Challenges in Managing Multicultural Teams

ABSTRACT

The aim of the article is to identify challenges in managing multicultural teams, which, according to the authors, are extremely important in modern human resource management. This paper is based on literature studies and available reports. The authors prove that the challenges associated with the effective management of multicultural teams are very large, especially considering the stereotypes and prejudices related to the cultural diversity of employees and the diverse competences of managers who manage multicultural teams. The main value of the study is to clarify the need to raise the awareness of managers in terms of the development potential of multicultural teams, taking into account both their strengths and weaknesses, while pointing to the need for competence development in managers and their ability to build positive relations between representatives of different cultures.

KEY WORDS: multiculturalism, intercultural management, cultural diversity, multicultural teams, manager
1. Introduction

In the wake of globalization and growing competition, employees and their behaviors are increasingly becoming a major determinant of the development of modern organizations. As M.J. Stankiewicz writes,

the behaviors of people are always the accelerator of actions and resource productivity. Behaviors that result in high efficiency of operations and resource productivity ... In turn, the behavior of people, including employees of enterprises, also have their reasons, which include a specific organizational climate and a specific organizational culture. The climate and culture stimulating pro-development behaviors are particularly desirable because they positively affect the development of the enterprise.¹

Especially in international environments, multicultural teams influence the development potential of the organization.

According to the authors, attitudes and behaviors of employees in such teams and their multi-faceted experiences can positively affect innovation, flexibility, the speed of adaptation on various markets and building a competitive advantage. Shaping positive work environments in multicultural teams and using the talents and experience of employees from different countries are the basic tasks of contemporary managers operating in international environments.

The aim of the article is to analyze the issues of multiculturalism in the context of the functioning of culturally diverse teams and the competences of managers responsible for their work.

The research method chosen by the authors is the analysis of the literature in the field of multiculturalism and intercultural management, in addition to research carried out by various authors in the area of discussed issues.

2. Multiculturalism and multicultural management – concepts

Ongoing globalization has resulted in increased migration and the emergence of supranational organizations. This had a significant impact on the way of managing organizations, in particular in the situation of cultural diversity of employees. The concept of managing diversity (multiculturalism) has begun to develop.

Many representatives of various sciences, e.g., psychology, sociology or management studies have dealt with the issue of multiculturalism. In the literature on multiculturalism, we find various approaches to these issues and the analyzed research problems. The contemporary direction of research on the impact of national culture on the development of the organization, and thus also on human resources management, was shaped by G. Hofstede, F. Trompenaars, and R. House.

Multiculturalism is treated as a phenomenon of merging and adding various patterns in people’s actions. It is possible only through the use of appropriate language, moral and religious norms, or accepted values. In addition to these elements, multiculturalism may be influenced by shared destinies or traditions.

Other multicultural authors refer directly to the organization in which this phenomenon occurs. Pointing out that a multicultural organization allows for the existence and cooperation of various cultural and social groups as full participants realizing the mission and goals of the organization, such as eliminating activities that can in any way represent social oppression and educating others in a multicultural perspective.
The occurrence of multiculturalism in organizations has more and more often resulted in the presentation of models of multicultural organizations in the literature. They stand out among others types and levels of multicultural development of the organization. According to T. Paleczny, three levels of multiculturalism can be identified in organizations: coexistence, penetration and confusion, and structural connection. A specific type of multiculturalism in organizations is influenced, among others, by relations between people, a decision-making process that can improve or hinder achievement of the organization’s goals.

In 1981, B.W. Jackson and R. Hardiman, in the article *Organizational stages of multicultural awareness*, developed a model describing three levels of multiculturalism in organizations (a monocultural organization, a non-discriminating organization, and a multicultural organization), in which each of them is separated into two stages in a multicultural development process. The stages are sequential, but this does not mean that the organization is only on one level of multiculturalism. Experience from functioning and limitations at a given level contribute to the organization’s ability to move to the next stage. An organization may show that it is on one, several or all levels of multiculturalism in its individual units or departments.

