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MANAGING MULTICULTURAL TEAMS

Exploring the opportunities and challenges

Research report

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Managing multicultural teams: Exploring the opportunities and challenges

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1 Introduction

The multicultural team is a phenomenon that, in particular due to globalisation, migration and greater workforce diversity, has seen long-term growth. Understanding cultural differences should be a prominent consideration for contemporary people managers. Exploring the evidence around managing culturally diverse teams is vital, as poor management can have negative outcomes, as discussed in the CIPD's evidence-based report *Diversity Management that Works*.

The COVID-19 pandemic has prompted many organisations to radically change their ways of working or even overhaul their business models. As a result, the spotlight now shines even brighter on managers, who play a pivotal role in helping organisations adapt and thrive. One major area of change is homeworking: having steadily become more commonplace over the last two decades, it has seen a huge increase due to the pandemic and may continue to increase in the future. This presents particular challenges for the management of multicultural teams and, what's more, may make them more common. As our economies start to recover from the effects of the pandemic, it's vital that organisations know how to manage multicultural teams effectively.

The challenges posed by multicultural teams

Cultural diversity is reflected in the different values, ways of thinking, and behavioural patterns of team members.[1] Research[2] suggests that organisations working with multicultural teams face a threefold challenge:

- creating a common goal
- enabling each team member to work at their best
- ensuring fair treatment for all, irrespective of background.

Exactly how to approach these challenges and create a supportive and high-performing team is a difficult question, but it's generally agreed that overcoming barriers inherent to cultural differences – for example, problems of communication and different values – will allow multicultural teams to reap the rewards of innovation and learning, among other positive outcomes.[3]

Overcoming the barriers needed to unlock the potential of multicultural teams can be challenging, but it can also bring something new and unique to work groups.[4] We view cultural diversity, like diversity more generally, as a positive that can facilitate many beneficial outcomes for businesses, so long as they provide inclusive environments and careful management of their people.

A developing and relevant research area

While plenty of research in the 2000s explored the link between cultural diversity and team performance, some[5] found positive associations, while others[6] suggested a negative link. One early meta-analysis[7] of research on group member heterogeneity concluded that *'much is still unknown regarding the nature of diversity, its impact on work group outcomes, and the intervening mechanisms'* (p142).

At the time, more needed to be done to provide clarity on the mechanisms of the relationship between culturally diverse teams and organisational outcomes. The consensus was clear: to shine a light on the mixed effects of culturally diverse teams, the key influences needed to be explored.[8] Research in the past decade has indeed sought to do this, exploring the effects of factors like creativity, communication and cultural intelligence on the relationship between multicultural teams and work outcomes.

The global COVID-19 pandemic – and the resulting changes to our organisations and workforces – has brought into focus the role of managers in supporting and developing successful virtual teams. This is no different in multicultural teams, where managers seek to contend with a number of challenges that are both heightened by working remotely and unique to teams whose members are culturally diverse. Naturally, this feels like an appropriate time to explore these issues in detail.

2 Aims and approach of the research

In this research, we set out to explore the opportunities and challenges faced by multicultural teams, with a particular focus on the role managers can play in overcoming the barriers to working effectively and unlocking their potential.

Exploring the research evidence

We first assessed the research literature on multicultural teams, exploring how multicultural teams are defined and identifying their benefits and challenges – looking specifically at creativity, communication and geographical dispersion, and how they mediate the relationship between cultural diversity and team outcomes. The notion of cultural intelligence, or cross-cultural competence, was then explored as we considered how it can be developed to embrace multicultural teams and facilitate their success.

Engaging with managers of multicultural teams

We also conducted online focus groups with managers from three different global regions to assess their perspectives on managing multicultural teams. We aimed to:

- explore the perspectives of 23 managers on multicultural teams
- identify the key challenges and opportunities in multicultural teams
- gain insight into the skills, capabilities and guidance people need to work effectively in a multicultural environment
- understand the perceived impact of the COVID-19 pandemic on teamworking in this context.

Research took place in May 2020 in the **UK**, **APAC (Asia-Pacific)** and the **Middle East (ME)**. UK participants were recruited via the YouGov Panel, and APAC and ME participants were recruited via the CIPD.

Table 1: Number of participants by region

Group 1 (UK)	Group 2 (APAC)	Group 3 (ME)
14 May 2020	18 May 2020	19 May 2020
10 participants	5 participants	8 participants

We recruited participants based on the following specifications:

- all with management responsibilities
- all manage a multicultural team (for example, a mix of nationality, ethnicity, religion)
- mix of industry/sector
- mix of gender, ethnicity and geographical location.

Bringing together this practitioner expertise with a review of the scientific literature, we draw on two crucial sources of evidence, in line with the principles of evidence-based practice:[9]

- **practitioner expertise**
- **scientific literature.**

This research aims to help people professionals understand the nature of multicultural teams, the challenges they face, and how to approach these challenges and harness the benefits of diverse teams. It provides key recommendations on the influencing factors that must be addressed to balance and manage the various values, experiences and personalities in your teams.

The following section explores the findings of this dual approach thematically, first outlining what the evidence tells us about each theme, followed by investigating manager perspectives from our focus group participants.

