

**LEADING CULTURALLY DIVERSE TEAMS**  
**IN**  
**THE UNITED ARAB EMIRATES**

by

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## DISSERTATION RELEASE FORM

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## **ABSTRACT**

### **LEADING CULTURALLY DIVERSE TEAMS**

by Muna AbdelHakim

In the globalisation era, cultural diversity in business environments has increased dramatically. A number of researchers have been studying this concept, trying to devise different cultural frameworks for both leaders and team members to work effectively. The purpose of this research is to enhance the performance of culturally diverse teams. This is approached by attempting to improve the leadership in these contexts. The research process used mixed qualitative and quantitative research methods to attain comprehensive results. It includes a review of the current literature, followed by three case studies which involve surveys, interviews, and observations. The major findings indicate that there is no unique successful leadership model to be followed in the multinational settings. However, emotional intelligence is seen as a significant quality for effectual multicultural team management. Moreover, a set of actions are suggested to effectively manage culturally diverse teams. Due to the time limitations of this research, a list of related research topics is suggested for future research.

## DEDICATION

I dedicate my dissertation to my family. A special feeling of gratitude to my loving mother, whose words of encouragement ring in my ears. My sisters, for taking care of my daughter during my study period. I also dedicate this dissertation to my husband who has supported me throughout the process. I will always appreciate all what he has done. I finally dedicate this work to my wonderful daughter 'Mahra' for being a good girl in my absence.

## TABLE OF CONTENTS

<i>Number</i>	<i>Page</i>
Table of contents	1
List of figures	4
List of tables	5
1. Introduction	6
1.1. Background	7
1.2. The aims and the objectives of the research	9
1.3. Methodology	11
1.4. The structure of the research	12
2. Groups and teams	15
2.1. The definition of groups	16
2.2. The structure of groups	17
2.2.1. Rules and norms	17
2.2.2. Roles and status	17
2.3. The development of groups	18
2.3.1. Bass and Ryterband's model	18
2.3.2. Woodcock's model	19
2.3.3. Tuckman's model	20
2.4. Types of groups	21
2.5. Teams	22
2.6. Characteristics of effective groups	23
3. Culture and cultural diversity	26
3.1. Culture	27

3.1.1.	The definition of culture	27
3.1.2.	Levels of culture	28
3.1.3.	Frameworks for examining cultures	31
3.1.3.1.	Hofstede's dimensions of cultural values	31
3.2.	Cultural diversity	35
3.2.1.	The definition of cultural diversity	35
3.2.2.	Benefits and challenges of cultural diversity	37
4.	Managing culturally diverse teams	41
4.1.	Culturally diverse teams	42
4.2.	Culturally diverse teams: problems and opportunities	42
4.3.	The effective culturally diverse team	44
4.4.	Competences of effective culturally diverse team members	45
4.5.	Competences of effective culturally diverse leadership	49
4.6.	Frameworks for effective management of diversity	53
4.6.1.	Adler's strategies for managing diversity	53
4.6.2.	Higgs framework for managing diversity	56
4.6.3.	MBI framework for managing diversity	56
5.	Research method	58
6.	Data collection	63
6.1.	Case study one	64
6.1.1.	Organisation overview	64
6.1.2.	Project overview	65
6.1.3.	The research process	66
6.2.	Case study two	73
6.2.1.	Organisation overview	73
6.2.2.	Project overview	74

6.2.3. The research process	75
6.3. Case study three	83
6.3.1. Organisation overview	83
6.3.2. Project overview	83
6.3.3. The research process	84
7. Data analysis	92
7.1. Case study one	93
7.1.1. The effect of cultural diversity on the project team	93
7.1.2. The role of leadership in the multicultural context	94
7.2. Case study two	98
7.2.1. The effect of cultural diversity on the project team	98
7.2.2. The role of leadership in the multicultural context	101
7.3. Case study three	102
7.3.1. The effect of cultural diversity on the project team	102
7.3.2. The role of leadership in the multicultural context	104
8. Discussion and conclusions	105
8.1. Towards an effective leadership in the context of cultural diversity	106
8.2. Discussion and conclusions	112
References	115
Bibliography	123
Appendix A	126
Appendix B	129
Appendix C	134

**LIST OF FIGURES**

<i>Number</i>	<i>Title</i>	<i>Page</i>
Figure 1.1	Levels of Diversity Management	9
Figure 1.2	The Structure of the Dissertation	13
Figure 3.1	Sathe's Levels of Culture	29
Figure 3.2	Visible and Invisible Components of Culture	31
Figure 4.1	Intercultural Competence Model	48
Figure 6.1	Nationality Percentages in Group IT	65
Figure 6.2	Case Study 1 Team Members' Performance	72
Figure 6.3	The Average Performance vs. the Performance during Case Study 1 Project	73
Figure 6.4	Team Members' Nationality Distribution in Organisations A and B	75
Figure 6.5	Case Study 2 Team Members' Performance	82
Figure 6.6	The Average Performance vs. the Performance during Case Study 2 Project	82
Figure 6.7	Case Study 3 Team Members' Nationality Distribution	84
Figure 6.8	Case Study 3 Team Members' Performance	90
Figure 6.9	The Average Performance vs. the Performance during Case Study 3 Project	91
Figure 7.1	The Circle of Trust	100
Figure 7.2	The Circle of Mistrust	101
Figure 8.1	A Strategy to Utilise Diversity	108
Figure 8.2	Four Combinations of Socialisation and Individualism	111



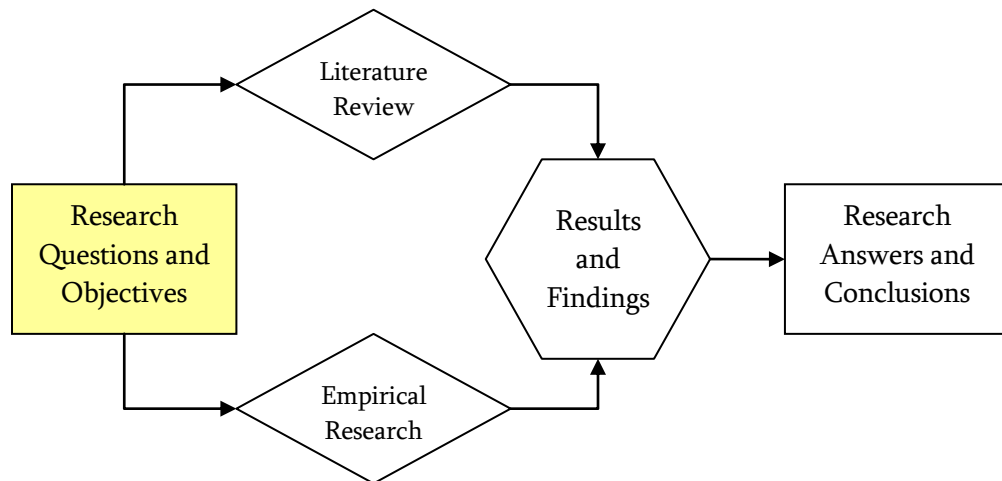
**LIST OF TABLES**

<i>Number</i>	<i>Title</i>	<i>Page</i>
Table 2.1	Stages in Group Development	21
Table 3.1	Advantages and Disadvantages of Group Diversity	39
Table 3.2	Potential Competitive Advantages of Different Cultures	40
Table 4.1	Organisational Strategies for Managing Cultural Diversity	54
Table 6.1	Summary of Case Study 1 Interviews	69
Table 6.2	Summary of Case Study 2 Interviews	78
Table 6.3	Summary of Case Study 3 Interviews	87

*Chapter 1*

**INTRODUCTION**

This chapter gives a background of the research topic. It describes the research drivers, aims and objectives. It further discusses the selected methodology to carry out the research and the structure of the dissertation.



