quickly adopted by the other members of the organization. (Robbins 1998:606)

6.6 Socialization (Robbins 1998:605-609)

It is important in the organization's and top management's point of view that the new employee quickly adapts the organizational culture. To lower this barrier, the organization introduces **socialization** as a means of helping the new comer to adapt the organizational culture. Almost every organization has some kind of training period for their new employees: let it be only one day or six months. The goal is to introduce the organization as thoroughly as possible to the employee, so that it is easy for the employee to adapt to the habits, values and behavior of that particular organization.

Robbins states that the socialization process can be divided into three stages; 1) pre-arrival stage, 2) encounter stage, and 3) metamorphosis stage.

The **pre-arrival stage** recognizes that when entering a new organization, the person arrives with an asset of values, attitudes, and expectation both regarding the work itself and the organization as a whole. The main criterion for selection stage is to find the best possible candidate for the job that can also fit into the organization's culture. Robbins quotes: "Thus, success depends on the degree to which the aspiring member has correctly anticipated the expectations and desires of those in the organization in charge of selection." (1998:608)

During the **encounter stage** the person may discover that some of his expectations - let it regard his job, colleagues, his leader or the organization as a whole - have not been met. Robbins describes that when reality and expectations differ, the new employee must undergo socialization in order to detach him from the previous assumptions and expectations, and replace those images with another set that the organization considers desirable.

During the **metamorphosis stage**, the new comer internalizes the organizational norms, understands them, and accepts them. It means that the new comer feels that he fits into

the work place, is respected and trusted among his colleagues and leaders, and understands the essence of the organization.

6.7 Culture Working as a Barrier to

....Change

One thing that organizations don't always take into consideration is the modification of the organizational culture. This means that as organizations change, they should also be able to change their culture accordingly. For instance, when the organization is going through a rapid change (introducing new owner, new products, new services etc.), the existing culture may not anymore be appropriate. The organizational culture has to be effective in a way that it best serves the goals, morals and ethics of the organization. In this case, if the management is unwilling to modify the culture, the culture may in fact become a barrier for organizational change. (Robbins 1998:602)

....Diversity

Appreciating and valuing the cultural diversity within the organization is extremely important. Therefore, the management has to make sure that they don't dismiss any of their employees' cultures. As Robbins states, "... strong cultures can ... be liabilities when they support institutional bias or become insensitive to people who are different". (1998:602)

.... Merger

Also, when organization decide to merge, it is always interesting to see what happens to the organizational culture. This is especially the case with two organizations that have completely different cultures. If the organizational culture is very strong in both cases, it will most definitely create lots of problems within the new, merged organization. Strong cultures don't give room to other type of thinking, which in this case would be a big mistake. Obviously these two companies have in fact merged in order to gain something from each other, and to become more powerful together. There is something good in both organizational cultures and it is the management's responsibility to determine which aspects to preserve from which

culture. This doesn't always happen though, which drives many organizations into serious difficulties. (Robbins 1998:603)

6.8 Organizational Culture vs. National Culture

It is extremely important to remember that no matter how strong the organizational culture is, it will always be weaker than the national culture. What this means is that even if a person is working for Nokia in Australia, he is still more affected by the surrounding, national culture than he is with Nokia's organizational culture. Therefore, it is crucial that these two cultures are not to be segregated from each other. The organization can in fact benefit from the different national cultures that form its operations on the different parts of the world. National culture should not be seen as a threat but more as an opportunity. (Robbins, 1998:600-601)

Although it is important how well connected employees feel with their organizational culture, it doesn't yet determine everything. One thing that has a major effect on employees, and especially their job satisfaction as well as job performance, is the leadership style used in the organization. The definition follows below.

7.1 The Definition of Leadership

Leadership, by definition, is the “influence by one member of a group or organization over other members to help the group or organization achieve its goals” (George et al, 1999:404). Nevertheless, leadership is far more than just influencing people; it’s about influencing and managing people in the right way. There are a countless amount of different leadership styles, but two remain the most known ones: these are the trait approach and behavior approach. (George and Jones 1999:405)

7.2 The Trait Approach

The trait approach means finding the strongest relationship to effective leadership. Based on studies, such as intelligence, task-relevant knowledge, self-confidence, tolerance for stress, dominance and emotional maturity are one of the most important traits of a good leader. In their book ‘Organizational Behavior’ George and Jones suggest that although “individuals who possess the traits associated with effective leadership are more likely to become effective leaders than those who do not, the trait approach alone cannot fully explain why or how effective leadership occurs”. (1999:408) This means that no matter how many of the above mentioned characteristics one may possess, it doesn’t mean that the person will automatically become a leader, let alone a good leader.

7.3 The Behavior Approach

The behavior approach focuses on what the leaders actually do to influence followers and how their behavior helps individuals, groups and organizations to achieve their goals. One thing that the researchers agree on is the level of consideration that the leader shows to his group. Consideration from a leader’s point of view means trusting, respecting and valuing good relationships with his employees. According to George and Jones, a leader who engages in consideration also shows followers that he or she cares about their well-being and is concerned about how they feel and what they think. (1999:408)

Some leaders make the wrong assumption about consideration and job satisfaction going hand in hand. One should remember that although consideration towards the followers

may results in such a way, it necessarily doesn't. This doesn't only apply to behavior approach but also to trait approach, or to any other leadership method for that matter. This is because "each approach essentially ignores the situation in which leadership takes place" (George and Jones 1999:413). Furthermore, George and Jones also point out that "... the interaction of an individual's characteristics with the organizational situation determines an individual's behavior in an organization." (1999:413) For instance, the trait approach tends to ignore the situations in which the leader tries to lead his followers and only concentrates on the leader's personal aspects. The behavior approach makes a mistake by assuming that regardless of the situation certain leadership behaviors will results in high levels of job satisfaction and job performance. In leadership one should always remember that nothing is black and white and that leadership methods should be changed according to the situation. Based on these facts, the most important characteristic of an effective leader isn't necessarily intelligence or dominance as the trait approach suggests, but in fact the ability to grow as a leader.

7.4 Fiedler's Contingency Theory of Leadership

The Contingency Theory of Leadership by Fred Fiedler focuses on the personal characteristics of a leader and the situation, and how both of these affect the leader effectiveness. Fiedler's theory concentrates on two very important leadership issues: 1) why some leaders are effective while other leaders with the same credentials are ineffective, and 2) why a leader can be effective in one situation but not in another. Fiedler agrees on to some extent with the trait approach about how some personal characteristics influence the leader's effectiveness. According to Fiedler there are two distinct leader styles: relationship-oriented leader and task-oriented leader. (George and Jones 1999:415)

Relationship-oriented leaders are often well-liked in the community as their number one goal is to form good relationship with their followers. The second most important thing is task accomplishment, that is, making sure that the work gets done well and on time. **Task-oriented leaders** work in a completely opposite way as their first priority is to get their followers to work at a high level and accomplish all of their tasks. Good relationships with their employees come second. (George and Jones 1999:415-416)

7.5 The Contingency Model

Since leaders don't tend to change their leadership style, it is the organization's responsibility to ensure that the leaders are able to help, and motivate the employees, and the organization as a whole to attain the set goals. There are two ways to do this: 1) the organization must assign leaders to situations in which they will be effective, or 2) change the situation to fit the leader. This means that relationship-oriented leaders and task-oriented leaders have to work in an environment that is most favorable for them. According to Fiedler's research, the environment can be examined through the contingency model, found below. The chart is divided into eight octants based on the favorability of leading. Octants I, II and III are favorable situations for leading where as octant VIII is the most unfavorable situation. Octants IV through VII are somewhat favorable situations for leading. (George and Jones 1999:418)

| | | | | | | | | | |
|-----------------------------|---|------|------|---|------|------|------|------|------|
| Situational characteristics | Leader-member relations | Good | Good | Good | Good | Poor | Poor | Poor | Poor |
| | Task structure | High | High | Low | Low | High | High | Low | Low |
| | Position power | High | Low | High | Low | High | Low | High | Low |
| | | I | II | III | IV | V | VI | VII | VIII |
| | Very favorable | | | Very unfavorable | | | | | |
| | Very favorable situations for leading | | | Moderately favorable situations for leading | | | | | |
| | Moderately favorable situations for leading | | | Very unfavorable situation for leading | | | | | |

Table 2.1

The situations are characterized as leader-member relations, task structure and position power. The leader-member relations concentrate on the relationship between the leader and the followers. The task structure focuses on defining the extent to which the work is performed by a group. The position power focuses on measuring how much formal authority the leader has over his followers. "According to Fiedler's theory, task-oriented leaders are most effective in situations that are very favorable or very unfavorable, and relationship-oriented leaders are most effective in moderately favorable situations." (George and Jones 1999:418) What Fiedler basically means is that although the two leaders work in a completely opposite ways, they are yet equally effective as leaders.

8.1 Multicultural Leadership Strategies (Mäkilouko 85-87)

The research has showed that there are four major strategies one can use to manage cultural diversity at work. The strategies are: 1) cultural synergy, 2) cultural ethnocentrism, 3) cultural polycentrism, and 4) cultural geocentrism.

Cultural synergy means that the leaders seek similar cultural preferences among the followers regarding team work and restrain themselves to a leadership behavior that is relevant to these cultural similarities. These results in creating a team culture that is applicable to that team only.

Cultural ethnocentrism means that leaders stick to their own personal leadership style regardless of the cultural diversity within the work group. This is the most common leadership style among multicultural leaders.

Cultural polycentrism means that the leaders try to learn and adjust to local cultures. Polycentric leaders are able to adjust into two cultures rather than just one, which able them to work as integrators between different cultural groups. This is a very effective way to avoid cultural misunderstandings in the work community. “The key is not positive attitudes and open mindedness, but ‘faking’ between cultures – treating team members in ways that meet their expectations.” (Mäkilouko 2003:86)

Geocentrism focuses on a distinctive corporate culture that is similar throughout the organization. The leadership style is particular to that organization, and the personnel, no matter of their ethnicity or cultural background, are socialized into the organizational culture through rituals and training classes. Nevertheless, “people are primarily members of their own nation, family, and other groups of people. These provide constant reinforcement to the domestic culture that is often in conflict with the corporate culture.” (Mäkilouko, 2003:86) This is why geocentrism tends to exist only in theory, not in practice.