3 What are multicultural teams?

Section summary

- Research evidence and manager insights frame multicultural teams as those whose members share a variety of values and attitudes – not only as a result of demographics, but of their experiences too.
- Evidence suggests cultural diversity affects multicultural teams in three differing ways, which we outline below.
- Managers highlight sensitivity and empathy as key to creating a trusting and supportive environment for culturally diverse staff.

Evidence base

Multicultural teams are generally defined as a group of people from different nationalities and cultures whose shared goal is to deliver for an organisation or another stakeholder.[10] Evident in these teams is that its members have spent a significant portion of their formative years in different countries and have consequently learned different values and demeanours – aspects that we know make up generally agreed definitions of organisational culture, or *'the way we do things around here'*.[11]

Being part of a culture provides a source of identity for its members.[12] Diversity of culture in organisational teams is therefore thought to influence them in three potentially opposing ways:[13]

1 First, people are attracted to working alongside those they find similar to themselves in terms of values, beliefs and attitudes.[14]
2 Second, people categorise themselves into groups and categorise others as outsiders or as members of other groups.[15] This leads to favouritism towards those belonging to the group and stereotyping of others.
3 A third perspective positions cultural diversity as an opportunity rather than a problem, suggesting that it helps bring more varied contributions to teams, enabling new information and perspectives to be heard and subsequently enhancing the team's problem-solving and creativity.[16]

Manager insights

Figure 1: Summary of insights by region: Context

Respondents felt the UK is a multicultural society, but less so than the other regions.

Being part of a multicultural team is the norm in the ME region.

Respondents felt pride at living in a region that encourages multiculturalism.

Our focus group participants generally had a clear sense of what they understood to be a multicultural team. They highlighted the mixing of people from different nationalities, ethnicities and religions, as well as those of varying ages and genders. Many felt that multiculturalism goes beyond demographics; there was discussion around the different values, perspectives and experiences people bring to a team; for example, those who work in different industries.

> *We have a very diverse group with more than 60 nationalities and very different perspectives… [It's a] challenge for some to work with, but others who are open to listen, engage and be challenged work well. (focus group member, ME)*

Respondents from APAC and ME countries were particularly aware of multiculturalism in their teams, especially those from multinational firms, where expatriate employees are the norm. This is something they consider when managing their teams. One participant, for example, described adjusting their management style as *'lifelong learning. [You] try to adjust to some degree, yet also expect the other team members to come forward and be more open minded, so my team works off the premise "assume good intent first"'* (focus group member, APAC).

Participants highlighted open-mindedness and cultural sensitivity as two key aspects of their roles. While they noted that the skills needed to manage a multicultural team are similar to those of any good manager, showing sensitivity to cultural issues through empathy, attempting to find common ground, and being a good listener are vital to creating trust and fostering a supportive environment among culturally diverse teams.

4 What are the benefits and challenges of multicultural teams?

Section summary

- Research on the key factors influencing the relationship between cultural diversity and positive outcomes (notably creativity and communication) has boomed in the last decade.
- Multicultural teams are more creative than homogenous teams, especially those with deep-level diversity (in other words, more diverse attitudes and values towards culture).
- Managers particularly acknowledge the benefits of sharing unique perspectives and experiences – not just for innovating at work but for team members to become more well rounded.
- Language barriers present a challenge to effective communication. They reduce colleagues' levels of trust and expectations of successful work, and sometimes lead to 'code-switching' – switching to one's native language.
- Leaders are important to combat these barriers through upholding language discipline and highlighting the achievements of staff beyond their language skills.
- Showing patience and sensitivity to culturally specific nuances of language is a key skill for managers to better understand their team's behaviour.
- An environment home to diverse, different, unique contributions is more important than one boasting perfect communicators.

Evidence base

In 2010, Stahl et al[17] conducted a meta-analysis of exploring the link between diversity of culture and organisational outcomes. They found cultural diversity to be unrelated to overall team performance. However, cultural diversity was found to be associated with other divergent and somewhat contradictory team outcomes. While more culturally diverse teams were found to experience increased creativity, they suffered from greater conflict – particularly task conflict, and, to a lesser extent, relationship and process conflict.

Interestingly, while these teams experienced lower social integration and cohesion, contrary to expectations, the effectiveness of their communication was not reduced, and they were found to be more satisfied than homogenous teams. It should be noted that the effect sizes for these relationships were generally small.[18] By 'small' we mean that the difference is not big enough to observe in day-to-day activity and would need to be measured to be detected. In short, the relationship between cultural diversity and organisational outcomes exists, but is weak.

The researchers' main recommendation from this 2010 paper was that future research should move beyond the simple question of the positive or negative effect cultural diversity has on team performance, and focus more on the mechanisms by which teams are affected by cultural diversity, and the intervening processes that influence this relationship. This year (2021), the authors of the original research paper took a retrospective look at their study and where the body of evidence has developed in the past decade.[19] First of all, they focused on **creativity and communication**.

