

Cultural Divergence or Convergence: What is Better for the Individual, the Group, and the Organisation?

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The article applies the balance theory to the □ideal□ composition of multicultural teams and concludes that a moderate level of cultural divergence will achieve best results. Cultural diversity enhances creativity and leads to a new form of consciousness provided that the group undergoes a well-monitored team-building process and that authentic communication takes place between the team members.

Key words: *cultural diversity, multicultural teams, team performance*

Possible Effects of Workforce Diversity on Organisational and Group Performance

The topic of workforce diversity has been widely treated in management literature over the past fifteen to twenty years. The focus has been mainly on the question how organisations can benefit most from it. Researchers such as Cox¹, Taylor², and Richard³ have argued that workforce diversity, when properly handled, can improve firm performance, raise organisational efficiency and effectiveness, add value, and contribute to competitive advantage. Others, like Kilduff et al.⁴, Abramson et al.⁵, and Chikudate⁶ have looked at the extent to which cognitive diversity affects the group and/or the company. Some attempts have been made by Tsui et al.,⁷ and Mamman,⁸ to look at diversity from the employees perspective.

Yet the issue of diversity reflects a systemic problem: On the one hand, with ongoing globalisation, an increasing level of diversity in firms cannot be avoided and can be very beneficial to the organisation. On the other hand, groups and organisations tend to drive out diversity. Milliken and Martins⁹ have found ample proof in their research about the negative effects of diversity in organisational groups and confirm that groups and organizations will act systematically to drive out individuals who are different from the majority, unless this tendency to drive out diversity is managed (Milliken and Martins, p.420). Thus, if organisations do not counteract by developing appropriate mechanisms to assist their members in dealing with diversity, they will also lose some of the beneficial impacts of diversity which consist of increased creativity, better performance and higher quality solutions.

Recent field study results from Ng and Tung¹⁰ have shown that, on the one hand, a culturally heterogeneous workforce in an organisation will lead to lower levels of absenteeism, higher productivity and financial profitability, while, on the other hand, it will bring an inferior level of job satisfaction, organisational commitment and higher rates of turnover. Similar results were provided by Jackson et al.¹¹ who found that diversity will create feelings of discomfort among the group members, which can lead to lower integration in the group and thus to a greater probability of leaving the company.

Cross-cultural team-building courses taught by the author at university level have also revealed different degrees of integration among the team members as well as different levels of performance. When trying to understand why a multicultural team fails or succeeds, it makes sense to look at the composition of the team. Composition includes several factors, such as race, ethnic background, age, gender, education, technical abilities, functional background, tenure in the organisation, socio-economic background, personality, or values (cf. Milliken; Tsui). Many of these factors become negligible when evaluating the team performance of the relatively homogeneous groups of university students. The forms of diversity that become apparent in this environment are commonly referred to as cultural differences. Cultural differences have been found to be responsible for over 70 % of the differences in leadership behaviour.¹² Thus, a focus on these differences seems legitimate. Also, choosing a multicultural group of students as a target group is more relevant than it might appear at first glance because they allow us to observe these highly important cultural differences more closely. As research has shown, demographic differences such as age, function or tenure although statistically relevant are not nearly as influential as cultural diversity. Reber, et al.¹³ have also conducted comparative studies on leadership behaviour with managers, university professors of management and students in Finland, Austria and the USA which proved that differences in behaviour existed between the three cultures but not between the different groups in one culture.

Reasons for Team Failure

Aside from the more obvious reasons for team failure, such as a lack of identification with the team goals or a general lack in commitment, multicultural teams are characterised by a greater need for social integration and face the major problem of communication. As Lau and Murnighan¹⁴ point out, highly diverse populations are expected to experience barriers to social interaction, leading to increased social differentiation. Similarly, O'Reilly et al. (1989) argue that demographic dissimilarity will decrease communication frequency within a group, therefore reducing group cohesion (Lau and Murnighan, p.326). Therefore, when a team is composed, Lau and Murnighan suggest paying attention to the potential existence or development of *faultlines*. Group faultlines are hypothetical dividing lines that may split a group into subgroups based on one or more attributes (Lau and Murnighan, p.328). Thus, for instance, gender, function, national culture or language may act as faultlines. The