8.2 Cultural Synergy

Cultural synergy means that leaders try to compound the strengths of all cultures and people in their teams. Every team must first develop their own set of rules and norms to support both the social situation as well as the task given to them. The situation is no different with multicultural teams; the only difference is that it usually takes a lot longer since there are a larger number of differences within the group. As Mäkilouko states “...the key word is cognitive strategy – how we will solve our different expectations, learn from each other, and arrive at common agreements about our teamwork.” (2003:88)

Creating a culturally synergistic style for leadership requires “an active search for new alternatives so that all team members can preferably agree with the practical manner the team work will be carried out”. Leaders have to be well informed about the cultural differences within the group so he can come up with the best possible way for all team members to work together. Managing similar cultures is always easier than managing cultures that are very different from each other. Therefore, one should remember that no matter how culturally aware and motivated the leaders are, it still doesn’t mean that leadership style will work. (Mäkilouko 2003:90-96)

8.3 Polycentric Leadership Style

Polycentric leadership style is often said to be the most effective multicultural leadership style as tries to treat every individual in the group according to their cultural preferences. Leading tends to be more effective when different cultural groups are separated from each other since it’s easier for the leader to “...adjust into certain existing work preferences than for a team to learn new working habits.” (Mäkilouko 2003:119)

As Mäkilouko points out, polycentrism requires a high level of experience in leadership and with multicultural teams (2003:119). The characteristics of polycentric leadership style include:

- Understanding other cultures → people have different preferences
- Maintaining good relationships → improve trust and communication
- Delegating autonomy → increases trust, commitment and motivation
- Interaction facilitation → good communication plan decreases risks

(Mäkilouko 2003:119-120.)

8.4 Understanding of Other Cultures

In its very essence, understanding other cultures means that the leader acknowledges the fact that different people have different preferences, say for instance, autonomy, power, communication etc. These things are strongly linked with culture and the leader always has to know what is common for which culture and what isn't. For instance, there's a very strong culture of autonomy in Scandinavia, which means that the leader often delegates some of the decision-making power to his subordinates. While Scandinavian employees are very familiar and comfortable with this, it may strike as a surprise for a Spaniard.

Mäkilouko presents an interesting fact, which states that often polycentric leaders are blind to their own skills. This means that because of the values, beliefs and cognitive processes of the foreign culture are adopted into their psychological structure, they find it difficult to present arguments to support their leadership decisions. In fact, leadership decisions are often done with instinct rather than logic. This easily becomes a problem as higher level managers as well as other employees often require a sound reasoning why each decision takes place and why it is the best possible decision. (Mäkilouko 2003:121.)

9.1 Multicultural Teams

A multicultural team can be defined as two or more individuals with different cultural background, interacting and interdependent, who have come together to achieve particular objectives or goals. “Research has shown that styles of leading, motivating, communicating, decision making, planning, organizing, and staffing vary among countries of the world.” (Adler, 2002:136) Therefore, finding a way to manage these differences is a vital question for many managers. It is certain that cultural diversity can be a huge advantage for the company, but to adapt to it isn’t always so easy. In general, multicultural teams can be divided into three types: *token* teams have only one member from another culture; *bicultural* teams consist of two cultures; and *multicultural* teams have members from three or more cultures. (Adler 2002:140)

The European Union (EU) is a good example of multicultural organizational structure. Today, the EU consists of 23 member countries, each of which has their own culture and national identity. Adler states that in order for the multicultural teams to perform at most effectively, they need to recognize and integrate all represented cultures. This means that the team must acknowledge the diversity in order to benefit from it in a best possible way. Cultural diversity in work teams can either be a positive, or a negative thing; mainly based on how effectively the members of the team can work together. Adler continues that “multicultural teams have the potential to achieve higher productivity than homogeneous teams, but they also risk experiencing greater losses due to faulty process.” (2002:141)

Cultural diversity enables increased brainstorming in the groups; meaning that they have more perspectives to analyze any given situation. The down side is that multicultural teams also face greater difficulty in evaluating these perspectives, which can affect very strongly on their productivity. This is because people find it difficult to see, understand and act on situations in similar ways. Members of multicultural teams also experience more work-related stress, partly because they feel that they are not always understood in the right way, and explaining their thoughts and ideas over and over again is frustrating. Decision-making is also more difficult in multicultural teams. Furthermore, multicultural teams experience lower levels of cohesion than homogeneous teams. Adler defines

cohesiveness as the ability of team members to act in a similar, mutually agreed upon way. When this variable is missing from the group, the team is very likely to exhibit less cohesion. (Adler 2002:141-145)

9.2 The Cons of Multicultural Work Teams (Adler 2002:141-145)

It is only natural for people to feel more relaxed when they are around their fellow citizens. They find it easier to communicate with each other, and also trust each one another more easily. Mistrust is a common problem in multicultural work teams. It doesn't mean that people don't necessarily like people with different cultural background, but it is more subject to the inadvertent cross-cultural misinterpretation. Another thing that people sometimes fail to do is to remember that every person is always an individual and that people shouldn't be falsely grouped according to their background. Stereotyping is also a problem in multicultural teams. The separation is not usually based on "who is good, who is bad" kind of way, but rather on "higher culture, lower culture" sort of way. This separation is usually done totally subconsciously. For instance, people may think that Americans must be a lot wittier and smarter and better educated than their Indian colleagues. This assumption is merely based on a fact, that because India isn't as well developed as the United States, the Indian experts surely can't be as good on what they do as the Americans are. This type of thinking can be deceitful in organizations and it can result in inflamed relationships within the team. Needless to say, cohesiveness will suffer, when there is negative atmosphere within the group.

9.3 The Pros of Multicultural Work Teams (Adler 2002:145-147)

Creativeness increases in multicultural teams, which allows productivity to achieve higher levels. Brainstorming is more effective, because as soon as one idea is rejected, another one is presented. This is possible because of the different ways of thinking within the group. The fact that decision-making takes a lot of time doesn't necessarily mean that it is a bad thing. Instead, because of all the time spent on making a decision and having every team member's approval, also gives them more time to brainstorm and look for possible flaws. This way, the group really has to think about the decision that they make from every possible angle. Once the decision is made, it is more likely that

the idea will be effective. Therefore it would be wrong to think that multicultural teams create only problems and confusion.

Another thing that has to be taken into consideration is that the management style is of crucial importance when managing multicultural teams. It is very much up to the manager, whether or not the multicultural teams are effective or not. Every group needs a good leader, and somebody to guide them through. The importance of a good leader is even more important on multicultural teams, because the varieties within the group can create problems if not properly managed.

9.4 Managing Multicultural Teams

Work teams must be “able to see situations from another person’s perspective, create a shared social reality, explain problems appropriately, and establish agreed-upon norms for interaction. They must also be motivated to communicate and confidence that other team members are skilled enough to work effectively together.” (Adler, 2000:153) This is especially true in multicultural teams where good communication, trust and norms are of vital importance.

When creating multicultural work teams, it is important that people are not selected only because of their cultural background, but because of their abilities. It is important to select people with same ability levels and attitudes, because this way accurate communication and wider range of solution possibilities is possible. The team also has to acknowledge the differences within the group. Once they have accepted that there are people from various cultural backgrounds, it is easier for them to understand why a certain person behaves in certain way. It is important to learn to appreciate the cultural diversity. As Adler states “Once members begin to recognize actual differences – that is, once they can differentiate their stereotypes from the actual personalities and behavior of team members (cultural description) – they can begin to understand why members from other cultures think, feel, and act the way they do (cultural interpretation)”. (2000:154)

Members of multicultural teams sometimes face greater difficulties in agreeing on the mutual goal than homogeneous groups do. This is mostly because of miscommunication and misunderstandings. Miscommunication and misunderstandings tend to be common

in the early part of the project; this is because teams set their overall purpose during the initial stage of team development. Also, at this stage individual differences tend to dominate and interfere with team cohesion. The importance of a good leader is crucial at this point: it is the leader's responsibility to help teams agree on their goals. (Adler 2002:154)

“Teams generally produce more and better ideas if all members participate”. (Adler 2002:154) Each member of the team should be given the mutual chance to express their ideas. If a person feels, that his ideas are dismissed time after time, his motivation will decrease, and it may create some negative atmosphere inside the group as well. Therefore, a good leader always makes sure that everyone's input is appreciated, and taken into consideration. The power should be distributed according to each member's ability to contribute to the task at hand, not based on cultural superiority.

Positive feedback from the leader can help in creating a good team spirit, which helps the team members to “forget” the differences and concentrate on doing the job as effectively and as well as possible, and more importantly, trust the team's collective judgment. (Adler, 2000:154-155)

10.1 Motivating Followers

Motivating employees can sometimes be extremely hard. If one has been working for the same company for 20 years, it's only natural to experience a lack of motivation at least at some point during one's career. Highly motivated employees are very beneficial for the company whereas low motivation often results in low job satisfaction and job performance. But how exactly should a leader motivate his followers?

10.2 Path-goal Theory

Leadership researcher Robert House introduced the path-goal theory in 1996. "The path-goal theory describes how leaders can motivate their followers to achieve group and organizational goals and the kinds of behaviors leaders can engage in to motivate followers." (George and Jones 1999:420)

According to House, effective leaders follow three guidelines to motivate their followers. The leaders must first determine what outcomes followers are trying to obtain in the workplace: what goals are they trying to meet and which needs are they trying to satisfy. The second guideline is to reward the followers "for performing at a high level or achieving their work goals by giving them desired outcomes". The third guideline is to make sure the followers believe they can obtain their work goals and perform at high level. The leader can do this by expressing confidence in followers' capabilities, that is, by giving them more responsibility.

10.3 Job Motivation (George and Jones 1999:183-184)

George and Jones define job motivation as "the psychological forces that determine the direction of a person's behavior in an organization, a person's level of effort, and a person's level of persistence" (1999:183).

Direction of behavior means the behavior, or role, that the employee chooses in the organization. What managers are most interested about is that the employee's behavior is functional for the organization. This means that the managers expect the employees to

arrive to work on time, perform the tasks appointed to them, be part of the brainstorming, and when needed, to help other coworkers.

Level of effort tries to determine, how hard the employee works in order to perform the chosen behavior. The organization must remember to motivate employees not only to perform desired functional behaviors, but also to work hard at these behaviors.

Level of persistence focuses on finding out just how hard the employee keeps trying to perform at a chose behavior successfully when faced with obstacles or roadblocks.