Culturally diverse teams are more creative

Creativity is a very important immediate team outcome for several reasons. First, in Stahl et al (2010),[20] the positive relationship between culturally diverse teams and greater creativity was found to be the strongest of all outcome variables measured. Second, creativity is part of the process of innovating for new ideas and solutions – in fact, the two are often measured interchangeably. Third, research on the relationship between cultural diversity and team creativity has flourished in the last decade, as summarised by a recent meta-analysis from Wang et al (2019).[21] This body of research identifies three levels to culture – team, organisational and national[22] – though Wang focuses on national culture, which is based on countries and ethnicities. This is because many countries these days have several different ethnic cultures, and many ethnic cultures exist across more than one country.[23] As mentioned earlier, the shared elements of spending time in a certain country or among a certain group, such as language, etiquette and geographic location, can influence the perceptions, values and actions of people in such groups.[24]

Wang et al (2019) sought to heed the wishes of Stahl et al (2010) in finding more nuance in the relationship between multicultural teams and organisational outcomes by distinguishing between surface-level and deep-level diversity in multicultural teams. Put simply, surface-level diversity is defined as overt demographic differences between team members. For cultural diversity, ethnicity and nationality are most commonly examined in team research.[25] Deep-level diversity concerns less immediately observable, more psychological characteristics – notably, the values and attitudes associated with culture.[26]

Wang et al (2019) found deep-level diversity to be associated with greater team creativity, given that this enables a greater range of knowledge and perspectives and generates novel ideas.[27] This effect was more positive when teams worked face-to-face and members had to rely on each other for input and resources. Surface-level diversity, on the other hand – more associated with threats to identity and intergroup conflict – was found to have no association with creativity and innovation. This was unexpected, as a negative relationship was predicted. A negative relationship was present, however, when tasks were simple.

Multicultural teams' communication is affected by language barriers

As with creativity, research on communication in multicultural teams has not only become more prevalent but more nuanced in recent years, particularly as a result of a long-overdue increase in the role of language differences in how teams communicate.

One particularly influential study[28] investigated the ways in which multinational team members' reactions to language barriers influence their intention to trust and subsequent trust formation. They first found that members who don't speak the team's shared language well are often not recognised for their high technical skills, instead being perceived as lacking ability. These negative attributions influence judgements on their trustworthiness. It was found to be important that a colleague can fulfil their share of a group task; lacking shared language proficiency, and in turn appearing to lack competence, jeopardises this.

Simple linguistic misunderstandings which lead to unmet expectations could also misinform employees' judgements about their colleagues' dependability, to the point where they are perceived as unreliable or even untrue to their word. Again, this dependability (or lack thereof) influences the relationship between language barriers and judgements on trustworthiness. Put simply, if a colleague misunderstands your instructions, and subsequently fails to complete these, they may be perceived as less dependable and, as a result, less trustworthy.

How do employees respond to language barriers?

One prominent reaction to language barriers is switching from the shared team language to one's own mother tongue, also known as 'code-switching'.[29] There is evidence that this occurs in all teams, irrespective of size and function. Some perceive this as simply a method of ensuring effective communication by allowing team members with lower proficiency in the shared language a chance to speak in their native tongue, but others feel it is more emotionally driven, occurring more when stress and emotion are greater. Switches in language are reported to be short-lived if only a few team members speak the particular language, but more extensive when more colleagues do. Often, strong negative emotions are reported towards code-switching, including feelings of exclusion, discomfort and even suspicion and paranoia.

Another study[30] highlights emotion-regulation strategies as methods of managing language barriers in global teams. Emotional regulation refers to methods by which we manage and respond to an emotional experience, both consciously or unconsciously manage our feelings.[31] Respondents in the study reported methods such as staying silent in meetings if they lacked confidence in speaking the shared language, or simply failing to attend, to avoid anxiety and shame. They also reported excluding those who only spoke the shared language in both meetings and electronic communication.

How can managers and employees help resolve these issues?

Clearly, speaking a foreign language in multicultural teams creates anxiety, particularly for those who perceive their skill at speaking a particular language to be insufficient. They're unlikely to take risks and to make themselves vulnerable, reducing the chance that they will gain recognition for their positive contribution to the team. So, what can be done?

Leaders and managers are of course vital here, not only in raising awareness of language barriers and their consequences, but potentially using their privilege to uphold language discipline and guide code-switchers back to the shared language, if necessary. More broadly, staff throughout the team should regularly highlight the task-related achievements of each team member in meetings to counteract the perceptions of them as incompetent, encouraging colleagues to look beyond their language proficiency and acknowledge their skill elsewhere.

Those struggling as a result of their own language proficiency can also use emotion regulation more positively by taking a step back to understand and reframe the cause of their anxiety and changing their response to it. For example, in the previous study, respondents motivated themselves to get accustomed to the shared team language in order to help others have better access to the team information. This meant they associated the language with empathetic rather than unpleasant emotions.

Overall, creating an environment that values diversity as a source of creativity and encourages open communication across language barriers is an important goal. In fact, proposing 'poor English' as the official language of the organisation may be more effective than aiming for flawless expression.