*Chapter 1*

**INTRODUCTION**

**1.1. Background**

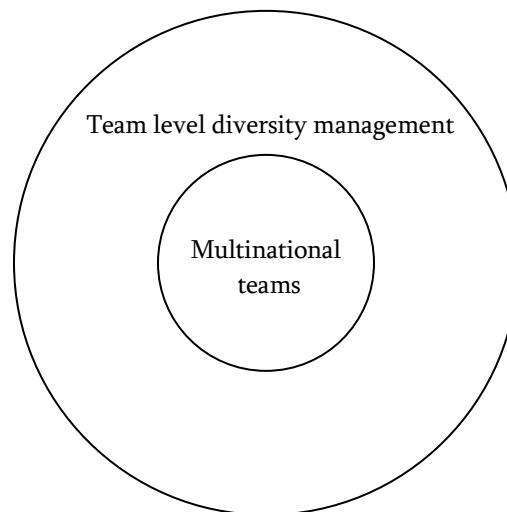
Globalisation, diversity, and team working seem to be one of the most popular topics since the 1990s, as they appear in almost all management books, articles, and conferences (Higgs 1996). As the world is becoming a small village through globalisation, more people are starting to live in countries different from their own. As a result, they come into contact with people from different cultural origins, people with diverse languages, norms, and beliefs (Zakaria 2000). This globalisation is amalgamating the world market and is increasing the number of multinational organisations, where each multicultural workforce performs different work related activities (Matveev and Milter 2004, Bhadury *et al.* 2000). Consequently, new challenges to realise similarities and differences between employees with dissimilar cultural backgrounds have emerged (Smith *et al.* 2002). These challenges have led a number of researchers to investigate and to give attention to the phenomenon of cultural diversity. As a result, diversity has become an increasingly significant matter for organisations, leaders, and individuals (Egge 1999), as managing it successfully is considered to be a major factor of success and failure for organisations (Canen and Canen 2001).

According to the most recent national census of the United Arab Emirates (UAE) conducted in 2005, expatriates form 80 per cent of the population in the UAE. Hence, the UAE has one of the most diverse populations in the Middle East (Wikipedia 2008). The UAE now comprise people from more than two hundred nationalities. On the one hand, a multinational workforce can play a significant role in increasing productivity, as variety of cultures and backgrounds is a chance for more innovation and cross cultivation. On the other hand, the differences in behaviours, beliefs, and values can cause conflict, misunderstanding, and other communication problems (Matveev and Milter 2004). Therefore, studying and understanding diversity is crucial, in order to utilise the assorted capabilities of an intercultural workforce and to overcome the challenges facing multinational team work (Iles 1995). In spite of this growing importance of workforce diversity, a very limited number of studies have been undertaken to improve management of diversity in the UAE.

Diversity management can be divided to two major layers or levels. The first level is 'organisational level diversity management' which involves human resource strategies, policies, procedures, training, and development. The second level is 'team level diversity management' which includes matters such as leadership, motivation, empowerment, and communication (see Figure 1.1). The purpose of this research paper is to improve diversity

management in the second level. That is to say, the focus of this paper is on team level diversity management, aiming to enhance the performance of multicultural teams and the leadership in this setting. It is important to state that organisational level diversity management is not tackled in this paper.

Organisational level diversity management



**Figure 1.1:** Levels of Diversity Management

## 1.2. The Aims and the Objectives of the Research

The aim of this research is to improve the performance of culturally diverse teams by enhancing the management of diversity in this context. The following is the list of the research objectives:

- To study the phenomenon of cultural diversity in the business environment.

- To study the influence of cultural diversity on project teams and project success.
- To explore the skills needed in the context of cultural diversity for both team members and team leaders.
- To investigate the effect of leadership on the performance of multinational teams.
- To probe and to examine appropriate leadership competences necessitated when managing multicultural teams.

Achieving these objectives is attempted through studying; First, the concept of groups and teams; their definitions, the difference between groups and teams, their structure, the frameworks of their development, their different types, and the characteristics of effective teams. Second, the concept of culture; its definitions in the literature, its three levels, the available frameworks for examining it, the concept of cultural diversity, and the benefits and the challenges it creates within teams. Third, the concept of culturally diverse teams, their characteristics, their positional problems and opportunities, the description of successful culturally diverse teams, the abilities of successful multicultural team members, the competences of successful multicultural team leaders, and some suggested frameworks for effective management of culturally diverse teams. Finally, the validity of the available literature by testing and conducting empirical investigations

on three organisations in the UAE- Dubai, and the possibility of drawing a more complete picture of the issue.

### **1.3. Methodology**

The research started with undertaking a comprehensive literature review on the topic. This literature review resulted in developing a number of research questions. These questions are:

- Does leadership affect the performance of multicultural teams?
- How can leaders build an effective multicultural team?
- Are there special leadership competences needed in the multicultural context?

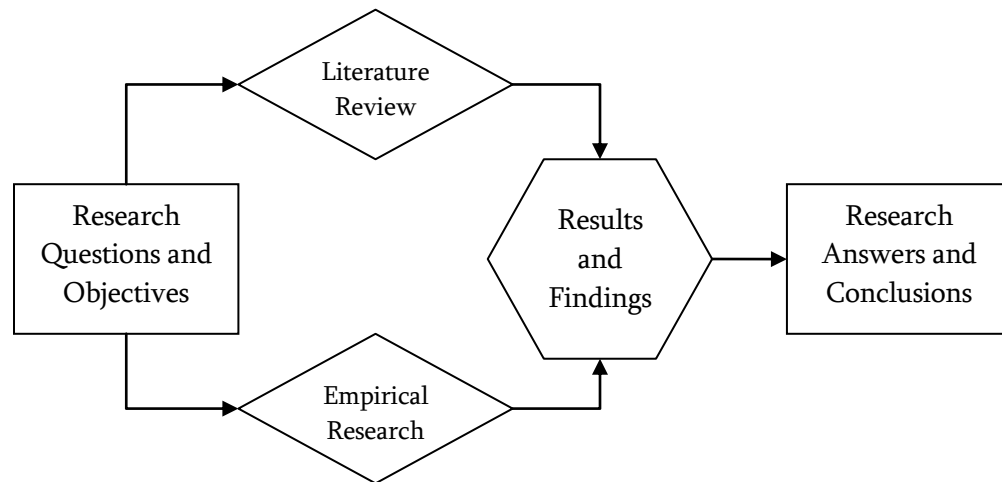
To answer these research questions, the exploratory research used a mixed-methods approach. In other words, mixture of qualitative and quantitative research tools were used to undertake this study. Some of these tools were surveys, interviews, observations, and documents. However, the major approach selected for this research was the case study approach. This was because this approach is seen to provide a comprehensive and an inclusive idea about the situation. As a result it generates more coherent and reasoned conclusions.