10.4 Types of Motivation

Motivation can be divided into two main categories: intrinsic and extrinsic motivation. **Intrinsically motivated work behavior** means that it is performed for its own sake. This means that the source of motivation is actually performing the behavior and not the other way around. It can be stated that a person who is truly committed to one's job, say the cleaning lady who won the main prize in lotto, but yet continues to work as a cleaning lady because of the enjoyment it brings to her, is intrinsically motivated. George and Jones state, that it seems that all intrinsically motivated people have one thing in common: they feel that "...their work gives them a sense of accomplishment and achievement or that they feel that they are doing something worthwhile." (1999:185)

George and Jones describe **extrinsically motivated work behavior** as "behavior that is performed to acquire material or social rewards or to avoid punishment". (1999:185) Extrinsic motivation is thus the complete opposite of intrinsic motivation; the behavior is not performed for its own sake, but rather for the consequences it may have later on. (George and Jones 1999:185)

10.5 Motivation vs. Demotivation

"Motivation is a sum of complex psychological phenomenon that is a sum of motivators and demotivators". (Mäkilouko 2003:79) The most important thing is to identify the possible demotivators at the work place, and try to eliminate them. Sometimes eliminating demotivators is impossible and in those cases, the best option for the

organization is to come up with various substitutes for motivation: for instance, performance based salary (widely used especially in telemarketing firms; the more magazines one sells, the more pay he receives) and time based supervision. One thing that leaders use to keep their followers motivated is to offer various kinds of benefits. The benefits can include monetary rewards, such as Christmas-bonuses, promotion- and learning opportunities, vacation packets and so on. (Mäkilouko 2003:80-81)

However, an effective and motivating leader can offer a lot more than just physical motivators; sometimes the best motivation for the followers is to see their leader emphasizing tradition, self-discipline, politeness and wisdom. (Mäkilouko, 2003:80-81)

11.1 Job Satisfaction

George and Jones summarize job satisfaction as the “collections of feelings and beliefs that people have about their current jobs”. (1999:78) Job satisfaction is an extremely important as it determines the behavior of the worker, the level of motivation and also the employee’s work efficiency. At large, job satisfaction affects the whole well-being of an employee.

In their book ‘Understanding and Managing Organization Behavior’, George and Jones introduce the four factors that affect the level of job satisfaction. The four levels include: 1) personality, 2) values, 3) the work situation, and 4) social influence. (1999:78)

Personality determines how the person feels, thinks and acts. As George and Jones state; “An individual’s personality influences the extent to which thoughts and feelings about a job are positive or negative.” (1999:78) Researchers have found out that a person’s personality predisposes one to choose certain kind of jobs. This is because a person’s personality is genetically determined, which explains why people tend to look out jobs that are suited to their genetic makeup. Nevertheless, one should take into consideration that personality determines only 30 per cent of job satisfaction; the rest 70 per cent is dependent on the managers’ influence. (George and Jones 1999:79)

Values reflect the worker’s beliefs about the outcomes on where the work should lead and how one should behave at work. For instance, if a person has a strong intrinsic work values, he is more likely to be satisfied with a job that is interesting and personally meaningful, but which at the same time is also demanding, requiring lots of work hours and doesn’t pay all that well, as opposed to a worker that has low intrinsic work values. (George and Jones 1999:79)

The work situation includes everything in the work, ranging from the tasks the person performs, and the interaction with other people (let it be colleagues, customers or managers) to the surroundings in which the person works, and how workers are treated in the organization. All of these factors can affect the job satisfaction in one way or another. (George and Jones 1999:79)

Social Influence means the influence that other people have on a person's attitudes and behavior. "Social influence from coworkers can be an important determinant of a worker's job satisfaction because coworkers are usually always around, often have similar types of jobs, and often have certain things in common with a worker." (George and Jones 1999:80) This means that the new employee scoops feelings from coworkers and relates to them: the new comer is likely to take a similar stand towards his job as the colleagues have taken.

11.2 Theories of Job Satisfaction

Many different theories have been written about job satisfaction. One thing that all theories have in common is that each of them takes into consideration one or more of the four main determinants (i.e. personality, values, the work situation, and social influence). George and Jones present the four most influential theories; the Facet Model, the Discrepancy Model, and the Steady-State Theory. All of these different theories shed light to the managers to better understand the various aspects of job satisfaction. (George and Jones 1999:81)

The Facet Model of Job Satisfaction has its primary focus on work situation factors by breaking the job into separate component facets, and determining how satisfied employees are with each of the facet. George et al have listed job facets that play part in determining job satisfaction. Table 3.1 presents these facets. (George and Jones 1999:82)

| Job facet | Description |
|--------------------------------|--|
| Ability utilization | The extent to which the job allows one to use one's abilities |
| Achievement | The extent to which a worker gets a feeling of accomplishment from the job |
| Activity | Being able to keep busy on the job |
| Advancement | Having promotion opportunities |
| Authority | Having control over others |
| Company policies and practices | The extent to which they are pleasing to the worker |
| Compensation | The pay the worker receives for the job |
| Coworkers | How well one gets along with others in the workplace |
| Creativity | Being free to come up with new ideas |
| Independence | Being able to work alone |
| Moral values | Not having to do things that go against one's conscience |
| Recognition | Praise for doing a good job |
| Responsibility | Being accountable for decisions and actions |
| Security | Having a secure or steady job |
| Social service | Being able to do things for other people |
| Social status | The recognition in the wider community that goes along with the job |
| Human relations supervision | The interpersonal skills of one's boss |
| Technical supervision | The work-related skills of one's boss |
| Variety | Doing different things on the job |
| Working conditions | Working hours, temperature, furnishing, office location and layout, and so forth |

Table 3.1

The overall job satisfaction can be determined by summing the satisfaction of each facet. The researchers have found out that the facet model is effective as it forces managers to recognize that job affects the employee in different ways. One thing that managers have to take into consideration is that if they decide to use the facet table to determine the employees' job satisfaction, they have to be very careful not to exclude any components from the list that might have a huge impact on the employees. Another thing that the managers must understand is that as everyone is an individual, the preferences towards work are different. That's why it is important that there is a balance between each of the facets, and that the manager doesn't raise one facet to be more important than another one. (George and Jones 1999:82)

The Discrepancy Model of Job Satisfaction concentrates on determining how satisfied employees are with their job, when they compare their current job to their ideal job. The difference can be solved by asking the employees how much of the given facet they have on their job and how much facet they think the job should have. For instance, if the employee indicates that he would like to advance in his career, but doesn't feel that his chances for promotion are equal with everyone else, he might feel dissatisfied with the advancement facet. As George and Jones point out "discrepancy models are useful

because they take into account that people often take a comparative approach to evaluation. It is not so much the presence or absence of job facets that is important but rather how a job stacks up against a worker's ideal job." (1999:87)

The Steady-state Theory of Job Satisfaction proposes that every worker of the organization has a typical level of job satisfaction, called the steady-state level. When something unexpected happens, let it be positive or negative, it tends to "shift" the employee of his steady-state level. For instance, if one receives a promotion, it is only natural that he feels more satisfied with his job. These boosts and decreasing effects will affect the employee for a while, but eventually he will return to his steady-state level.

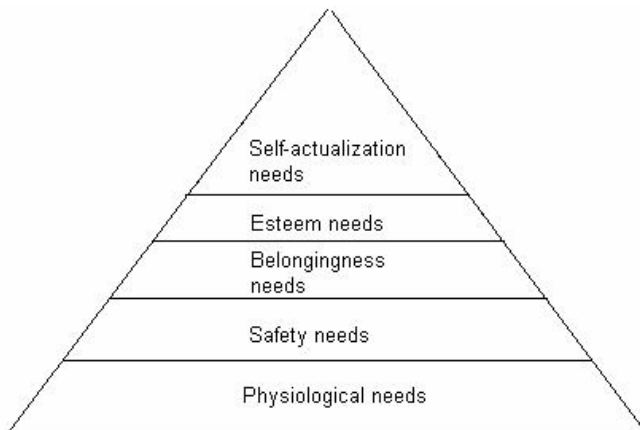
11.3 Does Job Satisfaction Affect Job Performance?

It is a common misconception that satisfaction towards one's job determines also the level of job performance. New studies have indicated that actually job satisfaction is not strongly related to job performance. In fact, the recent study shows that levels of job satisfaction accounted for only about two percent of the differences in performance levels. Nevertheless, there are still some situations when the job satisfaction does in fact affect the level of job performance. Research shows that job satisfaction only affects the job performance when the employees have the freedom to vary their behaviors; meaning that the attitude must be relevant to the behavior in question. For instance, the newspaper deliverer is satisfied with his job, because the job is not very demanding and at best, he only works in the mornings and has the rest of the day off. It is obvious without saying that his job satisfaction won't result in higher levels of performance, because the reason for his satisfaction is the short working hours, and because the work doesn't demand too much from him. (George and Jones 1999:89-90)

11.4 Maslow's Hierarchy of Needs (George and Jones)

Maslow's hierarchy of needs is one of the most taught theories in the world. The best thing about this theory is that although it is mostly used in psychology, it can be applied in every sector of the society. Maslow proposed that people have five basic needs that they seek to satisfy. The pyramid model of the theory has become very popular as it explains how a person moves from stage to stage after first satisfying the lower level

needs. A diagram of Maslow’s hierarchy of needs can be found below. (George and Jones 1999:191-192)



As we can see, the pyramid consists of five stages: 1) physiological needs, 2) safety needs, 3) belongingness needs, 4) esteem needs, and 5) self-actualization needs. The needs are ranked by the hierarchy of importance; meaning that a person will only start desiring safety needs after his physiological needs are first satisfied. The point why people eventually move from stage to stage (this is often done completely subconsciously) is because according to Maslow, once the need is satisfied, it is no longer a source of motivation.

How can Maslow’s hierarchy of needs be applied in the workplace? In their book “Understanding and Managing Organization Behavior” George and Jones present a table that answers this question. A copy of the table can be found below.

| Need Level | Examples of How Needs Are Met or Satisfied in an Organization |
|-----------------------------|--|
| 5. Self-actualization needs | By using one's skills and abilities to the fullest and striving to achieve all that one can on a job |
| 4. Esteem needs | By receiving promotions at work and being recognized for accomplishment on the job |
| 3. Belongingness needs | By having good relations with coworkers and supervisors, being a member of a cohesive work group, and by participating in social functions such as company picnics and holiday parties |
| 2. Safety needs | By receiving job security, adequate medical benefits and safe working conditions |
| 1. Physiological needs | By receiving a minimum level of pay that enables a worker to buy food and clothing and have adequate housing |

Table 4.1

12.1 Maintaining Good Relationships

Understanding of other cultures is important, because it is the only way to avoid misunderstandings and confusion already before hand.