Manager insights

Given time and support, multicultural teams can thrive

The benefits and challenges of multicultural working were more keenly felt by APAC and ME respondents, who reported having more diverse teams than UK respondents. Many of the benefits highlighted align with the literature explored above.

Figure 2: Summary of insights by region: Similarities and differences

Participants saw innovation and creativity as the key benefits of cultural diversity.

Participants experienced more of the challenges of working in multicultural teams, particularly around communication.

Participants experienced similar communication challenges, but greatly valued the innovation of their teams.

First, although participants acknowledged that multicultural teams are inherently challenging, they felt that perseverance can reap great rewards. For example, several respondents noted that considering multiple perspectives often takes time, and sometimes these perspectives have to be discussed and explained to different members of the team. But the time and effort this takes is more than made up for by the diversity of experience and thought that is brought to the table, and is incredibly rewarding and effective for problem-solving and generating new ideas.

> *It's a great experience – you can generate the best ideas and solutions to problems based on diversity of background. Sometimes you have to take time to communicate things clearly and to check understanding, as it can take more time up front to align common understanding. (focus group member, ME)*

Related to this is innovation and creativity. Participants recognised the strength of diversity, and that having a multicultural team encourages members to see not just themselves and their customers, but what they *produce*, from different angles. This encourages the creation of new and more relevant services for a variety of customers. On a more personal note, participants noted that they appreciate and enjoy simply learning about people's different cultures, traditions and even things like food and humour. As a result of this, they feel more well rounded as individuals. It's no wonder that two words used more frequently than others among participants were 'enriching' and 'enlightening'. Enabling their members to learn and appreciate new things about their colleagues means that multicultural teams thrive when given time to innovate and take new approaches to problem-solving.

Communication in multicultural teams is essential, but challenging

Respondents generally felt the initial stages of working in a multicultural team to be the most challenging, as this is when misconceptions, and even stereotyping, lead to certain members' ideas being side-lined or undermined. As mentioned, patience is paramount, since understanding different cultures and ways of working takes time and must be worked on in order to develop.

While respondents recognised the essential nature of communication in effective teamwork, this was highlighted as the most prominent challenge in multicultural teams. With varying levels of proficiency in the shared language (key to clear and effective communication), participants reported incidents of 'code-switching', or switching from the shared language to members' native language.

> *Different cultures may have different assumptions about why somebody is quiet. Is it lack of language competence? Does it mean agreement or disagreement? These are all realistic interpretations. (focus group member, APAC)*

The complexity of language is a key challenge, according to respondents. This includes the use of accents and slang, as well as cultural nuances like staying silent to respect a speaker rather than speaking up. Working to understand these complexities and using inclusive language, where possible, is important. Participants reported that people from certain cultures tend to communicate in particular ways; as such, being aware of – and understanding – these was a key skill to learn.

> *Very often different people interpret the same thing differently, and so being sensitive while communicating is very important. (focus group member, ME)*

Cultural diversity in teams presents opportunities and challenges for workplace teams. One way of overcoming the challenges and harnessing the potential of multicultural teams is by developing cultural intelligence (CQ), discussed below.

5 Embracing multicultural teams through cultural intelligence

Section summary

- Cultural intelligence (CQ [cultural quotient]), or the ability to successfully interact among diverse cultures, is one way of embracing multiculturalism in teams and is particularly important for global leaders.
- Cultural intelligence can be developed through perspective-taking and suspending judgements about others. Greater CQ is linked to enhanced performance, greater job satisfaction and knowledge-sharing, among other outcomes.
- Managers highlight the importance of flexibility in approaching cultural diversity in teams, being attentive to individual differences and working styles, rather than taking a one-size-fits-all approach to management.
- Participants feel the need for formal and informal training on cross-cultural competence. In particular, more implicit, 'on the job' learning is perceived as useful for building trust in multicultural teams.

Evidence base

An extensive stream of research has been developed in the last decade or so that explores the importance of cross-cultural competence and cultural intelligence in allowing culturally diverse teams to thrive.

As businesses become more global, cultural intelligence (CQ) – an individual's knowledge, skill and ability to function and interact effectively in culturally diverse situations – is essential.[33] Not only will those who possess CQ be able to harness the benefits of multiculturalism, but they will also manage some of the challenges raised earlier. In highlighting individuals' potential to meet the demands of different cultural contexts, this definition of CQ aligns with the broader definition of intelligence, which emphasises the ability to adapt to one's environment.[34]

Cultural intelligence shares some similarities with inclusive behaviours – showing respect to those who are different from us and ensuring everyone has a say. This is discussed in greater detail in the CIPD's research report on building inclusive workplaces. Cultural intelligence is distinguished from inclusive behaviours, and indeed simply being a good manager, because it focuses specifically on awareness of – and sensitivity to – cultural diversity.