more attributes are correlated, the stronger faultlines of subgroups can get. Lau and Murnighan argue that at minimum and maximum diversity, faultlines are either absent or unlikely [whereas they] become most likely in groups of moderate diversity (Lau and Murnighan, p.331). They also underline that diversity has more potential for performance gains owing to enhanced creativity, and faultlines have more potential for performance losses owing to increased subgroup conflict (Lau and Murnighan, p.327). So, the effects of diversity and faultlines differ. While diversity may result in task conflict or in interpersonal conflict, it is also the source of creative and innovative thinking because different knowledge, perspectives and experiences will generate better group decisions. According to Jehn¹⁵ a moderate level of task conflict is beneficial, as it will lead to a re-evaluation of alternatives and consequently improve the groups performance. On the other hand, major task conflicts or interpersonal conflicts will hamper team progress. This supports older findings by Janis¹⁶ and Argyris¹⁷. Janis maintains that homogeneous groups tend to fall into the trap of groupthink thus reaching low quality decisions, and Argyris has observed that severe conflict will generate antagonism among group members and so minimise performance.

This places the organisation in a very difficult situation: If both heterogeneity and homogeneity can be detrimental to group performance, what are the teams supposed to look like that are able to achieve these positive effects that researchers have been adamant to attribute to diverse teams?

The Balance Theory

To find an answer to this question, it may prove valuable to borrow from a very recent approach taken by management theory, namely the *balance theory*. Up to now theorists have mainly followed the linear thesis that the degree of openness of an organisation correlates with the degree of innovation. Thus, the more open the organisational structure of a company, the more this will lead to innovative ideas on the part of the management/staff/workers. Brown and Eisenhardt¹⁸ have discovered, however, that too much flexibility and innovation can lead to chaos rather than a competitive advantage. By analysing the strategies of successful companies they have come to the conclusion that the central dilemma of current business is how to achieve adaptive innovation and consistent execution (Brown and Eisenhardt, p.28). They see the solution in *improvisation*, which allows a company to *balance* on the edge of chaos without falling into the chaos trap. (*Figure 1*)