Good relationships in the workplace increase trust and communication. These are without doubt, the most important characteristics of a successful work atmosphere. When leaders behave in ways that indicate trust towards their employees, the employee inevitably feels himself more important. Communication should be the top priority in every organization as poor communication results in unnecessary misunderstandings and confusion.

12.2 Interaction Facilitation

Interaction facilitation concentrates on how to improve interaction and communication among all people in the organization.

As mentioned above, communication is one of the most important corner stones of a successful business. Communication flow should always be from top down, but also from down to top, meaning that it is important that the employee feels that he can talk to anyone in the organization, not only to his team leader. Sometimes the top leaders are completely unaware about what is happening in the lower levels of the organization, which may even results in wrong business decisions. For instance, the top managers should always be aware of much workload the employees in the company are facing at the moment. If the workload is too much or it's not evenly distributed, the company managers have to do something about it, before they find their employees in the break of a burn-out.

The communication chaos can be fixed with a communication plan. The plan should cover not only external communication but also internal communication. Different work groups can be divided into three categories (egalitarian, mastery, and hierarchy), and should be treated accordingly. For instance, egalitarian team members need to have the

basic rules of keeping others (leaders and co-workers) informed, which can prevent most of the confusion during the team work. (Mäkilouko, 2003:128-129)

12.3 Cross-cultural Communication

General Communication Core Curriculum defines communication as “the art of expressing and exchanging ideas in speech or writing”. (IAI GECC: Communication Definition) Adler reminds that communication includes both-verbal messages and non-verbal messages. Non-verbal messages include facial expression, voice tone and behavior. When communicating with somebody, a person subconsciously sends messages, that he doesn't even realize sending. The way another person understands the information, is totally up to the receiver's interpretation. Therefore, what the sender sends isn't always what the receiver receives.

“The process of translating meanings into words and behaviors, that is, into symbols, and back again into meanings is based on a person's cultural background and differs accordingly for each person.” (Adler, 2000:75) Furthermore, if there is a remarkable difference between the sender's and the receiver's background, the difference in interpretation of words and meanings becomes even greater.

Cross-cultural communication occurs when a person from culture A is trying to send a message to a person from culture B. One thing that should be remembered is that every culture has so many different meanings that are impossible for a person to understand, if he is not from that same culture. For instance, lets imagine that a Finnish organization is doing business with a Greek organization and they are having business dinner in a Greek tavern. The Finns are absolutely delighted with the Greek food and want to show their respect to the Greeks by putting their thumbs up. The Greeks are absolutely appalled because in some parts of Greece, putting thumbs up is actually an obscene insult. Therefore, it is not only the words that can cause misunderstandings, it also the way a person behaves.

“Cross-cultural communication continually involves misunderstandings caused by a misperception, misinterpretation, and misevaluation. “ When people have different cultural background, they interpret and evaluate thing differently, which might create a

problem. Therefore, the most important thing in cross-cultural communication is to remember that “all behavior makes sense from the perspective of the person behaving and that logic and rationale are culturally relative.” (Adler, 2000:77) It is vital that the managers understand these differences and know how to embrace them in the right way. These things may come as a surprise for somebody that isn’t used to working with multicultural teams. Nevertheless, these things have to be considered and thought thoroughly or they may cause to create big problems.

- **Cross-cultural misperception:** Perception means the selecting, organizing and evaluating the stimuli in order to provide meaningful experiences. The things that we see as overload and the other things we consider as meaningful, are taught to us by our culture. According to Adler “we see things that do not exist, and do not see things that do exist. Our background, values, interest, and culture act as filters and lead us to distort, block, and even create what we choose to see and to hear. We perceive what we expect to perceive.” (2000:78)
- **Cross-cultural misinterpretation:** Interpretation is the way a person understands things, and makes a meaning of the observations he has experienced. Assumptions are one way of interpretation. People assume how to button a shirt, for instance, and thus they don’t have to learn it time after time. Another way people tend to interpret other people is to build stereotypes. According to Adler, stereotypes are helpful when they are consciously held, descriptive rather than evaluative, accurate and modified. Also, the definition of the stereotype should be object to an open change, since further observation and experiences with the actual people and situations may change the stereotype.
- **Cross-cultural misevaluation:** In its very essence, evaluation is very similar to comparing. Something is used as a norm and situations or people are compared on how well they meet the set norms. Cross-culturally, people use their own culture as a basis for evaluation; something that differs from the learned culture is usually seen as wrong or bad. Adler points out that evaluation rarely helps in trying to understand, communicate with, or conduct business with people from other cultures. (2000:91)

13.1 The questionnaire (Appendix 1)

The questionnaire consisted of five parts and in total of 48 questions. The first part of the questionnaire dealt with demographics; sex, age, nationality, the name of the company (optional), number of years worked in the company and experience on multicultural work teams. The second part – Culture and Organization - dealt with the respondents' opinions towards different cultures and their organization. In the third part – Leadership – the respondents were asked to value their opinions and beliefs towards leadership, and also determine the three most important characteristics of a good leader. The fourth part – Working in Multicultural Environment – focused determining their feelings about working in a multicultural environment. The fifth and final part – Motivation and Job Satisfaction – measured how motivated they are with their work and how they would rate their job satisfaction. They were also asked to name their biggest motivator out of five possible alternatives. Part I consisted of both multiple choice questions as well as open questions. Parts II through V were multiple choice questions. The multiple choices

were

1 = I strongly disagree

2 = I somewhat disagree

3 = I don't know / I don't have an opinion about this

4 = I somewhat agree

5 = I strongly agree

The copy of the questionnaire can be found from Appendix 1, p. 68

14.1 The Research Results

Part I – Personal information

| Sex | | |
|------------|----------|-----|
| | Quantity | % |
| male | 4 | 31 |
| female | 9 | 69 |
| Yht. | 13 | 100 |

Table 1.1

| Age | | |
|------------|----------|-----|
| | Quantity | % |
| 20-25 | 4 | 31 |
| 26-34 | 7 | 54 |
| 35-45 | 1 | 8 |
| 46-54 | 1 | 8 |
| 55+ | 0 | 0 |
| Total | 13 | 100 |

Table 1.2

Out of the thirteen respondents 69 per cent were female and 31 per cent were male. Their ages were divided into five categories as seen above. The biggest age group was 26-34 year-olds with 54% and the second largest was 20-25 year-olds with 31%.

| Nationality | | |
|--------------------|----------|-----|
| | Quantity | % |
| Asian | 1 | 8 |
| Danish | 1 | 8 |
| Finnish | 4 | 31 |
| Hungarian | 4 | 31 |
| Pakistani | 1 | 8 |
| Polish | 1 | 8 |
| Swedish | 1 | 8 |
| Total | 13 | 100 |

Table 1.3

| No of years in company | | |
|-------------------------------|----------|-----|
| | Quantity | % |
| 0,25 | 1 | 8 |
| 0,5 | 1 | 8 |
| 1 | 1 | 8 |
| 1,5 | 1 | 8 |
| 2 | 3 | 23 |
| 4 | 2 | 15 |
| 6 | 3 | 23 |
| 9 | 1 | 8 |
| Total | 13 | 100 |

Table 1.4

Altogether seven nationalities were represented in this research. The list of nationalities and the percentages can be seen on the graph above. The Finns and the Hungarians were the two biggest groups with 31 per cent each. The number of years the respondents had worked in their companies varied between 4 months to 9 years. The average working experience in their current companies would be a little less than two years (1.865 years).

| Lived in Finland/years | | |
|-------------------------------|----------|-----|
| | Quantity | % |
| 0 | 2 | 15 |
| 1 | 1 | 8 |
| 2,5 | 1 | 8 |
| 3,5 | 1 | 8 |
| 4 | 1 | 8 |
| 6 | 1 | 8 |
| 9 | 1 | 8 |
| 10 | 2 | 15 |
| 22 | 2 | 15 |
| 34 | 1 | 8 |
| Total | 13 | 100 |

Table 1.5

Out of the thirteen respondents eleven lived in Finland during the time of the questionnaires. Four of the respondents were Finnish and three of them had lived here all their lives. The average of living in

Finland for the eleven respondents was a little over 8 years. For the foreigners living in Finland the mean value is 4½ years.

| Worked/working abroad | | |
|------------------------------|-----------------|----------|
| | <i>Quantity</i> | <i>%</i> |
| yes | 11 | 85 |
| no | 2 | 15 |
| Total | 13 | 100 |

Table 1.6

85% of the respondents are currently working abroad or have worked abroad in the past. 15% have only worked in their country of origin. When asked about the countries in which they have worked, the respondents gave the following countries and duration of their work experience in those countries (in alphabetical order):

- Cyprus 4 years
- England 3 years
- Finland 9 years
- France 4 months
- Germany 3½ years
- Poland 2 years
- Switzerland 20 years
- USA 5 years

As we can see from the list, the experience of working in these countries varied from 4 months to 20 years. One point that should be taken into consideration is that most of the foreigners now living in Finland, forgot to list Finland when asked that in which countries they have worked abroad. For this reason, I believe that the respondents have in fact worked in Finland altogether longer than for 9 years.

14.2 Part II – Culture and Organization

Question 1: Globalization requires multicultural firms.

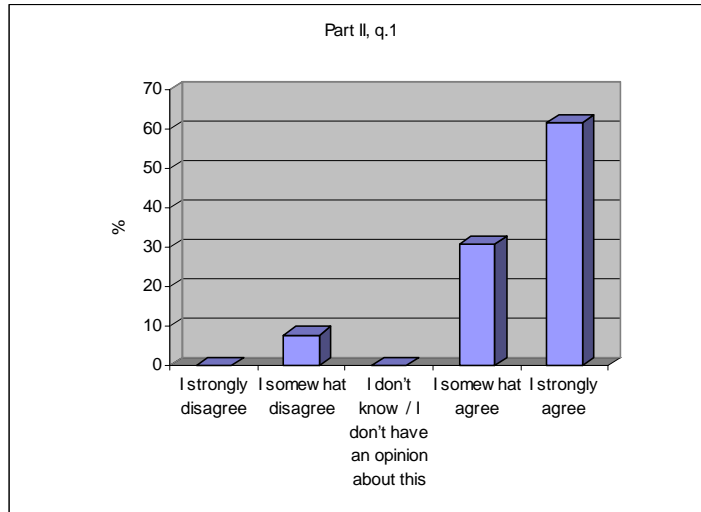


Figure 2.1

The majority of the respondents strongly agreed with this statement. Altogether 92% of the respondents agree that globalization requires multicultural organizations. Only one respondent disagreed with this statement.