Multicultural management is referred to in the literature as the management of cultural diversity, intercultural management, or multiculturalism. Most often, it is identified with the existence of at least two cultures in one organization. The more cultures co-exist in an organization, the more managers should be shaping the elements of a multicultural organization, emphasizing the similarities and cultural differences of individual employee groups.

Multicultural management in organizations covers many socio-cultural aspects that may affect the functioning of human teams as well as the entire organization. Among them, there are five groups:

- demographic characteristics such as age, ethnicity, gender, sexual orientation, physical condition, religion, and education;
- knowledge, skills, and abilities related to tasks;
- values, views, and attitudes;
- personality and cognitive styles, and attitudes;
- organization status, such as hierarchical position, professional domain, an affiliation with branches, and seniority. This is mainly about recognizing, taking into account and respecting the diversity of cultural groups – building a society without prejudice and discrimination.

The authors would like to emphasize that the increase in the internationalization of work environments is more and more often affecting the management processes taking place in contemporary organizations. This is particularly visible in the area of activities undertaken in relation
to human resources, including conducting training in the field of cultural diversity or using new forms of communication (table 1).

**Table 1. Levels of work environment internationalization**

<table>
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<th>Level</th>
<th>Characteristics</th>
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| Low   | • over 90% of employees are local employees  
       | • contact mainly with representatives of the contractor on foreign markets using modern technologies  
       | • cooperation with foreign partners forces employees (mainly top-level personnel and selected specialists) to visit at foreign locations of contractors  
       | • the binding language is the language of the country in which the company’s headquarters are located  
       | • the local career model dominates |
| Middle| • 50-90% of staff in a given unit represent the same country of origin, other employees come from other countries  
       | • the company’s activity is carried out on the territory of min. 2 countries  
       | • local culture dominates  
       | • the local language prevails, but some of the documents are created in a foreign language known in all business units  
       | • frequent contacts with partners using modern technologies  
       | • there are projects/activities that require close cooperation between representatives of various business units  
       | • procedures are mainly created at the head office and implemented independent business units  
       | • usually local career, foreign positions only for outstanding specialists and top management |
| High  | • employees are representatives of various countries  
       | • any entity initiating employment (headquarters, branch, own initiative of the employee)  
       | • high mobility of employees, frequent occurrence of multicultural teams  
       | • trans-corporation culture with local elements dominates  
       | • intensive use of modern technologies, frequent occurrence of virtual teams  
       | • there are two languages in force, of which the trans corporate language is dominant  
       | • the best solutions are implemented in all units regardless of the country of origin  
       | • high flexibility of working hours and tools used  
       | • possible international career model |


It is important to internationalize the work environment leaving the branches a high degree of freedom in the implementation of tasks, also with regard to employees. This has an impact on better utilization of employees’ potential, thus increasing the competitiveness of the entire corporation.
To sum up, in the literature, the term *multiculturalism* is defined by many authors representing various sciences, which means that one can still speak about ambiguity in defining this term. It is used to define existing cultural diversity at the level of society or individual organizations, in which actions are taken to eliminate social oppression, as well as involve and educate all employees in the aspect of organizational functioning in a multicultural perspective.

Increasingly, in the literature, one can also observe attempts to indicate the levels of multicultural development in the organization, as well as the diversity of activities undertaken in the organization, depending on the level of internationalization of the work environment. It should be noted that the phenomenon of multiculturalism in the organization should be considered in terms of durability, multi-levelness, and voluntary intercultural contacts.

The basic tasks of people managing a modern organization should, therefore, be a constant analysis and recognition of the levels and stages of multiculturalism, depending on the units or departments and adapting the appropriate management tools. In particular, it is visible in the work of teams consisting of employees from different countries with different religious denominations and system of values.