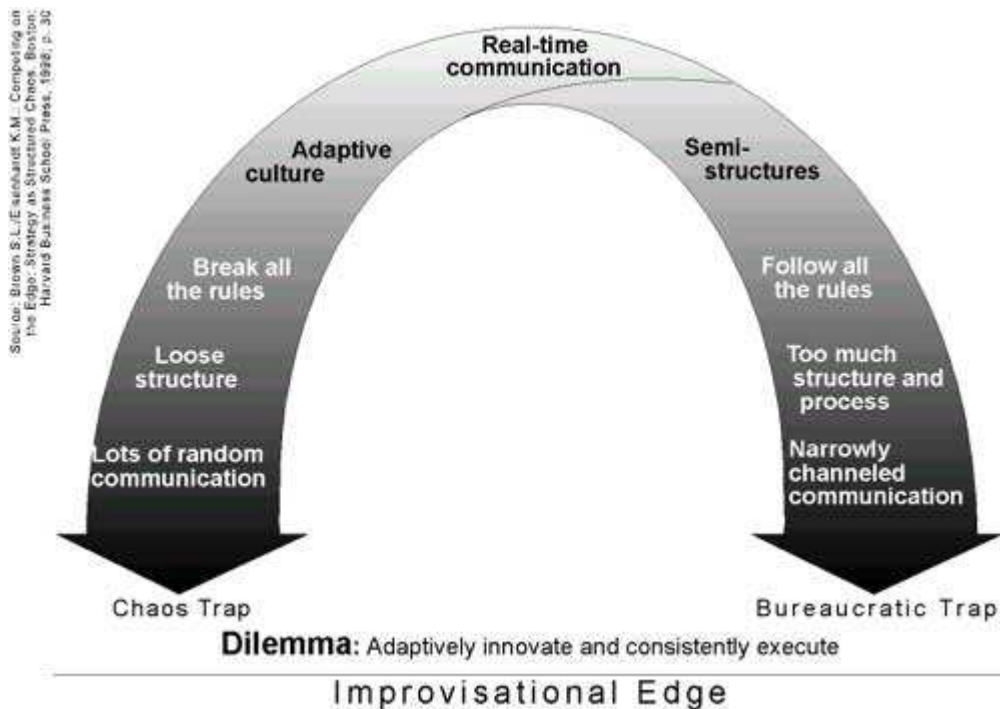


Figure 1: Balance Theory

Gebert et al.¹⁹ also challenge the linearity principle suggesting that the degree of innovation will be highest if the organisation adheres to a curvilinear principle. They underscore that opening processes will increase innovation but they also involve some risks. So, for instance, increasing plurality and heterogeneity will generate a bewildering number of alternatives, which will block decision-making processes and distract from the task orientation. From this they conclude that openness will foster innovation up to a certain point. If the degree of openness grows further from this point, innovation will not increase but rather decrease. This balance theory implies that every opening process of an organisation will have to be accompanied by a parallel closing process.

Teams are very often used in organisations to ensure a high degree of innovation. Therefore, if the balance theory is applied to the composition of multicultural teams, this will lead to the following propositions:

Proposition 1: The success of cross-cultural teams is more likely when they are formed according to a balancing principle, i.e. when the group is neither too homogeneous nor too heterogeneous with respect to culture.

If we accept what the balance theory says, we must acknowledge that too much diversity will interfere with the team processes and will therefore impair the performance of the team. Teams which never get beyond the stage of trying to figure

out the cultures represented because the differences are so manifold, require such a long and intensive team-building process that the costs become too high for the organisation. Even if greatest care is given to this process, the cognitive schemata might be so divergent that decision-making becomes almost impossible for the team. After having been learned, cognitive schemata such as information processing or problem-solving preferences become habitual thinking strategies which allow members of a specific culture to make their behaviour consistent with other members of their culture. These schemata are never questioned by individuals. As Abramson et al.²⁰ explain: Schemata are transparent and individuals see the world through their schemata without seeing the schema itself (Abramson, Keating and Lane, p.126).

Not only cognitive processes are different in culturally divergent teams, but also the motivational dispositions of the group members and their values. Cognition and motivations are transformed into *habits*. It is very difficult and it requires a long training process to change these habits. For the team members it therefore becomes very frustrating to deal with such ingrained qualities that the individual is mostly not even aware of and cannot change easily. A change is virtually impossible if the awareness about diversity only reaches the cognitive level. Therefore a lecture on cultural differences will have little if any effect on the behaviour of an individual in a multicultural team.