Three projects from three different multinational organisations were involved in the study. All the three organisations are based in the United Arab Emirates, Dubai. Four research steps were carried out on these projects in order to have a deep understanding of the case study. The first step was to conduct open-ended interviews with a number of project managers and team members aiming to identify problems, and opportunities faced by the team and to draw a picture of the involvement of the leader in solving these problems and utilising these opportunities. The second step was to conduct a survey of team members to evaluate the effectiveness of leadership in each case study in creating clarity, building trust, empowerment, developing people, and emotional intelligence. The third step was to evaluate the overall project performance for the three projects by looking at the project documents and post project reviews. The last step was to observe the performance of team members and to test if the leadership style had any influence on it.

#### **1.4. The Structure of the Research**

The structure of this dissertation is to start with a review of the available literature on the topic, empirically investigate three organisations for specific information, and build up on both to find proper answers for the research questions and as a result achieve the objectives of the research (see Figure 1.2).





**Figure 1.2:** The Structure of the Dissertation

This structure is represented in eight chapters. These are:

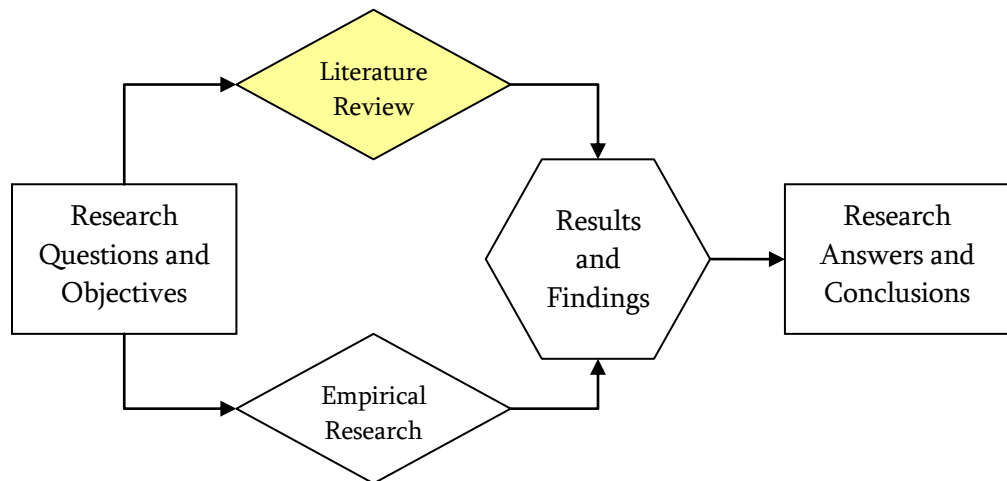
- **Chapter 1.** This chapter gives a background of the research topic. It describes the research drivers, aims and objectives. It further discusses the selected methodology to carry out the research and the structure of the dissertation.
- **Chapter 2.** This chapter represents the literature review conducted about the subject of groups and teams. It illustrates a set of concepts that are needed to develop a base knowledge for the reader.
- **Chapter 3.** This chapter represents the literature review conducted about the subject of culture and cultural diversity. Again, it illustrates a set of concepts that are needed to develop a base knowledge for the reader.

- **Chapter 4.** This chapter represents the literature review conducted about the subject of culturally diverse teams, the problems and the opportunities they experience, and the suggested frameworks by previous studies.
- **Chapter 5.** This chapter explains in depth the research method selected and the research process performed in the empirical study.
- **Chapter 6.** This chapter illustrates the process of data collection and the main information accumulated from this process to be used in next research steps.
- **Chapter 7.** This chapter uses the information gathered from the previous chapter to analyse and to evaluate different sittings and to reach to conclusions and recommendations that answers the research objectives.
- **Chapter 8.** This chapter puts an end to the dissertation by summarising the main research out comes and by suggesting possible areas or topics for future research.

*Chapter 2*

**GROUPS AND TEAMS**

This chapter represents the literature review conducted about the subject of groups and teams. It illustrates a set of concepts that are needed to develop a base knowledge for the reader.



*Chapter 2*

**GROUPS AND TEAMS**

**2.1. The Definition of Groups**

A group is “a plurality of individuals who are in contact with one another, who take one another into account, and who are aware of some significant commonality” (Olmsted and Hare 1978 p. 11). Another definition by Schein (1988) is “any number of people who interact with one another, who are psychologically aware of one another, and who perceive themselves to be a group” (Brooks 2006 p. 84). They form because of common interests or because of a decision from the management. Groups usually have shared goals to achieve within time and cost limits. This causes some groups to fail achieving their goals (Palmer and Andrews 1997, Fisher *et al.* 1997, Francesco and Gold 2005).

The size of the group ranges between two to twenty members (Francesco and Gold 2005). The size of the group plays a significant role in determining the means of communication between group members. For instance, small groups are most likely to choose direct face to face communication which makes it simpler to exchange information, while large groups find it difficult to do this; instead they go for other ways of communication like the usage of phone and emails (Fisher *et al.* 1997, Francesco and Gold 2005).

## **2.2. The Structure of Groups**

Group structure enables different group members to act more efficiently. This is by specifying rules and norms followed by group members and roles and status of each one of them (Palmer and Andrews 1997, Francesco and Gold 2005).

### **2.2.1. Rule and Norms**

While rules symbolise the expected behaviour organisations force on group members, norms represent the informal and the unwritten routine ways of behaving established by group members themselves. Despite the formality of rules and the informality of norms, it was found that norms are usually more valuable and more respected by group members than rules. They can be positive or negative depending on their nature and on how the organisations recognise them (Francesco and Gold 2005, Brooks 2006).

### **2.2.2. Roles and Status**

Every group member has roles and a status. On the one hand, roles are the set of expected actions or the set of responsibilities of a group member. They involve the tasks required to be carried out by that particular group member. On the other hand, a status is the rank of a group member in the hierarchy of the group or the organisation. It is more like a title or a position for that group member. The two main roles in any group are group

leader and group member (follower) (Francesco and Gold 2005, Brooks 2006).