Question 2: Understanding of other cultures is vital in a multicultural organization.

| | Quantity | % |
|--|----------|-----|
| I strongly disagree | 0 | 0 |
| I somewhat disagree | 0 | 0 |
| I don't know / I don't have an opinion | 0 | 0 |
| I somewhat agree | 2 | 15 |
| I strongly agree | 11 | 85 |
| Total | 13 | 100 |

Table 2.2

All respondents agreed that multicultural organizations need to recognize, and understand other cultures in order to perform at their best.

Question 3: My company has a strong organizational culture.

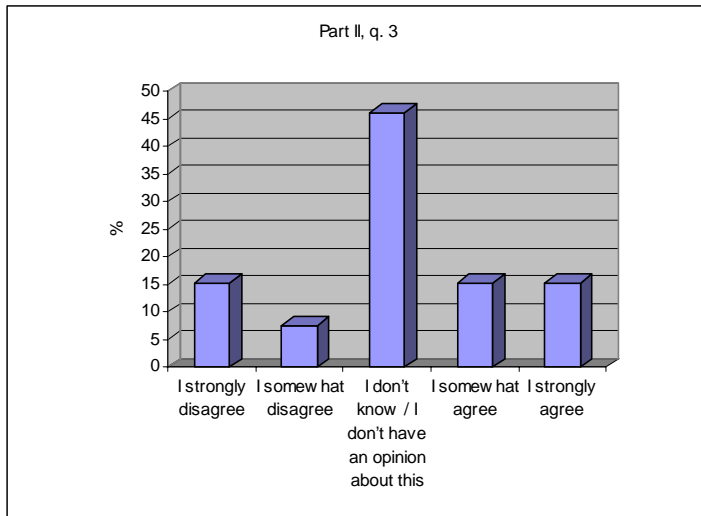


Figure 2.3

When asked if their organization has a strong organizational culture, the opinions were mixed. 46% didn't know or didn't have an opinion on the matter. 15% each either strongly disagreed, somewhat agreed or strongly agreed with this statement. The way organization embraces their culture is very different from organization to organization, and in some cases the organizational culture is difficult to notice, especially if the organizational culture is close to one's own culture. This also explains why opinions for **question 4: The dominant organizational culture is very strong in my company, leaving little if any, room for organizational subcultures**, were also very mixed and majority again answered the same.

Question 5: I feel that not all cultures are taken into consideration in my company.

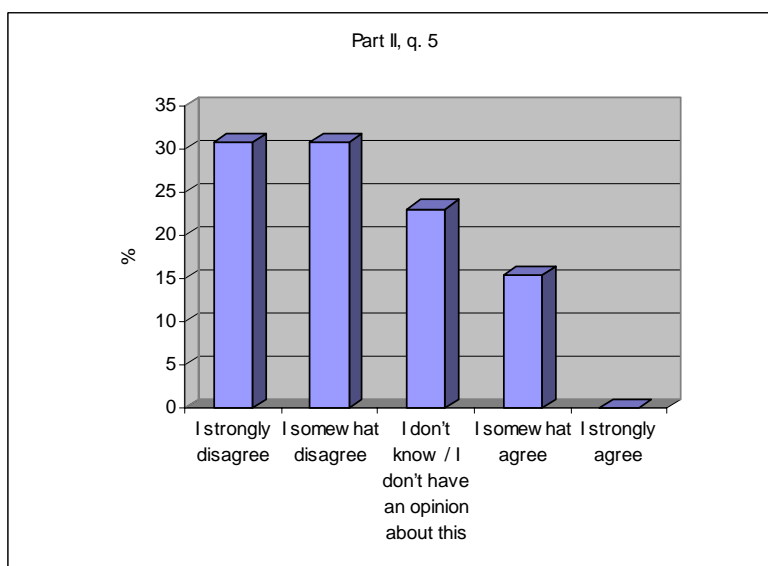


Figure 2.4

It is the managers' job to make sure that everyone's culture is taken into consideration in the organization. If this is not done, the person might feel left out, and doesn't feel like he is welcomed into the organization. According to this study, the managers have done a good job in preventing from that happening, at least in the respondent's organizations. In general the respondents either disagreed or strongly disagreed with statement, although two respondents felt that not all cultures are taken into consideration in their companies. When asked in *question 6* if the respondents felt that *their culture was not taken into consideration*, 54% disagreed with this statement whereas 31% didn't know or didn't have opinion on the matter.

Question 7: I have difficulties in adapting to my company's organizational culture.

Question 8: The organizational culture is very different from my own national culture

| Part II, q. 7 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 5 | 38 |
| I somewhat disagree | 6 | 46 |
| I don't know / I don't have an opinion | 1 | 8 |
| I somewhat agree | 1 | 8 |
| I strongly agree | 0 | 0 |
| Total | 13 | 100 |

Table 2.5

| Part II, q. 8 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 4 | 31 |
| I somewhat disagree | 3 | 23 |
| I don't know / I don't have an opinion | 4 | 31 |
| I somewhat agree | 1 | 8 |
| I strongly agree | 1 | 8 |
| Total | 13 | 100 |

Table 2.6

Adapting the organization's culture is very important, because by this way the employee becomes a true member of the group. Altogether 84% of the respondents didn't have difficulties in adapting to their organizational culture. Also the organizational culture was experienced to be similar to the respondent's national culture. 31% didn't know or didn't have an opinion to this statement.

Question 9: I believe some cultures are viewed "superior" to other cultures in my organization

The final question of Part II really split the opinions. 38% disagreed with the statement where as 31% believed that some cultures were in fact valued more in their organizations.

Part II, q. 9

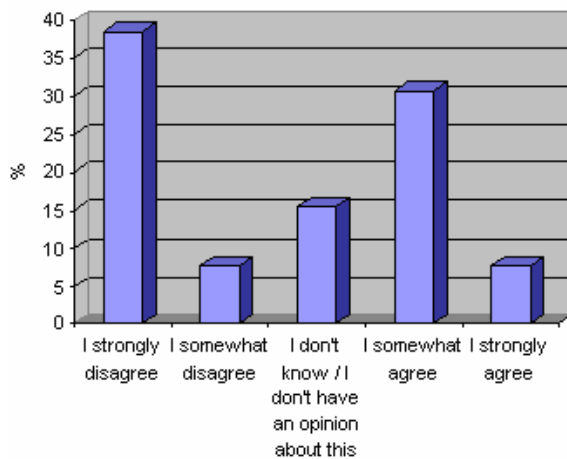


Figure 2.7

14.3 Part III – Leadership

Question 1: *I believe it is more difficult to manage multicultural work groups than homogenous work groups.*

Question 2: *I believe that leaders managing multicultural work groups are more skilled than those managing homogenous work groups.*

| Part III, q. 1 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 2 | 15 |
| I somewhat disagree | 2 | 15 |
| I don't know / I don't have an opinion | 0 | 0 |
| I somewhat agree | 4 | 31 |
| I strongly agree | 5 | 38 |
| Total | 13 | 100 |

Table 3.1

| Part III, q. 2 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 0 | 0 |
| I somewhat disagree | 3 | 23 |
| I don't know / I don't have an opinion | 1 | 8 |
| I somewhat agree | 5 | 38 |
| I strongly agree | 4 | 31 |
| Total | 13 | 100 |

Table 3.2

Altogether 69% of the respondents either agreed or strongly agreed that managing multicultural work teams is more difficult than managing homogenous work groups. The same percentage agreed that leaders managing multicultural work groups are more skilled than those managing only homogenous work groups. However, three respondents (23%) disagreed with the latter statement.

Question 3: *I'm happy with my leader's management style*

Management style is always a question of debate. This was also the case in this questionnaire as the opinions were very mixed. The same percentage (38%) somewhat

agreed and somewhat disagreed with the management style of their leader. Altogether the respondents weren't totally happy with their leader's management style as 53% answered negatively to this statement. When asked about the respondents if they think *there are other, better management styles than of that used in their companies (question 4)* the majority strongly agreed. 31% of the respondents don't know or don't have opinion on the matter. Usually it might be difficult to put one's finger on what lacks in the management styles, which can explain this result.

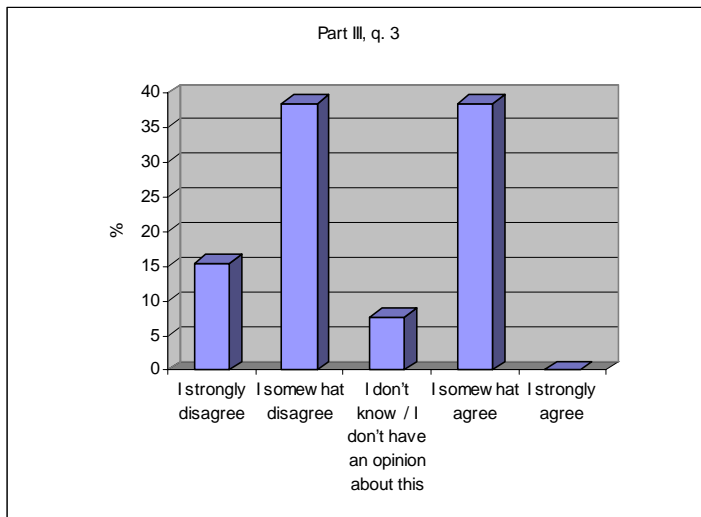


Figure 3.3

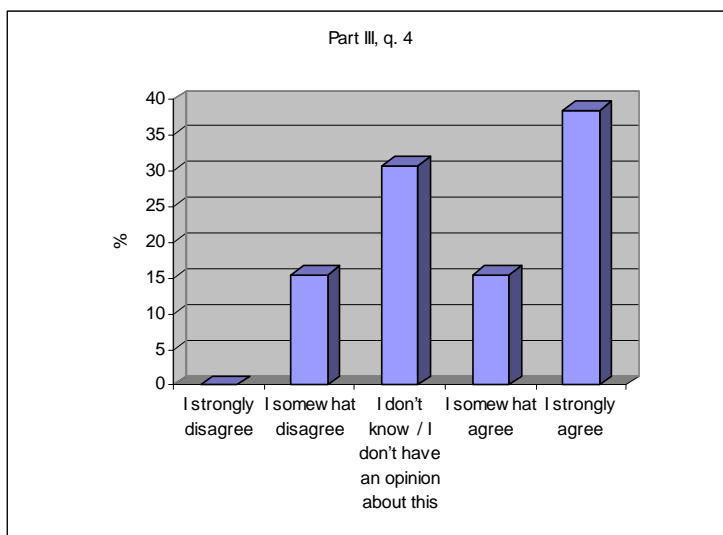


Figure 3.4

Question 5: I believe that anyone can be a good leader, if given the proper education and training

