Understanding of Cultural Diversity and Team Performance: A Conceptual Framework

Niranjani Ruba P, Challapalli Praseeda

Abstract: This article is a conceptual framework which examines the effect of cultural difference on team effectiveness by assimilating literature, on the possible performance benefits of cultural diversity and possible problems of cultural diversity. The objective of the article is to provide practitioners and scholars, similar with a framework that will allow them to design cultural diversity initiatives based on a requirements assessment and to proceed with the empirical research. This research study is based on the review of literature on aspects such as cultural diversity and team performance. Analysis, conclusion and recommendations are based on the secondary data and their findings.

Keywords: cultural dimensions, cultural diversity, team performance

I. INTRODUCTION

Days have gone when the business related to trading constrained to the boundaries of the same country and now, due to the globalization and liberalization, the whole market opened up which results in interdependence. To survive in a globally competitive environment, the basic requirement is to do the trading in the international level and it became mandatory for the organization to align with the culture to be in the market. An organization is not just dealing with the customers and suppliers but also with the employees. Now in globalization, the major challenge is to dealt with the people who are dissimilar not only because of their different physical appearances but also of their different backgrounds, gender, age, qualification, experience, origin, religion, culture etc. which we called as "diversity". Many studies have been brought up to study the diversity at workplace and business performance, but very few studies were conducted on the cultural impact on team performance. Every nation incorporates a variable impact of cultural dimensions in organizations and also the staff operating over there. There are vital constructive associations between team having different nationalities and team effectiveness in some studies

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(Earley et.al, 2000), differentiated by notable adverse relationships in others (Jehn K.A et. Al, 2001). Circumstantial variables probably in all probability restrained a link between team having different nationalities and team effectiveness (Joshi & Roh, 2009). Most studies accept that each one features of variations amongst individuals have an effect on teams within the same method. Cultural dissimilarities are frequently the extent of consciousness; therefore a number of their special effects might not be documented. On the other hand, cultural values may be a supply of sturdy classification and stereo-typing, that the impact of working with different nationalities in a team give profitable outcome.

II. REVIEW OF LITERATURE

A. Cultural diversity

The word "Culture" comes from the Latin word "Cultura" which is related to cult or worship or civilization. According to International HRM, culture is attained knowledge that people use to interpret expertise and generate social behavior. (Joynt & Warner, 1996).

Different authors have different views about the term "culture". Some of which, are stated as below:

* Hofstede (1984) defines culture as, ―The shared encoding of the mind which differentiates the members of one category of people from another.

Different authors have interpretations on cultural diversity which are as follows:

* Cox (1994) defines cultural diversity ―characteristics such as race, ethnicity, nationality, religion, gender, and other proportions of difference derived from involvement in groups that are socio-culturally distinct, that is, they mutually share positive rules, customs or behaviors that are diverse from those of other groups.

B. Existing models on cultural diversity

Various anthropologists, sociologists and experts of the management have put forward their views on culture in the form of the models described below:

(a) Edward Hall and Mildred Hall Model
(b) Florence Kluckhohn and Fred Strodtbeck Model
(c) Geert Hofstede Model
(d) Fons Trompenaars Model
(e) GLOBE (Global Leader and Organizational Behavior Effectiveness) Project.

This study focuses on Geert Hofstede model as it was the first major study in the meadow of multicultural comparative exploration.

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The Six well-known dimensions that Hofstede examined are:

(i) Power Distance
(ii) Individualism versus Collectivism
(iii) Masculinity versus Femininity
(iv) Uncertainty avoidance
(v) Long-term versus Short-term Orientation
(vi) Indulgence versus Restraint

(i) Power Distance Index: This dimension measures the level to which the less powerful workforce of the organization recognizes that there is an unequal distribution of power. The primary concern about this is how the society deals with the disparities among people.

(ii) Individualism versus Collectivism: Individualism indicates a social network in which people give importance to themselves and their direct family members. On the contrary, collectivism implies a tightly knit social framework in which people do believe in taking care of each other in the group in exchange for loyalty.

(iii) Masculinity versus Femininity: The values considered in case of masculinity are accomplishment, bravery, confidence and substantial incentive for achievement. Whereas, values such as collaboration, humbleness, care for the weak etc. are included in the femininity aspect of this dimension.

(iv) Uncertainty avoidance: A low value or value on the uncertainty avoidance represents that managers and employees of the organization feel at home with regard to uncertain situations and therefore are more entrepreneurial, happy to yield risks and not very much reliant on formal instructions and just the opposite in case of high score on the uncertainty avoidance.

(v) Long-term versus Short-term Normative Orientation: People with short term orientation are normative thinkers and they show great respect towards traditional values. They believe in getting quick results. Whereas, people with a long – term orientation believe that truth depends to a great extent on situation, context and time.

(vi) Indulgence versus Restraint: A society which permits moderately satisfaction of basic and natural human drives related to enjoying life and having fun represents indulgence. On the contrary, restraint stands for a culture that conquers gratification of needs and controls it by making severe communal rules or standards.

C. Team Performance

Teamwork is considered as the main contributor for the success of organization compare it with the single efficiency. When it comes to the different nationalities working in a team, it is very significant to understand their behavior and attitude so that it can be related with the team effectiveness and efficiency. Team who coordinates well with all the employees gain growth in their organization. Team performance is not a single construct (Guzzo et. al, 1996). It's a multi-layered magnitude that ought to be measured in producing the construct. There are several studies in which indicators, such as sales performance (Ely et. al, 2004) is evidently proved.