### **2.3. The Development of Groups**

Group development describes the way in which groups form, grow and change with time. A number of researchers suggested different models to illustrate the stages of group development. Some of these models are presented in this section (see Table 2.1) (Francesco and Gold 2005).

#### **2.3.1. Bass and Ryterband's Model (1979)**

The model developed by Bass and Ryterband (1979) identifies four stages in group development. The first stage is **developing mutual trust**, at which group members remain self-protective and cynical. This is because of initial feelings of doubt and fear, which limit their behaviour through conformity and ritual. The second stage is **communication and decision making**, at which members learn to understand each other and start to express their feelings, emotions, and opinions more candidly. Norms are established at this stage. In addition, group members start to build up a sense of caring for each other and they begin to have more open conversations and to work more effectively with regards to problem solving and decision making. The third stage in Bass and Ryterband's Model is **motivation and productivity**, at which members are implicated with the work of the cluster and lending a

hand to each other instead of competing. Group members become more willingly stimulated by fundamental rewards, such as high level of productivity. The fourth stage is **control and organisation**, in which work becomes more organised and is allocated by agreement and capacities to group members. Members at this stage work autonomously and the organisation of the group is more supple and is more capable of becoming accustomed to new challenges (Brooks 2006).

### 2.3.2. Woodcock's Model (1979)

Woodcock's Model (1979) has again four stages for group development. At the first stage- **the undeveloped team**, objectives are usually undecided. Group members are not sure about their roles and status in the group. As a result, many mistakes occur at this stage. At the second stage- **the experimenting team**, team members are more enthusiastic to listen to each other and to share their experiences. The group becomes more inward looking and a sense of belonging starts to emerge. At the third stage- **the consolidating team**, things are more stable and systematic. Roles and norms are set. The enhanced relationships in the second stage are further developed and used in building these norms. While at the final stage- **the mature team**, group members maintain both good relations from the second stage and a set of rules and norms developed in the third stage. Group members use these factors to achieve the desired results and goals as trust,

cooperation and communication are now part of the group (Ingram *et al.* 1997, Brooks 2006).

### 2.3.3. Tuckman's Model (1965)

Tuckman's Model (1965) is the most popular and the widely used group development model. It consists of five stages; forming, storming, norming, performing and adjourning. At this first stage of **forming**, group members are brought together to form a group. Rules are not set yet, and group members are uncertain, confused, and to an extent worried. Moreover, they are busy trying to know each other and to make a first impression. This reveals a hesitant behaviour and a defensive attitude. At the second stage- **storming**, disagreement and conflict occur between group members. The reason behind these conflicts is that group members are now more confident to convey their opinions and to discuss their views. The disagreement at this stage is not completely negative, as it releases the ideas, creativity and innovation of group members. At the third stage- **norming**, a formal set of rules and procedures is created. Another set of informal rules (norms) is established by group members as well. Therefore, management should pay a special attention to the group at this stage in order to make sure the norms put by them are appropriate and are influencing them to be productive. The fourth stage – **performing**, is a stage at which group member are mature enough to perform different work-related tasks together smoothly. Group members trust each other and are close to each



other. Researchers have been investigating different ways to make this stage last longer to maximise group productivity. Finally, the stage of **adjourning** was added to Tuckman's Model on 1977. It occurs because the group objectives are attained or when one group member leaves the group (Brooks 2006, Ito 2008).

Bass and Ryterband (1979)	Woodcock (1979)	Tuckman (1965)
Developing mutual trust	Undeveloped team	Forming
Communication and decision making	Experimenting team	Storming
Motivation and productivity	Consolidating team	Norming
Control and organisation	Mature team	Performing
		Adjourning

**Table 2.1:** Stages in Group Development (Brooks 2006 p. 95)

#### 2.4. Types of Groups

The business environment world wide is becoming global and groups are becoming more diverse day after day. Theorists have classified groups based on their degree of diversity to homogenous groups, token groups, bicultural groups, and multicultural groups.

- Homogenous groups are groups containing members from only one cultural group.

- Token groups are groups involving members from the same or from similar cultural backgrounds except for one member who belong to a considerably different culture.
- Bicultural groups are groups consisting from members from two diverse cultural backgrounds.
- Multicultural groups are groups consisting from members from three or more cultural backgrounds working together.

(Adler 2002)

### **2.5. Teams**

A teams is a special kind of groups which has a definable membership, shared communication network, shared sense of collective identity and purpose, shared goals, group consciousness, interdependence, interaction, group structure and roles, and ability to act in a unitary manners (Fisher *et al.* 1997, Buchanan and Huczynski 2004). A more comprehensive definition of teams is “a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable” (Natale S. *et al.* 1995, Proehl 1996, Palmer and Andrews 1997, Katzenbach and Smith 1999 p. 15, Matveev and Milter 2004).

Teams are similar to groups since they share some common characteristics like developmental stages and structure. However, teams are more

cohesiveness and they make better use of members' skills (Ingram *et al.* 1997, Fisher *et al.* 1997, Francesco and Gold 2005).

## **2.6. Characteristics of Effective Groups**

The characteristics of effective groups are easy to identify. The most major qualities are corporation, harmony, and support between group members. These qualities arise when group members have;

a belief in shared aims and objectives, acceptance of group values and norms, a feeling of mutual trust and dependency, full participation by all members and decision making by consensus, a free flow of information and communication, the open expression of feelings and disagreements, the resolution of conflict by the members themselves, and a lower level of staff turnover, absenteeism, accidents, errors and complaints.

(Mullins 2005 p. 533)

According to Natale *et al.* (1995), other factors that may affect the effectiveness of team performance are team size, team members' skills, team members' purpose and goals, team members' work relationship, and team members' accountability. The following paragraphs elaborate more on these factors.

Natale *et al.* (1995) argued that to a certain limit, team effectiveness is likely to increase with team size. This is because of the addition of knowledge and

experience with the addition of team members. Nonetheless, team size should be something between two to twenty five members and the most favourable team size is less than ten members, as it was proven that large numbers of people causes conflict and difficulties in the decision making process. Besides, a smaller number of people are more likely to establish and maintain good relationships.

Complementary team members' skills are necessary for the success of the team. That is to say, it becomes more creative when people with different skill set work together towards achieving a certain objective. This should be considered when allocating team members to different tasks. Moreover, variety of skills in a team gives team members a better chance to learn, to develop new skills, and to gain new experiences (Natale *et al.* 1995, Fisher *et al.* 1997).