Leaders need to develop cultural intelligence as a matter of priority

Research[35] outlines attributes through which cultural intelligence can be achieved, suggesting that perhaps the most important ability of a culturally intelligent individual is to suspend judgement about another person until they have enough information to understand whether that person will 'think, feel and behave' in the way that their culture might suggest. While culture can suggest how someone may think or behave, other individual factors, such as personality, should be understood before making a judgement. Situational factors are also important; a culturally intelligent person should look at the situational context and use this before making a judgement on the culture of someone else. Finally, the paper highlights the issue of ethnocentrism – that is, people feel that the norms of their culture are, or should be, the norm everywhere. This type of bias is difficult to overcome because *'in some sense one goes against "human nature"'*. However, through undertaking training, involving showing empathy by understanding the perspective of someone else and walking in their shoes, individuals can learn to gain a better appreciation for other cultures.

More research[36] highlights the importance of cultural intelligence through interviews with global leaders in six multinational companies. This research found that first-hand, cross-cultural leadership is key for the development of leaders. Through engaging with this development, leaders acknowledge the value of cultural sensitivity, networks and relationships. Not only does this learning provide a vital developmental role, but it's essential if global leaders are to successfully fulfil their roles. The research suggests that global leaders should approach development in a dynamic, ad hoc way, evaluating new situations and continuously improving their cross-cultural understanding through learning from mistakes.

Outcomes of cultural intelligence

One systematic review[37] of cultural intelligence links it to several positive outcomes. Notably, evidence finds CQ to have a positive influence on cross-cultural job performance – both task performance (fulfilling in-role obligations) and contextual performance (going beyond one's role to help the organisation more widely).[38] The same goes for job satisfaction.[39] Another study[40] found that employees' increased CQ led to better task performance in global virtual teams when contact intensity with the leader increased. In terms of enhancing performance, the speed at which performance improved in multicultural teams was greater for those with higher, rather than lower, levels of CQ.[41]

CQ was also found to promote knowledge-sharing among multicultural teams.[42] Indeed, CQ has been found to enhance the quality of social exchanges between individuals from diverse culture backgrounds, with one study[43] finding that higher CQ reduced the negative association between knowledge-hiding and creativity; the higher the individual's level of CQ, the less negative the relationship. This suggests that CQ helps individuals overcome negative processes of social categorisation in intercultural environments and, in turn, enhances creativity.

CQ has also been shown to be a particularly important characteristic of leaders. Leaders with CQ are more likely to enable integration into multinational teams[44] and boost expatriate adjustment and performance.[45] Moreover, CQ has been shown to predict international leadership potential – the judgements outside observers make about future performance of a leader.[46] This is important because, unlike judgements of actual performance, which is retrospective, judgements of future performance are prospective and are the basis of important selection decisions. CQ was also found to be positively related to leadership effectiveness, specifically in the context of cross-border activities[47] and culturally diverse teams.[48]

Manager insights

Leaders should take a flexible approach to managing cultures and personalities

While focus group respondents did not explicitly reference cultural intelligence, they highlighted a number of similar characteristics – empathy, emotional intelligence, patience and active listening, among others – that they felt were needed to support and get the most from their multicultural teams. Another characteristic – flexibility – was cited as the most important for a leader to have.

This is because there is no clear, flawless formula or one-size-fits-all approach to managing such teams. But, by understanding when to consider and alter their approach to reflect the context, and by having a genuine interest in other cultures and working styles, leaders can be agile, prepared and, subsequently, increase their chances of effective and successful management.

This includes adjusting their leadership style for different individuals, particularly when interacting with them one-to-one. As the literature on cultural intelligence states, someone's culture – while a reasonable indicator of their behaviour – may indeed be less influential than their personality. Thus, *individual differences*, more than cultural differences, may require leaders to change their approach – for example, adjusting how they communicate, their body language or their tone. While some respondents, particularly from the UK group, were keen to 'treat everyone the same', most highlighted the importance of fair treatment, where different approaches are taken for different individuals and their unique circumstances.

> *I had to find a more direct approach with certain team members and a more persuasive nature with others. As a new manager, it took a few tough lessons to ensure I was flexing my managing style. (focus group member, UK)*

The need for training

Participants called for a mix of formal and informal training to provide them with the skills to communicate with – and adapt to – different cultures.

Those from the ME and APAC regions were more likely than UK respondents to have taken part in formal training to build cross-cultural competence, but respondents from each group shared their experiences of training. According to respondents, training is often part of the onboarding process or as a module in ongoing training, such as online and diversity training. ME and APAC respondents also noted training for expatriates to be common.

We have colleagues transferring/relocating from other countries like the US, Scotland, Ireland and we have a Middle East culture-related session for them. (focus group member, ME)

Unfortunately, respondents did not always perceive this training as sufficient. While training on cultural nuances, particularly those from different employee resource groups, was seen as useful at the time, there is a disconnect between training sessions and day-to-day interactions. Respondents put this down to factors such as training often being isolated and not tied to values or performance outcomes.

Respondents placed more emphasis on implicit training, learned 'on the job' through observation and informal conversations. The respondents felt more positively about this because it allows them to build trust with their teams and ensure members of the team feel a mutual respect. Although formal training was appreciated, sessions that appear to be box-ticking exercises more than genuine attempts at learning were seen as less effective than learning softer skills and adapting to unique situations.