### 3. Working in multicultural teams – advantages and disadvantages

The development of international organizations has contributed to the emergence of global teams whose members differ not only in terms of their place of residence, but also have a different cultural background (different values and expectations) and come from various professional backgrounds. This has both positive and negative effects on the functioning of the organization. On the one hand, this may lead to conflicts and misunderstandings between colleagues as a result of differences in professed values, and on the other hand to create innovative ideas that are the result of the diversity of team members.

In the literature, the results of research showing both positive and negative aspects of the operation of multicultural teams are also increasingly found (table 2). Positive effects include, in particular, increased levels of creativity,²

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more complex thinking, higher awareness and responsiveness of multicultural groups compared to monocultural groups, improvement of quality, learning ability and vitality, positive organizational changes, increase of satisfaction and efficiency of communication.

Trefry, in research conducted among employees representing nine nationalities who have worked in eight multicultural organizations in Luxembourg, shows that the basic advantages of acting in such diverse teams include: the ability to apply knowledge from different cultures in implemented business projects; better decision making and problem-solving taking into account different perspectives; increased creativity and innovation of the products and services provided. In addition, the respondents pointed to individual benefits such as increased personal coping skills in unexpected situations; broadening employee perspectives in the field of diverse issues in the organization; increase in tolerance and acceptance of interpersonal differences; greater flexibility in their own behavior, styles of communication and interaction; the opportunity to get to know yourself better.

Greater tolerance towards representatives of other cultures is the basic advantage of working on multicultural teams. In an international environment, it is known that employees from different countries are different, hence leaving them space to be different is advised. The sense of group acceptance undoubtedly influences the level of motivation, quality of work or speed of action in such teams. Diversified experiences of members

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of multicultural teams have an impact on greater creativity, creative problem solving and searching for new solutions.

Table 2. Advantages and disadvantages of diversity in multicultural teams

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
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<tr>
<td>Diversity permits increased creativity</td>
<td>Diversity causes lack of cohesion</td>
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<tr>
<td>+ Wider range of perspectives</td>
<td>– Mistrust</td>
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<tr>
<td>+ More and better ideas</td>
<td>– Miscommunication</td>
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<tr>
<td>+ Less groupthink</td>
<td>– Stress</td>
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<tr>
<td>Diversity forces enhanced concentration to understand others’</td>
<td>Lack of cohesion causes an inability to</td>
</tr>
<tr>
<td>+ Ideas</td>
<td>– Validate ideas and people</td>
</tr>
<tr>
<td>+ Perspectives</td>
<td>– Agree when the agreement is needed</td>
</tr>
<tr>
<td>+ Meanings</td>
<td>– Gain consensus on decisions</td>
</tr>
<tr>
<td>+ Arguments</td>
<td>– Take collaborative action</td>
</tr>
<tr>
<td>Increased creativity can lead to generating</td>
<td>Teams can become</td>
</tr>
<tr>
<td>+ Better problem definitions</td>
<td>– Less efficient</td>
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<tr>
<td>+ More alternatives</td>
<td>– Less effective</td>
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<tr>
<td>+ Better solutions</td>
<td>– Less productive</td>
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According to the authors, multicultural teams also provide greater opportunities for effective cooperation on international markets and the ability to efficiently operate at the crossroads of different cultures, and that they effectively recognize and satisfy the needs of international clients.

Adler points out that although multicultural teams have the potential to be the most effective and efficient teams, they often become the least productive. The greater diversity among team members makes the interaction and dynamics of the group much more complex. Trefra’s research results show that team development may be slower because the time needed to build relationships and trust is longer. Among other flaws, in a multicultural team, respondents point to more time-consuming and more difficult communication between different people; creating a common understanding requires much more effort; different expectations of different people often lead to misunderstandings, conflicts and more negative assessments. Such problems may reduce organizational efficiency and increase organizational
costs, mainly due to the increase in staff turnover and the time necessary to solve problems arising in the functioning of multicultural teams.