The respondents agreed with the fact that education and training doesn't necessarily result in good leadership. Only two of the respondents (15%) agreed with the above

statement. In fact, 11 of the respondents (85%) agreed with John Quincy Adams on *question 7: If your actions inspire others to dream more, learn more, do more and become more, you are a leader.*

| Part III, q. 5 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 3 | 23 |
| I somewhat disagree | 6 | 46 |
| I don't know / I don't have an opinion | 2 | 15 |
| I somewhat agree | 2 | 15 |
| I strongly agree | 0 | 0 |
| Total | 13 | 100 |

Table 3.5

| Part III, q. 7 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 0 | 0 |
| I somewhat disagree | 1 | 8 |
| I don't know / I don't have an opinion | 1 | 8 |
| I somewhat agree | 7 | 54 |
| I strongly agree | 4 | 31 |
| Total | 13 | 100 |

Table 3.6

Question 6: I believe my leader will help me if I have troubles at work

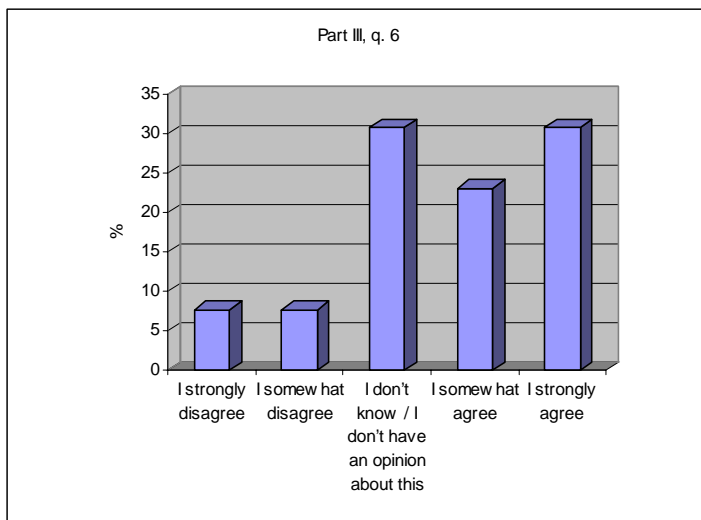


Figure 3.7

31% of the respondents didn't know or didn't have an opinion about this statement. Just as many strongly believed that their leader will do their best at helping them if they face difficulties at work. Altogether 16% of the respondents didn't believe their leader would help them.

Question 8: I don't think the managers really understand the amount of workload I have.

The managers should always be well aware of how much work their employees do. This clearly hasn't been the case in the respondents' organizations as 54% believed that their managers aren't aware of their workload. 31% believed that the managers know their work situation.

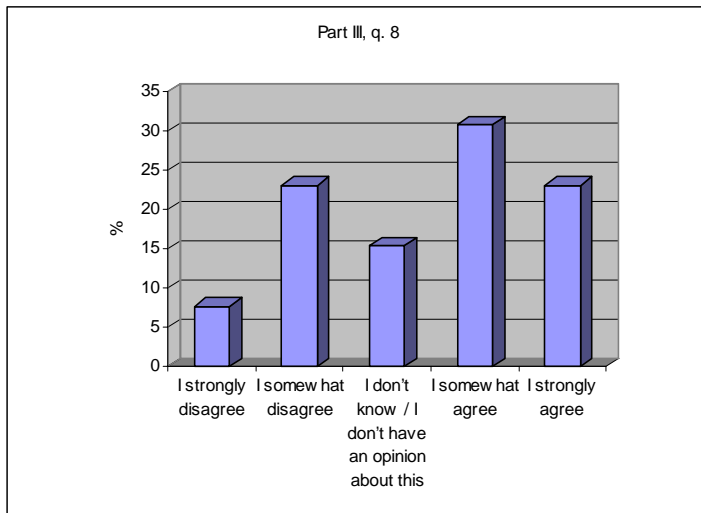


Figure 3.8

The respondents were asked to name three most important characteristics of a good leader. According to the respondents, the leader has to respect the people working under him/her, know how to motivate his/her followers, and treat everyone equally. The three characteristics are highlighted in the graph below.

| Three characteristics of a good leader | | |
|---|-----------------|----------|
| | <i>Quantity</i> | <i>%</i> |
| respects the people working under him/her | 9 | 23 |
| knows how to motivate his/her followers | 7 | 18 |
| listens to his/her follower's ideas | 0 | 0 |
| sets goals and carries them out | 2 | 5 |
| trusts others | 3 | 8 |
| doesn't feel himself/herself superior to others | 2 | 5 |
| treats everyone equally | 7 | 18 |
| is receptive to criticism | 1 | 3 |
| gives constructive feedback | 6 | 15 |
| is patient | 0 | 0 |
| is flexible | 1 | 3 |
| other, what | 1 | 3 |
| Total | 39 | 100 |

Table 3.9

14.4 Part IV – Working in a multicultural environment

| Part IV, q. 1 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 0 | 0 |
| I somewhat disagree | 0 | 0 |
| I don't know / I don't have an opinion | 4 | 31 |
| I somewhat agree | 5 | 38 |
| I strongly agree | 4 | 31 |
| Total | 13 | 100 |

Table 4.1

When asked if the respondents *prefer working in a multicultural environment as opposed to working in a homogenous environment (question 1)*, 69% agreed with the statement. None of the respondent's disagreed with this statement, but 31% didn't make up their mind about the statement.

| Part IV, q. 2 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 0 | 0 |
| I somewhat disagree | 2 | 15 |
| I don't know / I don't have an opinion | 2 | 15 |
| I somewhat agree | 5 | 38 |
| I strongly agree | 4 | 31 |
| Total | 13 | 100 |

Table 4.2

| Part IV, q. 3 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 0 | 0 |
| I somewhat disagree | 1 | 8 |
| I don't know / I don't have an opinion | 3 | 23 |
| I somewhat agree | 5 | 38 |
| I strongly agree | 4 | 31 |
| Total | 13 | 100 |

Table 4.3

Question 2 was: *I believe our company is stronger due to cultural diversity*. As we can see from the chart, 38% somewhat agreed with this statement and 31% strongly agreed with this statement. Two people disagreed with this. A total of 69% believed that *cultural diversity is appreciated in their company (question 3)* whereas 23% didn't know or didn't have an opinion.

| Part IV, q. 4 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 2 | 15 |
| I somewhat disagree | 0 | 0 |
| I don't know / I don't have an opinion | 1 | 8 |
| I somewhat agree | 6 | 46 |
| I strongly agree | 4 | 31 |
| Total | 13 | 100 |

Table 4.4

| Part IV, q. 5 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 3 | 23 |
| I somewhat disagree | 0 | 0 |
| I don't know / I don't have an opinion | 5 | 38 |
| I somewhat agree | 4 | 31 |
| I strongly agree | 1 | 8 |
| Total | 13 | 100 |

Table 4.5

The respondents were asked if they think multicultural work teams face more difficulties than homogenous work teams. 77% of the respondents believed that *multicultural work teams do in fact face more difficulties than homogenous work teams (question 4)*. Only two people strongly disagreed with this statement. At the same time, however, 23% strongly disagreed, and 31% somewhat agreed with *working in a multicultural work group is more stressful than working in a homogenous work group (question 5)*.

62% of the group also agreed that *miscommunication and misunderstandings occur more often in multicultural environment (question 6)*. 23% somewhat disagreed with this.

| Part IV, q. 6 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 1 | 8 |
| I somewhat disagree | 3 | 23 |
| I don't know / I don't have an opinion | 0 | 0 |
| I somewhat agree | 8 | 62 |
| I strongly agree | 1 | 8 |
| Total | 13 | 100 |

Table 4.6

Question 7 was: Miscommunication is an everyday problem in multicultural work communities. The way the respondents answered to this one is actually quite interesting. 38% somewhat agreed with this statement whereas 23% strongly disagreed and 31% somewhat disagreed with this statement.

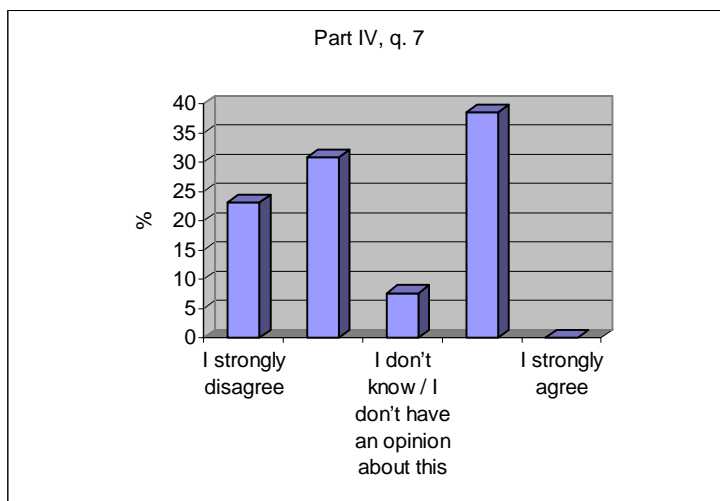


Figure 4.7

When asked if the respondents feel that *their ideas are repeatedly misunderstood (question 8)*, the majority (46%) didn't know or didn't have an opinion. A total of 38% thought that their ideas were understood just fine in the work community. *The ninth question determined if the respondents felt that their ideas and comments are continually dismissed.* 46% strongly disagreed with this statement, 31% somewhat disagreed, 15% didn't know, and only one respondent somewhat agreed with this statement.

| Part IV, q. 8 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 3 | 23 |
| I somewhat disagree | 2 | 15 |
| I don't know / I don't have an opinion | 6 | 46 |
| I somewhat agree | 2 | 15 |
| I strongly agree | 0 | 0 |
| Total | 13 | 100 |