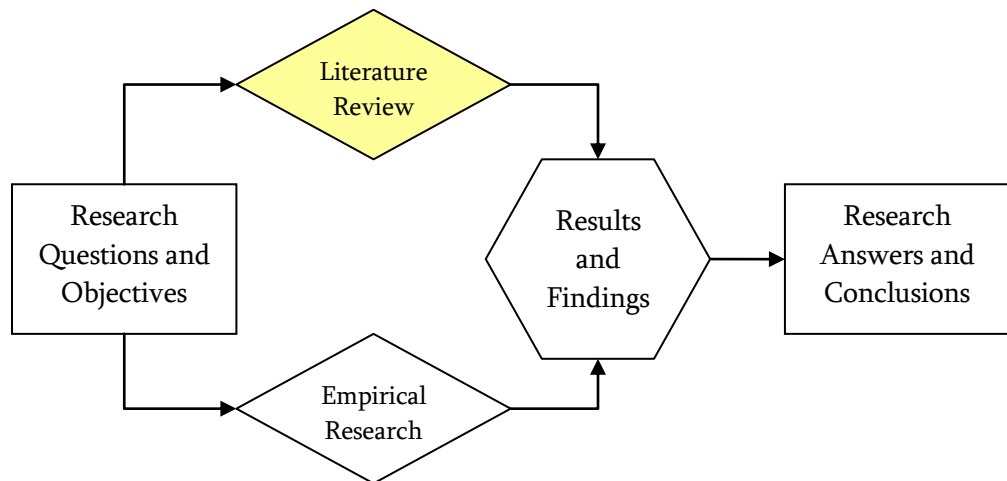
Ingram *et al.* (1997) stated that teams achieve better when they are clear about the tasks assigned to every team member and the purpose of this task. It is significant to identify objectives to teams in order for them to act accordingly. Moreover, associating these objectives to the overall organisational goals adds value to them and as a result, acts as a motivator for team members.

Also, team members' work relationships have an important impact of team performance, since it is vital for team members to establish and develop an infrastructure for their team. This is carried out by dividing the work equally among them based on the skills, the abilities and the experience of every one of them. This makes members' feel esteemed and push them to complete their assigned tasks professionally. Additionally, a group can not be successful and effective unless it members are committed to their different roles and responsibilities within the team. This accountability leads team members to be more devoted to accomplish tasks together in harmony (Natale *et al.* 1995, Ingram *et al.* 1997).

*Chapter 3*

**CULTURE AND CULTURAL DIVERSITY**

This chapter represents the literature review conducted about the subject of culture and cultural diversity. Again, it illustrates a set of concepts that are needed to develop a base knowledge for the reader.



*Chapter 3*

**CULTURE AND CULTURAL DIVERSITY**

**3.1. Culture**

**3.1.1. The Definition of Culture**

It is important to acknowledge the influence culture has on organisational behaviour of groups and individuals in order to understand it thoroughly. In broad, culture is a life style of a group of people, but a unique definition of culture is not obtainable. Theorists have been trying to define culture since 1952. They suggested more than 160 different definitions. One of the earliest definitions of culture by Taylor (1871) states that “culture is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society”. Other simpler definitions came later such as the definition of Triandis (1972) who defined culture as “cultural group characteristics and considered it as a way of perceiving man-made parts of the environment” (Shahin and Wright 2004 p. 501), the definition of Hofstede (1991) who defined culture as “the collective programming of the mind which distinguishes the members of one group from another” (Shahin and Wright 2004 p. 501), the definition of Foulkes (1995) which is “the behavioural norms that a group of people, at certain time and place, have agreed upon to

survive and coexist”, the definition by Ferraro (2002 p. 19) “culture is everything that people have, think and do as members of society”, and finally the most recent definition by DiStefano and Maznevski (2003 p. 1), “culture is a system of values, beliefs, assumptions and norms, shared among a group of people. The group could be a country, region, religion, profession, organisation, even a generation or a social of sporting club”. In general, all definitions of culture involved facets of human society that affect and form people’s attitude in that society.

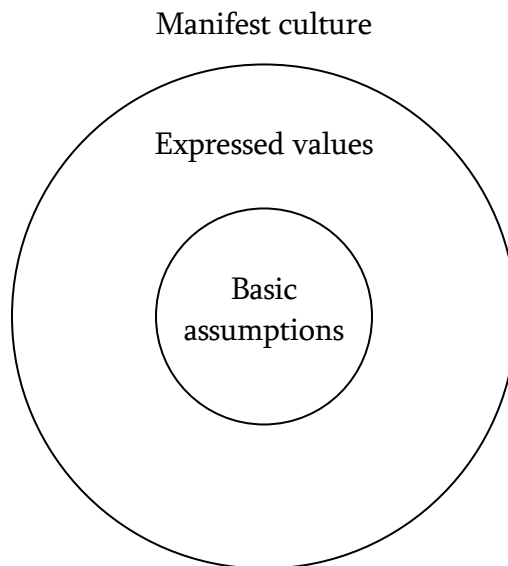
Culture is affected by a number of factors such as language, the legal system, values, education, political system, and religion. In view of that, culture affects people’s everyday life in many aspects. These aspects may include courtship, dream interpretation, food taboos, use of gestures, greetings between friends and business contacts, joking, meat-time behaviour, and religious rituals (DiStefano and Maznevski 2003, Francesco and Gold 2005, Collard 2007).

### **3.1.2. Levels of Culture**

According to Francesco and Gold (2005), culture has three different levels, these are; manifest culture, expressed values, and basic assumptions (see Figure 3.1). Some aspects of cultures act as an outer layer of the onion. It presents easily identified fundamentals about the culture such as language,



music, food, and art. This level of culture is called manifest culture. Regularly this level is obvious and clear for people from other cultures since it represents the culture's daily life. Although this is the first level of culture, it tells a lot about the standard of living. Nevertheless, it can be misleading because it presents a portion of the culture and not the meaning of it.



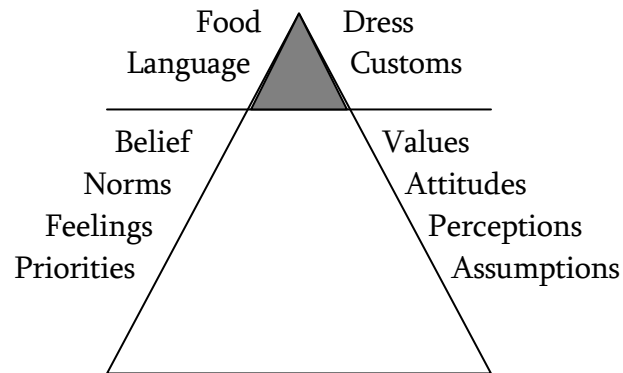
**Figure 3.1:** Sathe's Levels of Culture (Francesco and Gold 2005 p. 19)

The second level or layer of culture is called the expressed values. This level provides a deeper understanding of the meaning of culture through clarifying up how people belonging to the culture explicate the manifest

level. Nonetheless, it is not enough to depend on this level since it lacks a lot of major details

The basic assumptions are represented in the core or in the heart of the onion as they symbolise the collection of beliefs, values, and thoughts that lead the people from a specific culture in their lives. It forms the rules and the norms of the culture and as a result it influences the way people act and behave in different contexts. Knowing these basic assumptions makes it easier to understand the people belonging to this culture.