In addition, the disadvantages of working in multicultural teams include, for example, such phenomena as distrust, conflicts, misunderstandings or communication difficulties just in the context of cultural differences. In many organizations, multiculturalism of the group may create negative dynamics, such as ethnocentrism, stereotypes and cultural clashes. These phenomena may adversely affect team relations, limit cooperation, lead to a decrease in the quality of tasks performed, negatively affecting employee attitudes and behavior.

It is essential that in all multicultural teams, all employees have a well-mastered language in which they communicate. Language problems and various, often completely different, communication behaviors may lead to many limitations in effective cooperation and action.

The disadvantages of working on multicultural teams also include the differences that may pertain to the context of cultural communication, i.e. the assessment in terms of the amount of common knowledge and assumptions. In addition, differences regarding the perception of time and space, the diversification of values or various ways of observing the same values in different cultures, such as hospitality, expressing emotions, building relationships, or gifts and souvenirs.

In conclusion, it should be emphasized that in multicultural teams, both positive and negative effects of their functioning in the organization can be observed. The benefits include: empathy, or understanding of the ways of perception, feelings, motives of action and emotions of various groups, acceptance of diversity, taking into account common interests, motivations and values of different groups, ability to make concessions to different groups, constant adaptation, sensitivity to cultural changes and new challenges. Negative aspects include mainly communication problems, emerging misunderstandings about existing stereotypes and cultural differences. Therefore, the manager plays such an important role in the development of such teams.

4. Competencies of managers of multicultural teams

A modern manager should have many competencies that will enable him or her to better manage the organization. It may turn out, however, that a good command of a foreign language or the ability to manage people is not sufficient in managing multicultural teams. Using the same tools and techniques in your home country will not always allow you to achieve
the same results in other countries. An important element is, first and foremost, the manager’s intercultural competence, or intelligence. In the literature, they are defined as “the disposition of exercising control and guiding the social environment in the context of adopted goals in the conditions of cultural diversity while having adequate cognitive and emotional resources.”

According to Thomas and Inkson, an international organization’s manager should have three interrelated and complementary qualities:

• knowledge – the knowledge of intercultural differences;
• getting to know – the ability to recognize and interpret behaviors, gestures, and statements of other people in the international environment in a specific situation and apply the knowledge gained in dealing with others;
• behavior – the ability to respond to the behavior of others in an automatic and effortless manner adapting to the other party free from stereotypes.

In a similar way, he or she recognizes the intercultural competence as defined by K. Gajek, based on the division of competences according to M. Czerepaniak-Walczak, distinguishing three areas: the ability to behave adequately, awareness of the need and effects of behavior, on top of accepting responsibility for the effects of behavior (table 3).

Table 3. Structure and identification of the scope of intercultural competences

| Skills of adequate behavior | knowledge of cultural standards | • everyday rituals
|                            | knowledge of communication codes | • values and standards
|                            | knowledge of group mechanisms | • language and body language
|                            | • the importance of the communication context
| Awareness of the needs and effects of behavior | • mechanisms of group functioning
|                            | • formation of groups and shaping of group identity
| Self-consciousness | • cognitive factors
|                            | • communication factors
| awareness of others | • individual dispositions
|                            | • mechanisms of building and sustaining individual identity
| Ability to take responsibility for action | Self-decision making | • assertiveness
|                            | • impartiality
| Anticipation | • formulating goals
|                            | • selection of communication tools
|                            | • prediction of effects

According to Maznevski and DiStefano, a manager employed in an international organization should be competent in three areas: learning and adaptation, managing interpersonal relationships, and the ability to cope with difficult situations. This is also confirmed by the research of other authors indicating the ability to learn from other cultures, adapt to new situations and changes, and manage cultural diversity. A manager in an international and multicultural environment must be open and understand other cultures, have a desire to learn about them and use the opportunities offered by communing with others and shape a culture that enables success in diverse environments.