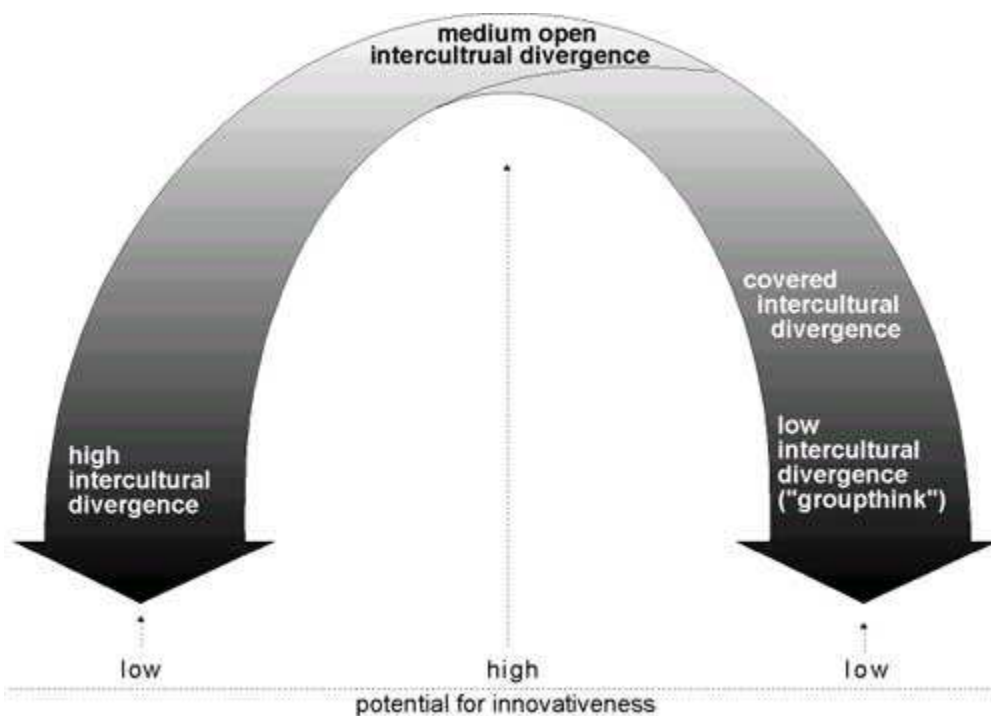


Figure 2: Cultural divergence

As we can observe from *Figure 2* on the potential of innovativeness, the ideal team should be composed of members from clearly different but not too divergent cultures. This would result in medium open intercultural divergence. Such a team could, for

instance, consist of a mixed group of Europeans. This cultural mix would ensure the necessary level of diversity and avoid the danger of faultlines.

Figure 2 also shows that it is essential not to disregard the risks brought about by so-called covered intercultural divergence. This term designates the differences between country clusters (Reber et al., 2000; Weibler et al., 2000). One example of such a cluster is the Germanic cluster, which is formed by the countries Germany, Austria and Switzerland. Reber et al. observed great similarities in leadership behaviour in these countries. Weibler²¹ and his co-authors, however, who carried out a detailed study on semantic associations concerning leadership qualities and leadership behaviour, have discovered subtle differences between these three countries which may cause major behavioural consequences. To select just one example, *competitive behaviour within the group* is viewed very positively by Germans, while Austrians feel that this behaviour impairs team performance. The Swiss in turn find that it can both enhance or impede team performance. This covert cultural divergence is most difficult to deal with, as the team members, who expect a similar behaviour from the representatives of the same country cluster, are completely taken by surprise when they are suddenly confronted with a kind of behaviour they cannot interpret because it differs from their own.

Proposition 2: Diversity in multicultural teams is a definite advantage, provided that sufficient time is allocated to team-building.

The object of team-building, traditionally, is that of harnessing people who are basically independent in a working environment to perform their responsibilities in a systematic or unifying way²² (Wigglesworth, p. 135). Dedicating time to team-building is important for all kinds of teams, even monocultural ones. Multicultural teams usually take longer for this process and may need two or three initial meetings with social activities in order to build working relationships²³ (Canney Davison, p.172). As Snow et al.²⁴ underline, it is important for the team leader and the members to trust each other, to be committed to the task, to be reliable and to enjoy working with each other. Obviously, such process outcomes do not occur by chance, nor are they likely to develop naturally. Most often, they occur because the team has engaged in a well-conceived, facilitated process that takes multiculturalism into account (Snow et al., p.61). Lau and Murnighan confirm the importance of team-building also with regard to potential faultlines: Increased knowledge of ones fellow group members and greater familiarity or experience with the task make unactivated faultlines less salient. Stereotypes and initial impressions fade as people obtain more specific information about each other. (Lau and Murnighan, p.333).

In essence, what team-building should achieve among the group members are clear shifts in the frames of reference or even revolutions in consciousness. Teams whose

members have undergone this development will overcome culture-related problems more easily and achieve higher levels of performance.

Proposition 3: The main step to cope with cultural divergence involves \square consternation \square .