Furthermore, the components of cultures can be categorised as visible components and invisible components (Darby 1995). On the one hand, visible components include language, food, dress, and customs which are represented in the first level of culture in Sathe's model. On the other hand, invisible components of culture include beliefs, feelings, values, attitudes and assumptions which are represented as a combination of both the second and the third levels in Sathe's model. Figure 3.2 illustrates the visible and the invisible components of culture.



**Figure 3.2:** Visible and Invisible Components of Culture (Darby 1995 p. 14)

### 3.1.3. Frameworks for Examining Cultures

A number of frameworks have been developed to understand and to classify cultures world wide. Some of these famous frameworks are Kluckhohn and Strodtbeck's framework (1961), Hall's low-context cultural framework (1976), Ronen and Shenkar's country clutters (1985), the Chinese value survey by Michael Harris Bond (1987), Schwartz's value survey (1992), and Trompenaar's dimensions of culture (1993). However, only one framework (Hofstede's dimensions of cultural values) is discussed in this section since it focuses on work-related values.

#### 3.1.3.1. Hofstede's Dimensions of Cultural Values (1980-2001)

Hofstede's theory was the first framework to be developed in the cross-cultural business context (Black 2001, Collard 2007). It was a result of studies on IBM employee surveys conducted between 1967 and 1973 with

over 116,000 employees from 72 different countries. He identified four dimensions of cultural values and used them to describe the diversity between cultures. These dimensions are individualism/collectivism, power distance, uncertainty avoidance, and masculinity/femininity. He further used the data to create a profile for each culture, assuming that these differences are results of cultural diversity as the organisation culture is the same (Black 2001, Francesco and Gold 2005, Leo *et al.* 2005).

#### **Individualism / collectivism**

Individualism indicates the level a society appreciates groups or desires working on individual bases, and the extent to which individuals in this society appreciate self-determination as opposed to their preference of being determined by a group (Higgs 1996, Brooks 2006). Individualistic countries pay a special attention to the individual. To them, the individual and his family are important. Organisations in these cultures appreciate individual efforts and they reward employees based on their personal performance regardless of the performance of their groups (Black 2001, Francesco and Gold 2005, Leo *et al.* 2005).

In contrast, collectivistic countries appreciate the group and its benefits more than individualistic interests. They are very good team players by nature as being in a group is so essential to them. The treatments of in-

group and out-group members fluctuate dramatically in these cultures. That is to say, while an in-group member (a family member, a neighbour, a friend, or a colleague) is treated in a good way, an out-group member can be ignored or disregarded (Black 2001, Francesco and Gold 2005, Leo *et al.* 2005).

### **Power Distance**

This dimension represents the involvement of subordinates in the decision making process (Higgs 1996). It is the social distance between people of different ranks, and it signifies the degree to which subordinates (people with less power) perceive the uneven allocation of power. Power distance ranges from small to large. Cultures with small power distance show less reverence to organisational ranking and hierarchal structures. In other words, in most situations people from different hierarchal levels are treated the same. Democratic leadership styles are popular in small power distance societies (Black 2001, Francesco and Gold 2005, Leo *et al.* 2005, Brooks 2006).

Conversely, in large power distance cultures, hierarchal levels are respected to a large extent and people's behaviours are heavily influenced by their positions and titles. To be precise, the way managers treat others and are treated by others is different from the way followers treat others and are

treated by others. Autocratic leadership styles are popular in these societies and a high level of formality is noticeable (Black 2001, Francesco and Gold 2005, Leo *et al.* 2005).

### **Uncertainty Avoidance**

Uncertainty avoidance designates the extent to which people from a certain culture favour structure or feel unhappy with ambiguity. Uncertainty avoidance ranges from strong to weak. In a strong uncertainty avoidance society, laws and regulations are admired. People belonging to this society value security and routine in their lives and look for rules and procedures to guide them (Higgs 1996, Francesco and Gold 2005). They prefer sticking to what they know and what they have already experienced rather than trying or experimenting new options (Black 2001, Francesco and Gold 2005, Leo *et al.* 2005).

In contrast, in a weak uncertainty avoidance culture, people have a preference for an unstructured lifestyle with a wide range of accepted behaviours. They are more open, they are more comfortable with ambiguity, and they enjoy experimenting unusual practices in business and in personal life (Black 2001, Francesco and Gold 2005, Leo *et al.* 2005, Brooks 2006).

### **Masculinity / Femininity**

Masculine cultures value the 'tough' values like success, money, assertiveness result orientation, and competition. Since these values are linked to men, roles of men and women vary extensively in these cultures (Black 2001, Francesco and Gold 2005, Leo *et al.* 2005).

Feminine cultures on the other hand, admire the 'tender' values such as personal relationships, equality, and care for others. Unlike the masculine cultures, roles of men and women are often equal in a feminine society. People belonging to this culture believe in corporation, friendly atmosphere, peace, quality of life, and group work (Higgs 1996, Francesco and Gold 2005, Leo *et al.* 2005).

## **3.2. Cultural Diversity**

### **3.2.1. The Definition of Cultural Diversity**

Diversity, and to be more specific cultural diversity has more than one valid definition. Theorists world wide have defined diversity from different angles. Some of these definitions are; diversity is "a range of differences that include gender, race, ethnicity, and age... it also includes... education, professional background, functional area of expertise, sexual preference and religion" (Francesco and Gold 2005 p. 194), diversity is "the presence of

differences among members of a social unit” (Jackson *et al.* 1995, D’Netto and Sohal 1999), and finally “Diversity consists of visible and non-visible differences, which will include factors such as sex, age, background, race, disability, personality, and work style” (Canen and Canen 2002 p. 74).

Studying diversity is essential to the science of business since it influence how people perform in organisations. Staff from the same cultures behaves similarly, while staff from different cultures behave in different patterns (Francesco and Gold 2005). Therefore, cultural awareness in organisations is fundamental (Canen and Canen 2002).

Research on diversity management has been conducted in the last decades to investigate possibilities of equal employment opportunities. Later, celebrating and valuing diversity appeared to be an appealing approach to manage diversity (Kochan *et al.* 2003). This was through viewing diversity as an opportunity rather than a problem and through appreciating the contribution of each employee in the organisation (Egge 1999). Most recently diversity was viewed as a business case; this suggested that managing diversity is an essential need for business success (Canen and Canen 1999). Law Platt, the former CEO of Hewlett Packard stated (Kochan *et al.* 2003 p. 5):

I see three main points to make the business case for diversity;



1. A talent shortage that requires us to seek out and use the full capabilities of our employees.
2. The need to be like our customers, including the need to understand and communicate with them in terms that reflect their concerns.
3. Diverse teams produce better results.