To consider the essence and nature of intercultural competences, it is worth to include S. Magala’s approach, which points to three dimensions: creativity, criticism and moral autonomy. With regard to the first dimension, the author wanted to develop the proneness to accidental discoveries, and the flexibility of perception and behaviors resulting from acting in a group of people with different values and beliefs. Their development is possible only through the elimination of various socio-cultural blocks or narrow horizons of thinking created as a result of macrocultural (e.g., ethnic, religious) or mesocultural interactions (e.g., a subculture of the organization) as well as differences at the individual level. On the other hand, managerial criticism is understood as perceiving and respecting social and cultural differences in the ideologies and methodologies of employees. Magala tries to present the last dimension of moral autonomy in the form of a “golden mean” between what is different among employees and organizations, and what the manager perceives, interprets, prefers and applies.

A more detailed approach to intercultural competences is presented by R.M. Steers, C.J. Sanchez-Runde and L. Nardon, namely:

1. A cosmopolitan view of reality – the ability to perceive and understand the differences and paradoxes of the functioning of today’s organizations.
2. Communication competence – knowledge of cultural codes that allow for mutual understanding.
3. Cultural sensitivity – identification and ability to build relationships with representatives of different cultures.
4. Acculturation skills – the ability to quickly match your behaviors and activities to the cultural context.
5. Flexible management style – perception, understanding and taking into account the influence of culture on the management process.
6. Cultural synergy – the ability to build intercultural teams, which thanks to their diversity allows for faster organization development.

Undoubtedly, intercultural competencies are one of the most important issues in the field of organization management today. Therefore, they
are perceived by managers as equal to managerial competencies. Knowledge of cultural differences among employees and its influence on team relations may help to avoid conflicts and encourage employees to define the principles of the group’s activity more appropriately, thus leading to the increase of their effectiveness.

The manager in international organization, wanting to strengthen the relationship that exists between them and the multicultural team, should try to the TACK model:

- **Trust** – the level of trust in the team in terms of assigned tasks in accordance with the organization’s goals;
- **Ambition** – identifying and strengthening the sense of achieving even higher goals among employees;
- **Communication** – analysis of the frequency of communication with employees, identification and elimination of communication errors;
- **Knowledge** – sharing knowledge about implemented projects, as well as understanding the cultural diversity of employees.

The desire to strengthen relationships with intercultural teams forces managers to continuously develop the TACK model. It becomes possible, among others, through the individual development of one’s own managerial competencies. In particular, it is about perception management, relationship management, self-management and moral management.

The literature indicates that the manager has an additional skill resulting from functioning in a multicultural environment, namely, cultural intelligence. It is defined as an individual ability to function and effectively manage cultural diversity based on communication skills, interpersonal skills, and personal characteristics of a manager in terms of tolerance or diversity.

According to Szaban, managers should base their actions on employees working in multicultural teams based in particular on respect for and understanding the dissimilarity of others; identifying problems in the field of cultural differences; constant learning about other cultures and being sensitive to sensitive cultural aspects, so as not to offend anyone; encourage the integration of people from different cultures; applying a simple form of language understandable to all participants of the communication process.

The enumerative approach to management principles to be followed by managers in a multicultural organization is also presented by Koźmiński, who stresses the importance of the following:

- **reflexivity** – the ability to identify forms, manifestations, and sources of multiculturalism;
- **empathy** – the need to understand the ways of perception, feelings, motives of action and emotions of various groups;
- **recognition of diversity** – acceptance for differences;
• community – taking into account common interests, motivations, and values of different groups as well as ethical orientation;
• compromise – the ability to make concessions to various groups;
• constant adaptation – sensitivity to cultural changes and new challenges;
• the speed of action – the ability to anticipate cultural changes and to prepare new patterns of action and norms before they occur.

The introduction and application of the above elements by managers in an organization operating in the conditions of multiculturalism will make it better recognize and properly use the diversity of employee activities, their international experience and the organization’s ability to effectively operate on the international market. According to the authors, the ability to flexibly move around different cultures becomes an important attribute of a modern manager in a multicultural enterprise.