I believe most learning happens when people see their leaders respect diversity and work with this. (focus group member, ME)

You learn along the way; the point is there is no one size fits all. (focus group member, APAC)

Developing an awareness of cultural differences and nuances is key for successful managers of multicultural teams. The final section explores how leaders manage cultural diversity in teams that work remotely in different geographical locations and time zones.

6 COVID-19 and multicultural virtual teams

Section summary

- The evidence base on the effect of remote working on multicultural teams has grown in the last two decades, as homeworking becomes more common.
- Global virtual teams benefit from the varied perspectives of culturally diverse members, but face challenges of working in different time zones and maintaining effective communication online.
- Managers' flexibility in dealing with different patterns of communication in their teams is key to responding to individuals' needs.
- While multicultural teams, especially those in the UK, have felt the strain of the pandemic and changes to work, managers are generally optimistic, and report positive effects of working virtually, such as greater productivity as a result of less commuting.
- Ensuring the team catches up regularly is key to maintaining engagement and involvement and avoiding isolation.

Evidence base

Geographic dispersion presents unique challenges to virtual multicultural teams

Given the steady rise in employees working from home over the last two decades, the evidence base on the geographical dispersion of multicultural teams has flourished. The global crisis caused by the COVID-19 pandemic has seen a dramatic spike in remote collaboration that has remained at a relatively stable level for the best part of a year. There is now a great deal of research exploring the effects of remote working on multicultural teams, which is more relevant than ever in such uncertain times.

Global virtual teams (GVTs) are those whose members are often culturally diverse and whose tasks are usually conducted internationally through communication technology, rather than face-to-face.[50] One study summarises current knowledge on GVTs, focusing on the key drivers that influence their success and ways to mitigate their challenges.

Given that GVTs are often made up of culturally diverse members, the opportunities they present are similar in nature to those of multicultural teams who work together in a fixed location. A growing body of research highlights the cultural diversity of GVTs as improving their effectiveness through providing a variety of perspectives, facilitating creativity and problem-solving.[51] Where homogenous teams may encounter 'groupthink' and narrow-mindedness, more diverse global teams are likely to consider alternative solutions to a problem.[52]

Some challenges that multicultural teams face are unique to being virtual. First, working in different time zones presents hurdles, particularly to maintaining a healthy work–life balance and sharing tacit knowledge over online communication.[53] There is also a great deal of discussion over the richness of media used to maintain communication in global virtual teams. Research argues that gestures, tone and intonation, so important to face-to-face discussions, are lost when communicating through text or audio channels.[54]

Recently published CIPD research into virtual teams explores these issues in detail. Research finds that virtual teams can be less effective the more they use electronic media to communicate because they share less information with each other, provide delayed feedback, and find it more difficult to understand the information they are given. However, rich media, such as video calls, may be able to influence this relationship more positively and be used as a good alternative for in-person communication.

The opportunities and challenges of virtual teams are discussed in the CIPD's evidence review.

Manager insights

Multicultural teams have been affected by the pandemic and homeworking, but remain optimistic about the future

Participants were very much affected by the COVID-19 pandemic and subsequent workplace changes, with the majority working from home at the time of data collection. There were, of course, uncertainties expressed. Those in the UK group in particular, whose industries were more varied, felt concerned about how their industries would adapt, with some participants facing furlough. There was also a general feeling of anxiety around the pandemic itself and a desire to stay safe and free from infection. However, they were broadly accepting of the situation and were trying to embrace any benefits.

> *The retail industry is very tough and there were redundancy worries before COVID, so I feel like this has just heightened it. (focus group member, UK)*

Those in the APAC and ME groups expressed more optimism. In APAC countries, in particular, there were more cases of workers returning to offices as lockdown measures began to ease.

Generally, respondents highlighted the key skills needed during a crisis as similar to those needed in more 'typical' work conditions: empathy, attentiveness, emotional intelligence and active listening. However, communication was cited as especially important. Simply bringing the team together and ensuring everyone can have a catch-up – be it work- or non-work-related – was seen as key to keeping team members feeling engaged and involved. Typically, managers noted four 'Cs' by which they are abiding during the crisis: **calm, compassionate, controlled** and **clear communication**. This was seen as paramount to ensuring team members feel supported.

> *We communicate more, have a regular rhythm for both the team and individual team members. (focus group member, APAC)*

> *I actually think this has weirdly brought the team closer together. Especially when we get the whole team together just for a general check-in and catch-up. (focus group member, UK)*

Many even reported positive effects of remote working, notably an uptick in productivity and focus as a result of fewer distractions at home than in the office. Regular team catch-ups and huddles were noted as important in this regard, not only to ensure everyone stays connected and up to speed with each other's work, but to ensure each member of the team is accountable for their work.

> *[The] team has overall been amazing; they feel more productive. In the beginning we were all exhausted, as everything was reactive, but recently it is becoming more balanced and we are learning how to do virtual working sessions and not just task-orientated meetings. (ME)*

Managers recognise the benefits of greater productivity and more free time, but acknowledge communication challenges

There have been some clear benefits – both practical and emotional – to remote working, according to respondents. On a practical level, managers and workers alike have found themselves with more free time and a greater work–life balance as a result of having no commute. Respondents from APAC and ME, in particular, noted that they were sometimes working remotely and with colleagues from different regions before the pandemic, making their transition to full-time homeworking more smooth. More generally, respondents noted greater productivity, engagement, collaboration and more focused decision-making.

