

Benefits of Multicultural Teams

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ABSTRACT

Increase in globalization has lead to increase in multicultural teams. These teams have become an essential part of every organization. Peoples from diverse social and cultural background are meeting and working together than ever before. This has given rise to complex business environment. These cultural factors have impact on the people working in heterogeneous groups. This diverse multicultural team gives rise to benefits for the organization. In view of this changing business environment the study is conducted to know the benefits of having multicultural teams with respect to IT sector in Karnataka. The findings of the study state that having multicultural teams helps the organization to increase the productivity, growth and innovative thinking.

I. INTRODUCTION

“During the 21st century, one of the most important trends affecting the workforce is be that of increasing diversity” (Lavaty and Kleiner, 2001). Due to globalization the national boundaries have blurred, this development has witnessed a huge influx of workers towards developed countries in search of economic opportunities. “As the world is shrinking through globalization, more and more people live and work in foreign countries and thus they continually come into contact with the people coming from very diversified cultural origins, involving language, norms, lifestyle, etc” (Zakaria, 2000; Montagliani).

With the inception of globalization transition is witnessed in almost all concerns of businesses. Organizations are addressing the challenges of globalization by undertaking a reconsideration of their traditional ways of functioning. Teams are designed to produce efficient and effective work. The traditional teamwork has undergone transformation through entry of people from diverse cultures. This development has a marked effect upon teams and their operations.

“A Multicultural team is a group of employees selected from two or more countries who are brought together to coordinate, develop, or manage some aspect of a firm’s global operations” (Steers & Nordon, 2006). Multicultural Teams are expected to contribute towards the desired aim of enhancing team efficiency.

Multiculturalism – Doctrine asserting value of different cultures coexisting within single society; globally, vision of cultural diversity deliberately fostered and protected.

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Distefano and Maznevski (2000), also discussed in their argument that, “today’s economy increasingly requires people to collaborate in teams cross culturally and geographically. Sometimes team members are all located in the same physical setting. More and more frequently, they are scattered across a city, a country, or the globe. These teams should create significant competitive advantage by bringing together different ideas, pools of knowledge, and approaches to work”.

II. REVIEW OF LITERATURE

According the European institute of managing diversity (2003) there are 6 units worth of mentioning when looking at who benefits from managing cultural diversity. Those are mentioned in the list below along with the benefits of this experience.

- a) Enterprise; their benefits are the reduction of absenteeism, employee turnover, a loss of best talents.
- b) Economy; it benefits from the increase of the efficiency, creativity and participation of human capital in the corporate objectives.
- c) Administration ; the stability of employment and work environment makes them benefit from managing cultural diversity
- d) The individual; he or she benefits from diversity through the sponsorship of promotion and development to advance their profession which diversity efforts provided.
- e) Consumer; efforts promoting cultural diversity contribute to the external image and social accountability of the company towards its external publics which makes the consumer benefit from diversity as well
- f) Society: by creating a supportive social climate that allows all employees to have nice harmonize their professional and private lives makes the whole society benefit from diversity.

One of the major sources of task group ineffectiveness is group thinking that often exists in organisation with a homogeneous work force.

The proper integrated effective diversity management initiatives enhance the productivity within the organization (Alder, 1991). Due to increasing complexity of the process that must take place in order for a group to realize its full potential (Moore, 1999). The outcome of this is that the wide range of human resource allows the group to become more creative and by effective handling of the confrontations of these different views is said to lead to ideas and are superior in creativity and in quality (Adler, 1991).

The further more Agocs and Burr (1996). State that effective diversity management will give results of decreased conflict and instead create a more satisfying work environment (Mavin and grilling, 2000) with enhancing creativity and improved innovations. (ILES, 1995 Mavin and Girling, 2000). By introducing a organizational culture in which the potential of all employees is realised, flexible working arrangement are offered employees are valued, motivated, developed and encouraged to progress in the organization the result will be reduced absenteeism and inter increases productivity as previously mentioned (Mavin and Girling 2000). Consequently management of diversity reduces cost associated with turnover and absenteeism, (Maxwell et al, 2001).