D. Cultural diversity and team performance

Many researchers have their views on the relationship of cultural diversity on team performance. Some of which are as follows

Salk et. al, 2000 - Optimistic effect on activity-based decision and constructing different approach

Kirkman et. al, 2005 – High collectivism has undesirable effect on team effectiveness in the United States but not in the Philippines. High power distance diversity has adverse effect on team effectiveness in the United States., but affirmative effect in the Philippines.

Haas et. al, 2011 – Team with different nationalities performs inferior than team with minimum diverse nationalities.

Suwa et. al, 2012 - Adverse effect on team effectiveness and managerial performance

Issa et. al, 2015 – Different nationalities in organizations develop team effectiveness, revolution and new creation.

Dumitrașcu et. al, 2016 - Explained the significance of accepting each dimension of culture to begin the encouraging practices and tools, which leads to the team performance.

Al Mubarak et. al, 2017 - Power distance and masculinity versus femininity are positively influencing the TQM performance and uncertainty avoidance, long-term orientation, indulgence and individualism are negatively impacting TQM performance.

III. RESEARCH METHODOLOGY

The study is based on the review of literature. All the information has been collected by doing the analysis on the secondary data. There are so many studies have been done insisting the positive and negative perspectives on cultural diversity and team performance. This research design is descriptive.

IV. BENEFITS OF DIFFERENCE IN CULTURAL

Managing diversity increases incomes by giving a reasonable advantage to organization. The following are some of the benefits for an organization enjoys when there are culturally dissimilar employees: -

1. Better customer service: Most of the establishments have a wide variety of clients and it is considered that diverse team can handle diverse customers (Cox, 1994)

2. Better problem resolving: Team with different nationality members benefits the organization from more data and problem resolving strategies compared to the team with single nationality. In fact, different can be a problem resolving profit (Richar et. al, 2003).

3. Acceptance of dissimilar concepts: A team with different nationalities have innovative ideas which help organization in a continuous growth and also motivate employees to have the positive attitude (Cox, 1994).

4. More flexibility: It is the responsibility of organization to provide the fast response to keep the existing customer and to overcome the competitive activities.

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5. Appreciating equality: Exploiting the benefits and to feel the comfortable environment in an organization, employees should treat properly so that they accept the goodness in their surroundings and appreciate to provide y=their feedback for the improvement of the establishments (Cox, 1994; Cho et. al, 2008).

6. More innovative: The organization having diverse workforce is benefitted as people from different backgrounds have different ways of looking at the same problem and thus are likely to come up with more creative and innovative ideas to solve the problems and make decisions.

7. Enhances firm's image: The organizations are concerned about the public image i.e. what the public thinks of them and the kinds of feelings which come to their mind when their names are mentioned. A favorable or positive public image helps the organization to attract investors, customers and employees. Being known as a company that values diversity can do wonders for building a good image of the company

V. CONFLICTS ON CULTURAL DIVERSITY

Subsequently there are 3 forms of contradict observed: activities, association, and procedure contradicts. Conflict in activities is an awareness of changes in interpretations relating to a collection of task. Conflict in association is a major alertness of relational inconsistencies, containing emotional constituents such as stress and pressure (Jehn K.A et. al, 2001).

VI. RESULT ANALYSIS

There are different literatures in which authors have different views on working with different nationalities and their impact on the team performance. Some have the positive observations, and some have the negative viewpoints on the nationalities and team performance. As the consideration of nationalities are not taken as the important factor in most of the organization, from the analysis on the different literature, it is very evident that nationalities plays an important role on team performance which needs to be verified using the empirical research as the impact may be positive as well as negative.

VII. DISCUSSIONS

This study revealed that different nationalities working in teams has both optimistic and adverse impacts on organizational procedures and it leads to the conflict. Though it is a challenge to come for a conclusion about the straight forward effect on team effectiveness, this study confirmed the "black" and "grey" sides of diversity.

In this perspective, team with different nationalities (Salk et. al, 2000; Haas et.al, 2011) and cultural values such as individualism, uncertainty avoidance etc (Al Mubarak et al, 2017) were explored in the 20th century more repeatedly than before.

To understand and manage with the mixed group of nationalities is a skilled activity as there are chances to hurt their sensitive feelings which may create an adverse situation in the team and at the same time, realizing the benefits and appreciating their cultures lead to the success of the team.

Creating this awareness within the team help the employees to have good behavior, attitude and working atmosphere. Thus, the study give major indications by integrating the outcomes of several studies which have done previously providing the detail explanation on the diversity and team effectiveness which conclude that it is two-edged sword having its own benefits and negatives. Dealing and working with a different nationality team members provides extensive information which support on reallocating tasks to the team, and understanding the features influencing the team.

VIII. CONCLUSION

This study provides much information by revealing the up-to-date and the trend in diversity studies. This is attained by enlightening the benefits, drawbacks, and significances of diversity on the organizational process and team effectiveness. This study presented that working with different nationalities in a team is a challenge and very difficult phenomenon that does not have direct impact on team performance or organizational processes which carries together the chances and threats. Also, difference in teams regarding culture, education, etc. is not a decision but an actuality in most cases. This study showed that recent reviews of team diversity have not held appropriately by experimental studies.

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Niranjani Ruba P is currently working in an automotive industry (Valeo India Private Limited) as a Quality Team Leader. Working in an automotive industry for 15 years in different Multi-National Companies, her area of interest is in cross cultural management. She is BE in Metallurgical Engineering from Govt. College of Engg., Salem, MS in Quality Management from BITS, Pilani and at present, pursuing her PhD in SRMIST (Vadapalani Campus), Chennai.

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