> *I think generally the people are quite happy; they spend less time commuting, and that translates to better productivity too. (focus group member, APAC)*

As mentioned, regular informal meetings provide more emotional support for workers. Alongside more regular team social events, these ensure members can come together and bond with one another. While there was initial trepidation towards working remotely, many respondents indicated they feel more trusting in their colleagues, as they see evidence of them completing tasks independently and successfully.

> *The social cohesion is better as we are all in it together. The sharing of information is key as well as shared decision-making. (focus group member, ME)*

Managers of multicultural teams have, however, faced a series of challenges as a result of increased remote working. Communication issues, a major barrier to multicultural team effectiveness, have been exacerbated during the pandemic, with managers reporting that they struggle to gauge the appropriate level of contact and communicate in both a succinct and empathetic way. Managers reported that adapting to the different needs of their members of staff is a challenge, with some finding it difficult to express themselves and be confident over video calls, making effective communication more challenging. Indeed, returning to language barriers in multicultural teams, some team members whose language proficiency is limited may be more comfortable with email than video calls as this allows them more time to consider their response. Again, this requires flexibility on the part of the manager to respond to the needs of their individual team members. This is once again discussed in greater detail in the CIPD's evidence review on virtual teams.

> *I feel I can manage better seeing someone's body language and facial expression than through a conference call. (focus group member, UK)*

Practically, remote working was seen to cause issues around setting up an appropriate workstation, dealing with technology issues and balancing home and familial responsibilities. These issues were noted to cause anxiety around the intrusive nature of video calling and balancing work and home life, with some commenting that they often work longer hours than usual.

> *Remote work doesn't impact productivity for my team; to the contrary… people end up working more, not knowing how to separate work and life. (focus group member, APAC)*

7 Conclusion and recommendations

Cultural diversity brings with it the potential for open and creative teams whose members respect the fresh perspectives of each other, as well as the risk of conflict as values and attitudes clash. Through exploring the literature and conducting a qualitative study, this report provides a greater understanding of the influencing factors that need to be harnessed in order to overcome the challenges inherent to multicultural teams to enable them to perform effectively. An inclusive workplace should embrace these fresh perspectives and provide guidance to sensitively manage any issues. This is where the role of people professionals is so vital.

Multicultural teams require patience and openness to be effective

Cultural diversity presents challenges to effective teamwork, as different perspectives have to be recognised to ensure all members remain involved and engaged. While people of different cultures may understand and work in different ways, a team's ability to view problems from different perspectives can unlock its potential and create a path to greater

creativity, innovation and a fresh approach to work. This requires leaders who show cultural intelligence, reading the context of the situation and remaining open and empathetic to the values and experiences of others to successfully mediate culturally diverse situations.

How employers and people professionals can foster patience and openness

- Show sensitivity not only to employees' demographic differences, but to their different values, attitudes and experiences too.
- Encourage employees to seek these attitudes and use the different perspectives of others, not only to enhance team decision-making, but to learn more about each other on a personal and professional level.
- Suspend your judgement about another person until you have enough information about them, their cultural values and whether these influence how they act.
- Think flexibly about how to manage different individuals in your teams, avoiding a blanket approach. Try to treat your people in a way that suits them, making small changes that cater to individual needs rather than 'treating everyone the same'.

Communication is a challenge to master

It is not surprising that communication was cited as the main consideration for multicultural teams in both the research literature and the focus groups. Communication in any team is key to developing relationships, trust and team cohesion. Leaders have a key role to play here, not only in managing their teams more broadly through making their teams aware of the consequences of language barriers, celebrating the success of team members away from their language proficiency and upholding language discipline, but at a more individual level, using active listening and empathy to seek to better understand cultural nuances and communication styles.

While the effectiveness of cultural competence training was questioned by respondents, there is appetite for more of it in the form of online resources, support during onboarding and informal mentoring. A more implicit, personal approach to training may be more beneficial – again, highlighting the need for patient, emotionally intelligent and flexible leaders.

How employers and people professionals can overcome communication challenges

- Raise awareness of language barriers in team meetings to ensure that everyone understands instructions and tasks and does not feel hesitant to contribute.
- Don't be afraid to nudge 'code-switchers' back to the shared language, if necessary. Having a conversation with the team members about why they change language and what can be done to promote effective, open communication across language barriers, rather than expecting flawless expression, may be useful, too.
- Highlight the achievements of each team member in meetings; this way, colleagues will recognise their skill beyond their language proficiency.
- Listen attentively for different cultural nuances of communication from different team members. Being switched on to these will allow you to monitor your staff's contributions more closely and encourage active discussion from all team members.

Remote working resolves some issues, but exacerbates others

There are understandably concerns given the huge shake-up of traditional working patterns, with more and more employees working from home and on furlough. Global virtual teams face similar challenges to more fixed teams as a result of these changes, with the added challenge of maintaining a healthy work–life balance over different time zones. However, many are positive about the benefits of remote working – notably increased productivity and focus. Once

again, communication is the greatest challenge. Maintaining regular contact through hangouts and catch-ups is key to reducing the risk of isolation. Successful long-term remote working will rely heavily on managers maintaining regular communication and being flexible to individual needs and styles of working to get the most out of multicultural teams in the future.