### **3.2.2. Benefits and Challenges of Cultural Diversity**

Social studies have found that heterogeneous groups have higher levels of creativity and problem solving abilities than homogenous groups (Egge 1999, Maznevski and DiStefano 2004). Fisher *et al.* (1994) has shown that diversity in teams leads to a more effective performance and to a better productivity. Moreover, using the diverse set of skills and ideas a multicultural workforce has, gives the organisation a competitive edge (Iles 1995, Canen and Canen 2001). This does not only offer a wider range of perceptions and more alternatives for better solutions, but also better profits as proven by several studies (D’Nello and Sohal 1999, McCuiston *et al.* 2004). According to Cox (1991), six areas can generate profit to the organisation if diversity is managed effectively. These areas are cost, resource acquisition, marketing, creativity, problem solving, and flexibility. Diversity can improve companies bottom line by improving corporate culture, improving relationships with clients, retaining talented employees,

decreasing complaints, and improving employee morale (McCuiston *et al.* 2004).

Although diversity has many advantages for organisations, the majority of these advantages are not easy to obtain. Multinational organisations face many difficulties making people from different cultural backgrounds work together effectively. Leaders of these organisations suffer from a number of obstacles while managing diverse workforce. Some of these difficulties are agreeing on a single work ethic, authority allocation, trust and commitment, new work configurations, and work-life balance (McCuiston *et al.* 2004). In addition, it was shown that multicultural staff experience poor cohesion and integration, conflict, absenteeism, misunderstanding and dissatisfaction (Hyatt and Simons 1999, Iles 1995, Adler 2002, Maznevski and DiStefano 2004, Collard 2007). Balancing global competitiveness, multicultural flexibility and building learning capacities in the multinational context are other challenges that require the development of cultural sensitivity to manage leverage learning (Higgs 1996).

Adler has summarised the advantages and the disadvantages of diversity in groups. This summary is represented in Table 3.1.

<b>Advantages</b>	<b>Disadvantages</b>
<p><i>Diversity Permits Increased Creativity</i></p> <ul style="list-style-type: none"> <li>• Wide range of perspectives</li> <li>• More and better ideas</li> <li>• Less groupthink</li> </ul>	<p><i>Diversity Causes Lack of Cohesion</i></p> <p><b>Mistrust</b></p> <ul style="list-style-type: none"> <li>• Lower interpersonal attractiveness</li> <li>• Inaccurate stereotyping</li> <li>• More within-culture conversations</li> </ul>
<p><i>Diversity Forces Enhanced Concentration to Understand Others'</i></p> <ul style="list-style-type: none"> <li>• Ideas</li> <li>• Perspectives</li> <li>• Meanings</li> <li>• Arguments</li> </ul>	<p><b>Miscommunication</b></p> <ul style="list-style-type: none"> <li>• Slower speech: Non-native speakers and translation problems</li> <li>• Less accuracy</li> </ul> <p><b>Stress</b></p> <ul style="list-style-type: none"> <li>• More counterproductive behaviour</li> <li>• Less disagreement on content</li> <li>• Tension</li> </ul>
<p><i>Increased Creativity Can Lead to Generating</i></p> <ul style="list-style-type: none"> <li>• Better problem definitions</li> <li>• More alternatives</li> <li>• Better solutions</li> <li>• Better decisions</li> </ul>	<p><i>Lack of Cohesion Causes Inability to</i></p> <ul style="list-style-type: none"> <li>• Validate ideas and people</li> <li>• Agree when agreement is needed</li> <li>• Gain consensus on decisions</li> <li>• Take concerted action</li> </ul>
<p><i>Teams Can Become</i></p> <ul style="list-style-type: none"> <li>• More effective</li> <li>• More productive</li> </ul>	<p><i>Groups Can Become</i></p> <ul style="list-style-type: none"> <li>• Less efficient</li> <li>• Less effective</li> <li>• Less productive</li> </ul>

**Table 3.1:** Advantages and Disadvantages of Group Diversity (Adler 2002)

Higgs has classified the potential advantages of cultural diversity based on Hofstede's dimensions of cultures (see Section 3.1.3.1). Recapitulated results of his study are presented in Table 3.2.

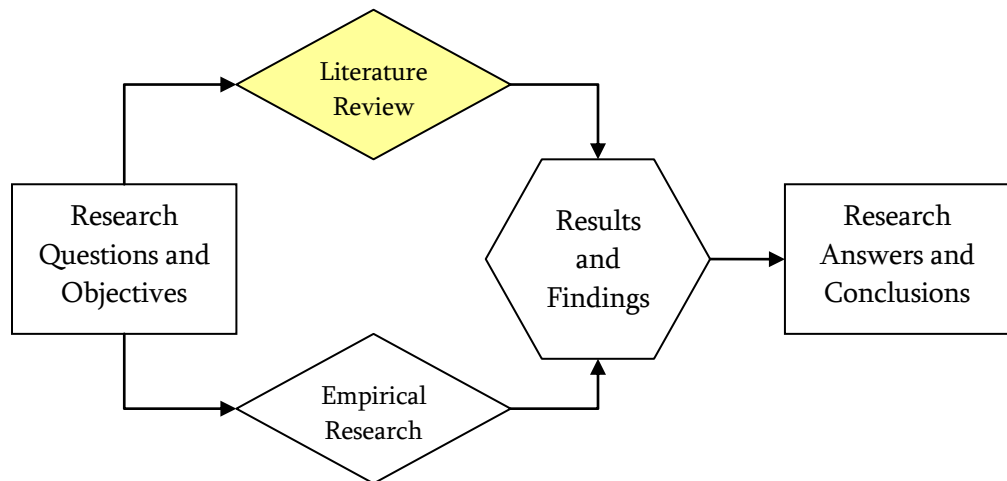
<b>Power distance</b>	<i>Low</i>	<i>High</i>
	Accept responsibility	Discipline
<b>Individual/collective</b>	<i>Individual</i>	<i>Collective</i>
	Management mobility	Employee commitment
<b>Uncertainty avoidance</b>	<i>Low</i>	<i>High</i>
	Innovation	Precision
<b>Masculine/feminine</b>	<i>Masculine</i>	<i>Feminine</i>
	Efficiency	Personal service
	Mass production	Custom building

**Table 3.2:** Potential Competitive Advantages of Different Cultures (Higgs 1996 p. 40)

*Chapter 4*

**MANAGING CULTURALLY DIVERSE TEAMS**

This chapter represents the literature review conducted about the subject of culturally diverse teams, the problems and the opportunities they experience, and the suggested frameworks by previous studies.



*Chapter 4*

**MANAGING CULTURALLY DIVERSE TEAMS**

**4.1. Culturally Diverse Teams**

The necessity in understanding the way culturally diverse teams function comes from the weight and the importance of these teams in the modern business environment. To maintain successful multinational business, a special attention to teamwork is necessary (Kofodimos 1991, Darling and Fischer 1998). Multicultural teams can be defined as groups involving people from different cultural and national backgrounds (Marquardt and Horvath 2001, Matveev and Milter 2004). These teams have been increasingly used by organisations world wide as a tool to solve challenging problems and to perform different work-related tasks (Natale *et al.* 1995, Proehl 1996, Matveev and Milter 2004). According to Gorden (1992), eight out of ten organisations in the United States use teams to manage their different operations.