When speaking of intercultural competence, we think of people who have developed a sufficient tolerance of ambiguity that allows them to cope with diversity. These people will have undergone an exhaustive reflection and search of their own selves and their culture. They will question assumptions and stereotypes. They will be able to suspend judgement when confronted with an unfamiliar way of behaving or thinking, and they will be able to display a kind of behaviour which is culturally non-offensive. Intercultural competence is not acquired by approaching the issue of diversity exclusively from a cognitive perspective. Emotional experience represents a major part of this process.

Therefore it is essential for the future performance of a team that the team-building process does not only affect the cognitive level. Although most people find it interesting and even entertaining to hear about cultural differences in a lecture or presentation, this will not enable them to cope with diversity. Cultural learning does not take place unless an experience also reaches a persons affective level. Therefore, team-building exercises must be designed in such a way that they arouse an emotional response on the part of the group members. During this process, group members may be able to get beyond their demographics and to establish important interpersonal understandings (Lau and Murnighan, p.338). The best effect will be achieved when the individual experiences *consternation*. Only then will it be possible to effect changes in the habits discussed earlier. Consternation can be produced in feedback processes or in games showing ones inability to find a solution. Consternation should lead to a group reflection about the observed differences.

Proposition 4: The basic prerequisite for well-functioning multicultural teams is authentic communication between the different cultures.

All honest efforts to work together as a team are thwarted when the team members are unable to communicate with each other. Only during the last few years has the issue of language been given the attention it deserves in the context of multicultural teams. In their study on the Finnish multinational company *Kone*, Marschan-Piekkari, Welch and Welch²⁵ describe how language imposes its own structure on communication flows and personal networks (p.421). They show that an inability to communicate in the company language (English) or in the headquarters language (Finnish) puts managers and workers of international subsidiaries at a major disadvantage. The result is the development of an organisational shadow structure in which those partners align, who are able to communicate with each other. This

shadow structure obviously interferes with the official company structure and shows that language can either operate as a glue connecting units to each other [or it can] create a sense of remoteness and disconnectedness from, or closeness to, headquarters (Marschan-Piekkari, Welch and Welch, p.435). Language can also be instrumental in determining who holds a certain degree of power in the company.

Status and power with regard to language are also relevant when it comes to multicultural teams, because language can create strong faultlines. From what the author could observe, it can even give more power to individual members, if they happen to be native speakers of the language used for in-group communication. Expertise in language is often confounded with producing better ideas, having better leadership qualities, or showing greater perspicacity. Of course, when used in a sensitive way, superior mastery of the group language can also entrust the native speaker with a mediating function. He or she can intervene and rephrase a statement when two non-native group members have problems understanding each other.

In her article *The Authenticity of Intercultural Communication* Christine Fox²⁶ asks whether true communication between highly divergent cultures is possible. She comes to the conclusion that even though, for instance, the different conceptual frameworks of Western and Asian cultures create different discourse norms and strategies, which make understanding very difficult, this does not rule out the possibility of cultural understanding and authentic communication (Fox, p. 88). She goes on to reflect upon the difference between a misunderstanding and a breakdown in communication and maintains that the main difference between these two lies in the fact that misunderstandings/miscommunication can be corrected whereas a communication breakdown is irreparable (Fox, p. 89). Miscommunication can either be a failure of the cultural interpretation mechanisms [or] a miscoding of language (Fox, p. 89).

Fox also links the question of intercultural communication effectiveness to issues of power, powerlessness and control, and she criticises that too much depends on the idea that adaptive behaviour to suit the dominant or host culture is the answer (Fox, p.91). Although linguistic skills are essential for communication, she points out that authentic discourse is not just a matter of using the correct words, or matching discourse norms, or even matching cultural backgrounds. [...] Meaning is mutually created, through trust, sincerity and a willingness to acknowledge differences of cultural background (Fox, p. 93).

In the context of groups, this brings us back to the importance of two previously discussed prerequisites for successful multicultural teams, which are a well-monitored team-building process and the development of intercultural competence. If these are combined with an endeavour to achieve communication effectiveness, cultural diversity in teams will definitely lead to superior performance. To answer the

initial question of this article, a moderate level of cultural diversity will be beneficial for all three, the individual, the group, and the organisation.