In summary, intercultural competences in management are identified as the ability of managers to work effectively between different cultures. It is not only a knowledge of the cultural diversity of employees, but also the ability to use it in practice, for example, when making the right communication decisions in relations with people from other cultural backgrounds, or the perception of the world’s perspectives of different cultures.

5. Conclusions and future research

Creating the right atmosphere and organizational culture for the functioning of multicultural teams can significantly contribute to the growth of their positive attitude to work and the change of employees’ behavior towards pro-development.

In particular, it concerns phenomena related to experiencing positive emotional states by employees, positive aspects of group dynamics (such as the creation of positive interpersonal relations and mutual trust) and creative (generative) processes. As part of a positive paradigm for the organization, these phenomena are treated as fundamental sources of success for modern organizations.6

Managers perceiving a multicultural team as a homogeneous group may not notice the diversity of resources that these employees represent. Some organizations, such as IBM and Eastman Kodak, have introduced programs focused on the development of multicultural employees,

such as the use of cultural networks to promote knowledge transfer between teams. However, in order for these networks to develop, managers should have knowledge about the level of diversity of multicultural employees, especially in the context of their needs and expectations, as well as talents.

The authors believe that managers responsible for multicultural teams should be able to accurately identify the potential of such teams. Understanding and supporting employees in their daily work, and the ability to motivate and inspire them to take on new challenges are the basic aspects of managerial responsibility for managers in an intercultural environment.

Multiculturalism is a normal element of modern management. The awareness of differences between cultures is therefore particularly important in the work of managers. Lack of knowledge of cultures is usually the cause of problems and difficulties in the functioning of multicultural teams. In turn, cultural diversity of employees influences the development of knowledge, intellectual capital and the development of the entire organization.

Research problems, which are exceptionally valid and important in the context of the issues analyzed in this article, are primarily: the effectiveness of multicultural teams management from the perspective of different cultures (competencies of managers from different cultures), relationships between such aspects as multiculturalism, age and gender of employees and managers, in addition to challenges related to the management of multicultural teams, such as, among others, management of employees’ talents and talents in multicultural teams.

In summary, the key challenge in managing multicultural teams is to understand the nature and significance of cultural differences between employees. The work of managers responsible for the results achieved by such teams requires care and regularity in the development of intercultural competencies, which are particularly important for building organizations open to a variety of employee attitudes and behaviors.

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Wioleta J. Karna – Doctor of economic sciences in management science. A graduate of the University of Bialystok’s Faculty of Economics. Adjunct in the Department of Public and Civic Organizations Management at the Public Affairs Institute at the Jagiellonian University in Krakow. Lecturer in full-time, part-time and postgraduate studies at universities. Author of books and publications on corporate management and HR management. Specializes in human resources management and change management in public organizations.

Agnieszka Knap-Stefaniuk – Doctor of Economics at the SGH Social-Economic College, holder of an MBA from Thames Valley University, graduate of the School of Trainers at Wszechnica UJ. She was a member of the PKA (Team for Economic Sciences) and Head of the Department of Human Resources Management at the Polish Open University, lecturer of the BA, MSc, and MBA studies, and a member of the Rector’s Committee and the Scientific Council. From 2007 to 2015 she was Dean of the Krakow Faculty of Wyższa Szkoła Zarządzania/Polish Open University; 2015-2017 she was Dean of the Krakow Faculty of Vistula University and a lecturer of the BA and MA studies in AFiBVistula [Assistant Professor at the Institute of Management]. Since 2018, she has been Vice Director of the Institute of Political and Administrative Sciences for Didactic Affairs for the Faculty of Education at the Jesuit University Ignatianum in Krakow. She cooperates with businesses and has served as a trainer, consultant, and facilitator for, e.g., Lexmark, Galeco, Biprocemwap, and Capgemini. She is the author of many publications on Human Resources Management. She specializes in issues related to strategic and international HRM, leadership, motivation, and contemporary challenges in HRM, such as corporate culture, competency management and talent management. She conducts lectures and workshops at universities in Spain, Portugal, Italy, and Czechia.