How employers and people professionals can make the most of remote working

- Encourage the use of rich media, such as video-conferencing, where possible. This will allow staff to share feedback and their perspectives and resolve differences quickly.
- When working across time zones, build awareness of the best time intervals for team members to meet. Allowing staff flexible working hours will not only allow them to collaborate more often with their colleagues, but will reduce the likelihood of them working overtime.
- Get to know the communication preferences of your people as well as you can – some may feel more comfortable communicating in certain ways, such as over email. Being flexible to their desires will boost their confidence in communicating.
- Regularly bring the team together for catch-ups and hangouts. Be creative with this – as well as regular work meetings and project updates, create tasks, games and social sessions to allow the team to touch base and provide support for each other.

Multicultural teams are an increasingly common feature of modern working life and require deliberate and sensitive management informed by good evidence. We have summarised some of this evidence and highlighted some key factors that should be considered in order to positively influence culturally diverse teams. We have also provided some key insights into how managers perceive their teams, particularly in light of the COVID-19 pandemic and the rapid shift to remote working. Employers should of course seek to understand their own workforces directly, being attentive to their unique make-up. However, if we can lean on these key influences, there are substantial benefits to be had from well-managed multicultural teams.

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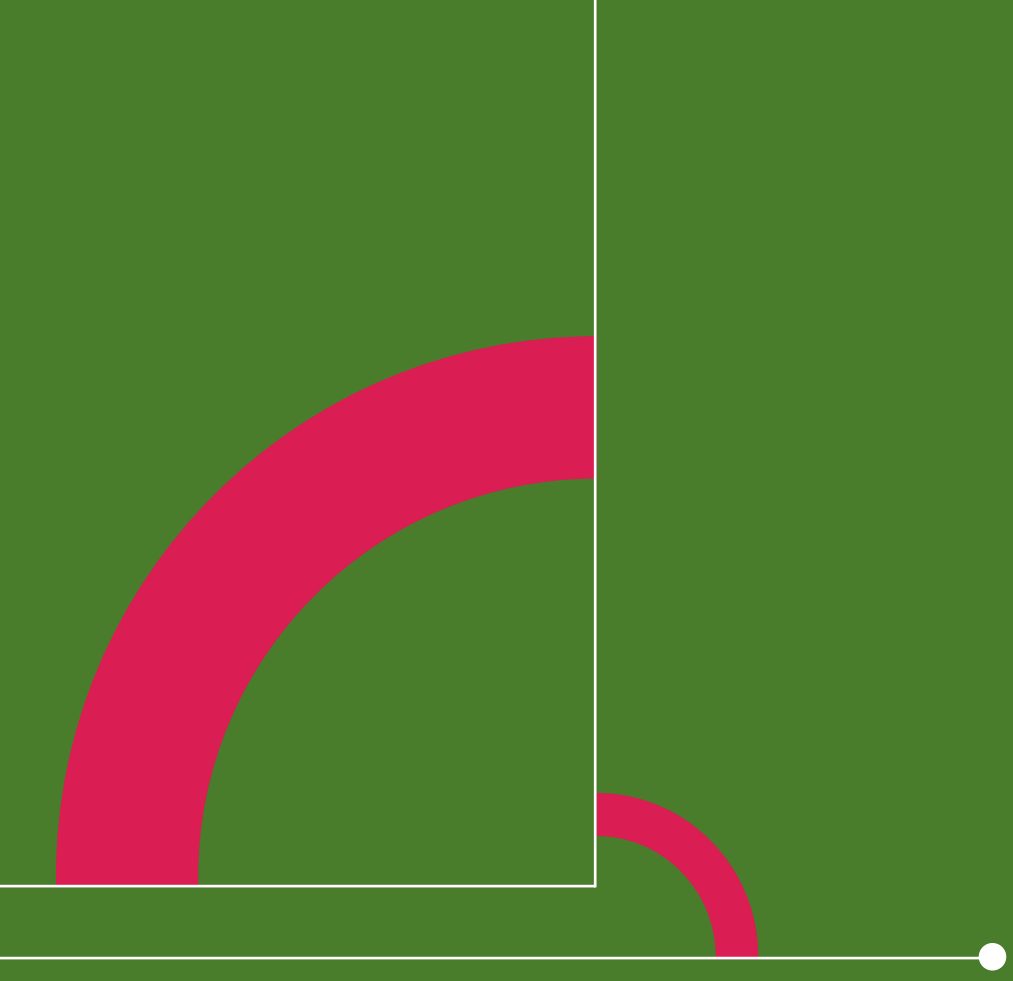

CIPD

Chartered Institute of Personnel and Development
151 The Broadway London SW19 1JQ United Kingdom
T +44 (0)20 8612 6200 **F** +44 (0)20 8612 6201
E cipd@cipd.co.uk **W** cipd.co.uk

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