Table 4.8

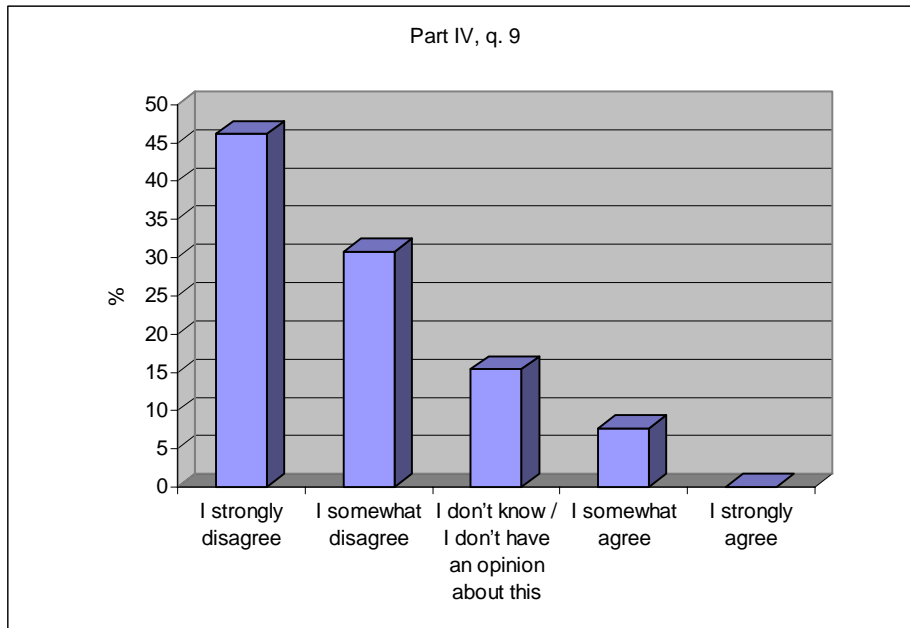


Figure 4.9

Question 10: *If given the choice, I would prefer having more people from my nationality in our work group.*

Question 11: *I believe some cultures are inferior compared to others.*

| Part IV, q. 10 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 3 | 23 |
| I somewhat disagree | 3 | 23 |
| I don't know / I don't have an opinion | 6 | 46 |
| I somewhat agree | 1 | 8 |
| I strongly agree | 0 | 0 |
| Total | 13 | 100 |

Table 4.10

| Part IV, q. 11 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 11 | 85 |
| I somewhat disagree | 0 | 0 |
| I don't know / I don't have an opinion | 2 | 15 |
| I somewhat agree | 0 | 0 |
| I strongly agree | 0 | 0 |
| Total | 13 | 100 |

Table 4.11

As we can see from the above graphs, 46% of the respondents didn't know or didn't have an opinion whether they'd like to include more fellow citizens into their work groups. As a matter of fact 23% both strongly disagreed or somewhat disagreed with this statement.

14.5 Part V – Motivation and Job Satisfaction

Job motivation is always hard to measure and that was the case also with this research. The *first question* of part V asked about *the level of motivation towards one's job*. As expected, the results were split. 38% answered that they were somewhat highly motivated with their jobs, but at the same time 31% announced that they somewhat disagreed with the statement. 8% strongly agreed with the statement and the other 8% strongly disagreed with the given statement.

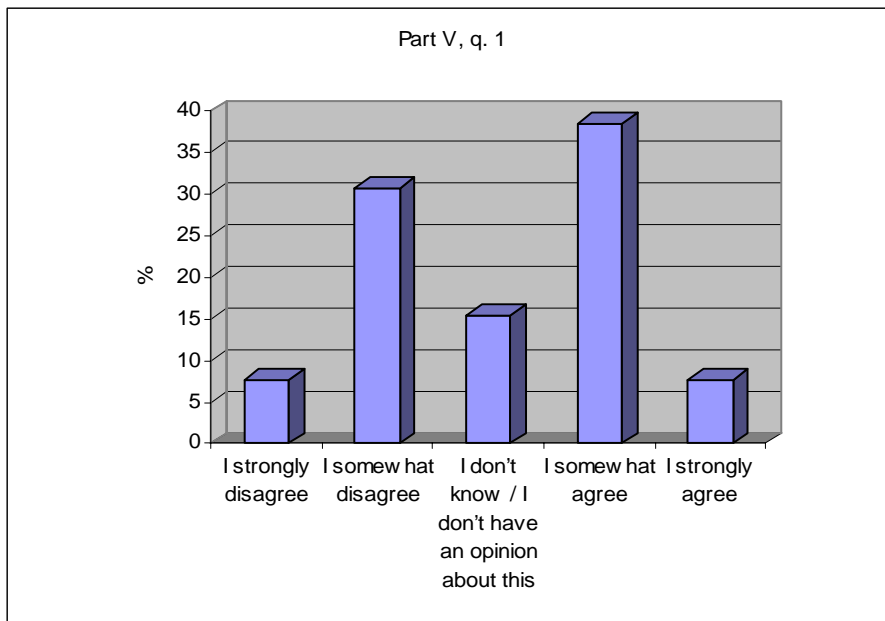


Figure 5.1

The *second question* determined how satisfied the respondents were with their job. 38% somewhat disagreed with the statement that they'd *be very satisfied with their job*. The second biggest group was those, who didn't either know or didn't have an opinion with 31% of the respondents. Altogether 30% somewhat agreed or strongly agreed with the statement. The *third question* was: *"I'm satisfied with my current position in the company"*. 46% somewhat agreed with this statement and 8% strongly agreed, leaving them at total of 54%. 23% of the respondents somewhat disagreed with this.

| Part V, q. 2 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 0 | 0 |
| I somewhat disagree | 5 | 38 |
| I don't know / I don't have an opinion | 4 | 31 |
| I somewhat agree | 2 | 15 |
| I strongly agree | 2 | 15 |
| Total | 13 | 100 |

Table 5.2

| Part V, q. 3 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 1 | 8 |
| I somewhat disagree | 3 | 23 |
| I don't know / I don't have an opinion | 2 | 15 |
| I somewhat agree | 6 | 46 |
| I strongly agree | 1 | 8 |
| Total | 13 | 100 |

Table 5.3

Questions 4 and 5 asked which determinants the respondents feel that are strongly linked with job satisfaction; the person's own initiative or the management style? As we can see from the graphs below, 54% strongly agreed that management style is the main determinant of job satisfaction. All in all, 85% agreed that management styles plays crucial role in this matter. The respondents also admitted that person's own initiative is also important; altogether 69% agreed with this statement. 23% somewhat disagreed with this, and only one didn't have an opinion or didn't know.

| Part V, q. 4 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 0 | 0 |
| I somewhat disagree | 1 | 8 |
| I don't know / I don't have an opinion | 1 | 8 |
| I somewhat agree | 7 | 54 |
| I strongly agree | 4 | 31 |
| Total | 13 | 100 |

Table 5.4

| Part V, q. 5 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 0 | 0 |
| I somewhat disagree | 3 | 23 |
| I don't know / I don't have an opinion | 1 | 8 |
| I somewhat agree | 4 | 31 |
| I strongly agree | 5 | 38 |
| Total | 13 | 100 |

Table 5.5

When asked about the *atmosphere at work (question 6)* a total of 61% agreed that the atmosphere at work was good. 15% somewhat disagreed and the remaining 23% didn't know or didn't have an opinion. 54% somewhat agreed that they *feel close to their colleagues (question 7)* Only 8% somewhat disagreed with this statement.

| Part V, q. 6 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 0 | 0 |
| I somewhat disagree | 2 | 15 |
| I don't know / I don't have an opinion | 3 | 23 |
| I somewhat agree | 3 | 23 |
| I strongly agree | 5 | 38 |
| Total | 13 | 100 |

Table 5.6

| Part V, q. 7 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 0 | 0 |
| I somewhat disagree | 1 | 8 |
| I don't know / I don't have an opinion | 3 | 23 |
| I somewhat agree | 7 | 54 |
| I strongly agree | 2 | 15 |
| Total | 13 | 100 |

Table 5.7

Managers and researchers have always wondered whether *job satisfaction has a strong effect on job performance (question 8)*. The respondents of this questionnaire clearly agreed that this was in fact the case: 38% of the respondents somewhat agreed with this statement, and 62% strongly agreed with the statement, totalling 100%. None of the respondents disagreed with this statement and everybody had an opinion on the matter.

| Part V, q. 8 | | |
|--|----------|-----|
| | Quantity | % |
| I strongly disagree | 0 | 0 |
| I somewhat disagree | 0 | 0 |
| I don't know / I don't have an opinion | 0 | 0 |
| I somewhat agree | 5 | 38 |
| I strongly agree | 8 | 62 |
| Total | 13 | 100 |

Table 5.8

The final question of the questionnaire asked the respondents to determine their *biggest job motivator*. The respondents were given five alternatives: money, the work itself, power, self-achievement, and freedom. For most of the respondents the most biggest motivator was in fact self-achievement (38%): it is important to achieve the person's own goals and missions at work. The second runner-up was the work itself with 31%, followed by money and freedom, both 15%. Nobody named power as their biggest motivator.

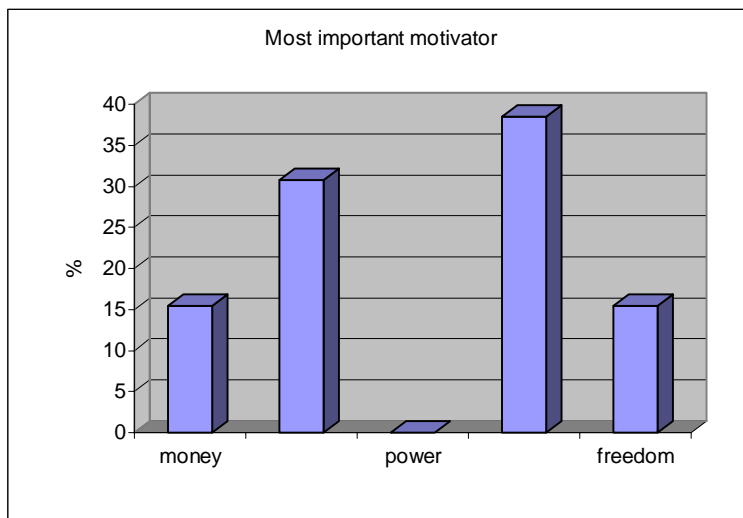


Figure 5.9

15.1 Conclusion and Research Findings

Multicultural work teams have always been a subject of debate. Many think that multicultural work teams will bring about more difficulties, and that they are more difficult to manage. Multicultural work teams mostly fail because of poor leadership style. This is why appropriate leadership style is of vital importance in multicultural work teams. It is very important that the leader recognizes every culture in the work team, and knows how to take those cultures into consideration. Just like every work team requires the right leader, the leader also requires the right work team. This means that since changing one's leadership style is very difficult, if not impossible, it should be recognized that not every leader can manage multicultural work teams. Cultural awareness is the key word in this case.