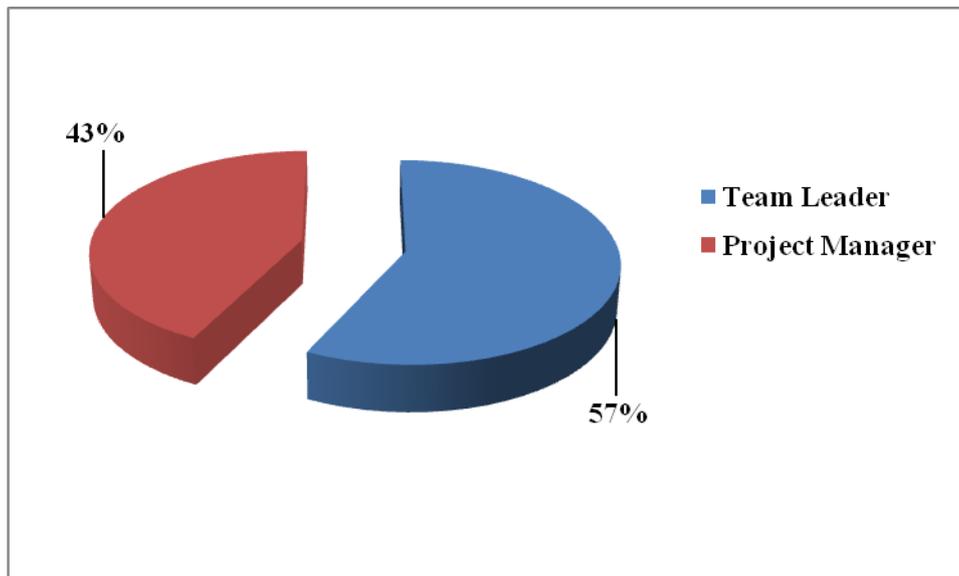
III. METHODOLOGY

The study has been undertaken find out the benefits of multicultural teams. The data for the study is collected from team leaders and project managers of IT companies of Karnataka. A questionnaire was developed by the researchers based on the study. The reliability of the scales was tested using Cronbach's alpha and results got is above 0.7 which seems the scales used are valid for the study. Snowball and convenience sampling technique was adopted to select the sample of respondent. The sample size considered for the study was 365 respondents. The collected data is analysed with the help of Mean and Standard deviation.

Table No : 01 shows the Cronbach's alpha reliability test

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items
.903	.908

Chart No 01 shows the responses consider for the study



The above chart explain the percentage of respondents consider for the study. Among 365 respondents 156 are project manager and 209 team leaders are considered from different IT companies of Karnataka.

Table No: 02 Benefits of multicultural teams

Factors Ratings	1	2	3	4	5	Mean	Var	Std. Dev	Ra nks
Increases the Organizational Productivity	9	7	32	38	70	3.98	1.36	1.17	1
Reduces Conflict among employees	21	17	33	68	15	3.25	1.43	1.20	8
Increases Innovative thinking	3	8	23	95	27	3.87	0.68	0.83	2
Increases employees efficiency	19	7	35	58	36	3.55	1.55	1.24	6
Reduces absenteeism	19	14	62	39	22	3.20	1.36	1.17	9

Reduces turnover	33	8	56	42	17	3.01	1.61	1.27	10
Helps in Sharing knowledge among employees	5	10	51	57	33	3.66	0.97	0.99	4
Flexible Working hours or Freedom to Work independently	5	11	45	55	40	3.73	1.05	1.02	3
Close Working Relationship	11	11	52	56	26	3.48	1.15	1.07	7
Recruit Candidates from Border Talent pools	20	9	23	55	47	3.65	1.75	1.32	5

The above table reveals the information about the benefits of having multicultural teams. Among the ten listed benefits, the responses are asked to rate individual benefits on 5 point scale (1 for the least important and 5 for the most important). The mean score of these benefits lies among 3.01 to 3.98. Having multicultural teams the most important benefit is increases organization productivity (3.98) followed by increase innovative thinking (3.87), flexible working hours or freedom to work independently (3.73), helps in sharing knowledge among employees (3.66), recruit candidates from border talent pools (3.65), increases employees efficiency (3.55), Close working relation (3.48), reduces conflict among employees (3.25), reduces absenteeism (3.20) and reduces turnover (3.01). This states that having multicultural teams increases organizational productivity, increases innovative thinking and flexible working hours or freedom to work independently. This helps both organization and employees growth.

IV. CONCLUSION

The purpose of this paper is to know the benefits of multicultural teams. This research has revealed that multicultural cultural results in increasing organizational productivity, increased innovative thinking, having freedom to work independently, sharing knowledge among employees and recruit candidates from the border talent pools. The research further shows that absenteeism, turnover, reduces conflict among employees and employees efficiency are least affected in multicultural teams.

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