Culture has a big impact on people; it shapes our thinking, behaviour, and communication. Culture is not transmitted in birth, but instead the child learns the culture from interaction with others. Cultures have always helped people define themselves, and that's why cultures play such a big role in everybody's life. If one wants to learn how to understand other cultures, a good option is to familiarize oneself with the Hofstede's Dimensions. A Dutch researcher Geert Hofstede has made one of the most famous studies about cultures by breaking it to the five determinants which affect the people of that culture as well as the whole society at large.

Another culture that also shapes people's behaviour is that of organizational culture. Organizational culture is a system of shared meaning, which distinguishes the organization from other organizations. Organizational culture exists in every organization, although some are weaker and some are stronger. The organizational culture can also become a barrier. If the organization experiences a big change, the organizational culture has to be changed, too.

Job motivation, -satisfaction, and -performance have always interested the researchers. Previously it was thought that one inevitably affects the other and so on, but the latest researches have shown that this is not exactly the case. Instead of treating these three as a group, they should instead be treated individually. Keeping the employees is motivated

and satisfied, may not be an easy task, but it most certainly isn't an impossible task. Listening to the employee's thoughts and feelings can help the managers to make the right decision. Communication should not be directed only from down to top, but instead the communication should flow from down to top, and from top to down. Maintaining good relationships with the followers is very important.

Since theory and practice sometimes tend to differ, a small research was conducted in order to find out how well the presented theory and the real working life go hand in hand. The questionnaire consisted of five parts: I – Personal Information, II – Culture and Organization, III – Leadership, IV – Working in a Multicultural Environment, and V – Motivation and Job Satisfaction. The questionnaire was distributed to 15 people, out of whom 13 answered, giving the questionnaire return rate of 87%. The majority of the respondents were female (69%), and the biggest age group was those of 26-34 year-olds. All of the respondents worked or are presently working in internationally well-known, multicultural organizations. Seven nationalities were represented in this research, the two biggest groups being the Finns, and the Hungarians.

Majority of the respondents feel that different cultures are taken into consideration in their work place. They also feel that multiculturalism is appreciated and valued in their organization, although some believe that some cultures are yet viewed as superior to others. Everybody agreed that understanding of other cultures is vital in multicultural organizations, and 92% agreed that globalization requires multicultural work organizations.

The respondents also believe that managing multicultural work teams is in fact more difficult, and thus leaders managing multicultural work teams are more skilled than those managing homogenous work teams. The questionnaire results also agree with other researches that not everyone is necessarily a good leader, but that it takes some special characteristics. 85% agreed with John Quincy Adams on "If your actions inspire others to dream more, learn more, do more and become more, you are a leader". The group named the three most important characteristics of a good leader: 1) the leader has to respect the people working under them, 2) know how to motive his followers, and 3) treat everyone equally.

All respondents prefer working in multicultural work teams instead of working in homogenous work teams. They also support the researches by stating that multicultural work teams are to face more difficulties than teams consisting of only one nationality and cultural background, and that miscommunication and misunderstandings occur more often in multicultural work teams. The respondents don't think that misunderstandings are an everyday problem: only that it happens more often than in homogenous work teams. The opinions were split on whether working in multicultural is more stressful. The respondents are culturally very aware, and believe that all cultures are in the same line in their eyes. 46% don't wish to have more people of their own nationality working in their teams; another 46% didn't know or didn't have an opinion about this matter.

85% of the respondents believed that management style plays a crucial role in job satisfaction. Nevertheless, the majority of the respondents also agreed that person's own initiative is also important in determining job satisfaction. 38% were quite highly motivated with their job, whereas 31% were somewhat demotivated.

The study also showed that the respondents believe that there is in fact a strong correlation between job satisfaction and job performance. This seems to be in contrast with the new theory, and instead support the old theory. The respondents named their biggest motivator to be self-achievement. None of the respondents viewed power as their biggest motivator.

The study of multicultural work teams is still rather new, and new things are presented all the time, as the new researches bring about more information. A lot still has to be learned about multicultural work teams, and especially, how to manage them properly. At their best, multicultural work teams are very effective: the brainstorming increases rapidly as different points of view present various ideas. Everything is viewed from more than one perspective, which broadens the organization's vision.

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APPENDIX 1

QUESTIONNAIRE

Hi!

I'm a fourth year International Business student from Tampere Polytechnic, University of Applied Sciences. This questionnaire will be a part of my final thesis, Working in a Multicultural Environment. Please fill in this questionnaire; it will only take you few minutes!

Yours, Nina Matikainen

PART I – Personal Information

I am male
 female

I am 20-25 years old
 26-34 years old
 35-45 years old
 46-54 years old
 55+ years old

My nationality is _____.

I have been working for my company for _____ years.

The name of the company (optional) _____

I have been working in a multicultural work groups before yes
 no

If yes, the number of years worked in multicultural work groups _____ years

I have lived in Finland for _____ years.

I have worked/ I'm currently working abroad (Finland) ____ yes
____ no

If yes, please list the countries and duration.

Multiple choice

On a scale of 1 to 5, please circle the option you think is most suitable.

1 = I strongly disagree

2 = I somewhat disagree

3 = I don't know / I don't have an opinion about this

4 = I somewhat agree

5 = I strongly agree

PART II - Culture and Organization

1. Globalization requires multicultural firms. 1 2 3 4 5
2. Understanding of other cultures is vital in
a multicultural organization. 1 2 3 4 5
3. My company has a strong organizational culture. 1 2 3 4 5
4. The dominant organizational culture is very
strong in my company, leaving little if any,
room for organizational subcultures. 1 2 3 4 5
5. I feel that not all cultures are taken into

- | | | | | | |
|--|---|---|---|---|---|
| consideration in my company. | 1 | 2 | 3 | 4 | 5 |
| 6. I feel that my culture is not taken into consideration in my company. | 1 | 2 | 3 | 4 | 5 |
| 7. I have difficulties in adapting my company's organizational culture. | 1 | 2 | 3 | 4 | 5 |
| 8. The organizational culture is very different from my own national culture. | 1 | 2 | 3 | 4 | 5 |
| 9. I believe some cultures are viewed as "superior" to other cultures in my company. | 1 | 2 | 3 | 4 | 5 |

PART III - Leadership

- | | | | | | |
|---|---|---|---|---|---|
| 1. I believe it is more difficult to manage multicultural work groups than homogenous work groups. | 1 | 2 | 3 | 4 | 5 |
| 2. I believe that leaders managing multicultural work groups are more skilled than those managing homogenous work groups. | 1 | 2 | 3 | 4 | 5 |
| 3. I'm happy with my leader's management style. | 1 | 2 | 3 | 4 | 5 |
| 4. I believe there are other better management styles than of that used in our company. | 1 | 2 | 3 | 4 | 5 |
| 5. I believe that anyone can be a good leader, if given the proper education and training. | 1 | 2 | 3 | 4 | 5 |

6. I believe that my leader will listen and help me
if I have troubles at work. 1 2 3 4 5
7. If your actions inspire others to dream more,
learn more, do more and become more,
you are a leader. (John Quincy Adams) 1 2 3 4 5
8. I don't think the managers really understand
the amount of workload I have. 1 2 3 4 5

Please tick the **three (3)** most important characteristics of a good leader

- respects the people working under him/her
- knows how to motivate his/her followers
- listens to his/her follower's ideas
- sets goals and carries them out
- trusts others
- doesn't feel himself/herself superior to others
- treats everyone equally
- is receptive to criticism
- gives constructive feedback
- is patient
- is flexible
- other, what _____

PART IV - Working in a Multicultural Environment

1. I prefer working in a multicultural environment
as opposed to working in a homogenous
environment. 1 2 3 4 5
2. I believe our company is stronger due to

- | | | | | | |
|--|---|---|---|---|---|
| cultural diversity. | 1 | 2 | 3 | 4 | 5 |
| 3. I believe that cultural diversity is appreciated in our company. | 1 | 2 | 3 | 4 | 5 |
| 4. I believe multicultural work teams face more difficulties than homogenous work teams. | 1 | 2 | 3 | 4 | 5 |
| 5. I believe that working in a multicultural work group is more stressful than working in a homogenous work group. | 1 | 2 | 3 | 4 | 5 |
| 6. Miscommunication and misunderstandings occur more often in multicultural work teams. | 1 | 2 | 3 | 4 | 5 |
| 7. Miscommunication is an everyday problem in multicultural work communities. | 1 | 2 | 3 | 4 | 5 |
| 8. I feel that others don't always understand my ideas. | 1 | 2 | 3 | 4 | 5 |
| 9. I feel that my ideas and comments are continually dismissed. | 1 | 2 | 3 | 4 | 5 |
| 10. If given the choice, I would prefer having more people from my nationality in our work group. | 1 | 2 | 3 | 4 | 5 |
| 11. I believe that some cultures are inferior as compared to others. | 1 | 2 | 3 | 4 | 5 |

PART V – Motivation and job satisfaction

- | | | | | | |
|---------------------------------------|---|---|---|---|---|
| 1. I am highly motivated with my job. | 1 | 2 | 3 | 4 | 5 |
|---------------------------------------|---|---|---|---|---|

- | | | | | | |
|--|---|---|---|---|---|
| 2. I am very satisfied with my job. | 1 | 2 | 3 | 4 | 5 |
| 3. I'm satisfied with my current position in the company. | 1 | 2 | 3 | 4 | 5 |
| 4. I believe that job satisfaction is highly dependent with the management style. | 1 | 2 | 3 | 4 | 5 |
| 5. I believe that job satisfaction is highly dependent on a person's own initiative. | 1 | 2 | 3 | 4 | 5 |
| 6. I feel that the atmosphere at work is good. | 1 | 2 | 3 | 4 | 5 |
| 7. I feel close to my colleagues. | 1 | 2 | 3 | 4 | 5 |
| 8. I believe that job satisfaction has a strong effect on job performance. | 1 | 2 | 3 | 4 | 5 |

Please tick the most important motivator

- money
- the work itself
- power
- self-achievement
- freedom

THANK YOU VERY MUCH FOR YOUR TIME!!!