**4.2. Culturally Diverse Teams: Problems and Opportunities**

Culturally diverse groups can perform either extremely well or extremely poor, compared to homogenous groups (Iles 1995 p. 54, Adler 2002). As multicultural teams have undeniable potentials for creativity which helps international organisations survive in today's competitive business

environment (Natale *et al.* 1995), they are considered as a precious asset that need to be consumed efficiently (Townsend *et al.* 1998). According to Copeland (1988 p. 52), “Those who view diversity among employees as a source of richness and strength... can help bring a wide range of benefits to their organisations”.

Yet, the difference in priorities and assumptions in culturally diverse groups makes working together awkward (Iles 1995). Culturally diverse groups are more likely to face difficulties like miscommunication, low performance, lack of transparency, ineffective team development, lack of cultural awareness, and poor management of conflict (Adler 1991, Shenkar and Zeira 1992, Iles 1995, Proehl 1996, Matveev and Milter 2004). Lack of trust between team members is another challenge threatening multinational teams, since team members are usually unable to conquer the different ways of talking, thinking, and acting (Natale *et al.* 1995).

Multinational team members have to conquer barriers that monocultural and homogenous teams can easily resolve (Natale *et al.* 1995). Cultural awareness, mutual respect, shared influence on decision making, open communication, and shared goals are suggested approaches to enhance the productivity and the effectiveness of multinational teams (Adler 1991, Shenkar and Zeira 1992, Natale *et al.* 1995).

### 4.3. The Effective Culturally Diverse Team

Early studies have been trying to define or to identify key characteristics of effective multinational teams. According to Zander (1982), a successful multinational group is:

... a collection of individuals who interact with and depend on each other. People have formed a group when they talk freely, are interested in the achievement of their set as a whole, feel that associates are helpful, try to assist colleagues, refer to their collectively as 'we' and to other social bodies as 'they', and faithfully participate when members gather.

(Zander 1982 p. 2)

Proehl (1996) summarised the work of Varney (1989), Weisbord (1989) and Wellin *et al.* (1991) on defining a description of effective teams in the following list of the most frequently mentioned factors to build effective groups.

- Participative leadership where members are encouraged to share leadership.
- Good communication with a high level of trust, honesty, and respect for others.
- Willingness to deal with conflict and comfort with challenge and disagreement.



- Clear goals and objectives which are understood by all members are tapped.
- Consensual decision-making based on facts, data, and logic.

(Proehl 1996 p. 38)

A considerable number of investigations have tackled the factors relating to or affecting the success of teams (Higgs 1996). Borrelli *et al.* (1995) identified team balance, leadership behaviour, inter-team working, overcoming hurdles, autonomy, shared understanding of goals, recognition, reward, and full circle feedback as some of the major factors. In addition, Higgs and Rowland (1992) devised another set of elements that in their view are significant for team effectiveness. According to them, effective multicultural teams have a clear understanding of and a commitment to team objectives, a apparent understanding of each one's roles and responsibilities, appreciation to and respect to cultural differences, and finally an ability to share knowledge and skills.

#### **4.4. Competences of Effective Culturally Diverse Team Members**

Identifying intercultural competences is a famous approach that attempt to recognise the required qualities in international employees. This is to enable organisations to select and to develop workforce accordingly. Iles (1995 p. 50) defined intercultural competence or cultural fluency as “the ability to empathise with someone from a different culture and background”.

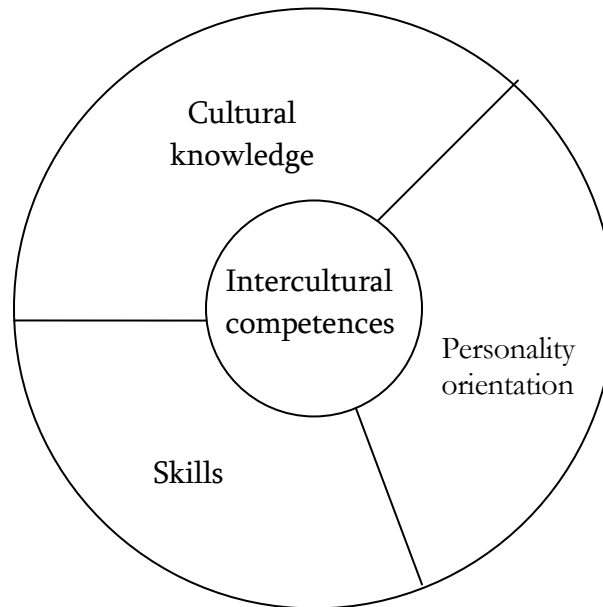
Furthermore, he claimed that these capabilities are vital to motivate, lead, and work with multinational workforce.

These qualities involve lenience of indistinctness, behavioural flexibility, non-judgementalism, low ethnocentrism, cultural empathy, and interpersonal abilities (Blackburn *et al.* 1994). Also, Iles (1995) suggested five key competences, which are cultural awareness (the ability to understand the differences), communicative skills (the talent to communicate with people from different cultural backgrounds), cognitive competence (the cleverness to acknowledge stereotypes), valuing differences (the ability to appreciate and accept other peoples' mind set), and gaining synergy from the differences (the capability of utilising different skills and qualities to accomplish goals).

Matveev and Melter (2004) stated that high performance and effective teams have special intercultural competences which make them perform above average teams. In addition, effective teams have compatible and harmonising set of skills, a deep sense of purpose, a better approach to problem solving, and mutual responsibility (Katznbach and Smith 1999). Moreover, effective teams' members have clear responsibilities, commitment, cultural sensitivity and access to technology (Matveev and Milter 2004).

An effective member of a multinational team has the capability to create interpersonal relationships with people from cultural backgrounds or nationalities different from his/her own using both verbal and nonverbal ways of communications (Matveev and Milter 2004). Earlier studies have outlined qualities to describe intercultural abilities (Kealey and Protheroe 1996, Moosmuller 1995). These abilities require knowledge of several cultures, languages, and behavioural skills such as compassion, charisma, and emotional intelligence (Gudykunst 1998, Matveev and Milter 2004).

Matveev and Milter (2004) have developed the intercultural competence model (IC model) to represent the three required intercultural competences in the contest of multicultural teams. These three components are cultural knowledge, personal orientation and skills (see Figure 4.1).



**Figure 4.1:** Intercultural Competence Model (Matveev and Milter 2004 p. 106)

- **Cultural knowledge** includes general knowledge about cultures, languages, practices, and behaviours. This is necessary to avoid miscommunication and conflict.
- **Skills** involve the ability to use an appropriate and suitable attitude that would be acceptable for diverse cultures and backgrounds.
- **Personality orientation** symbolises team members' feeling and perception towards dealing with people from different cultures. This implies that the personality of team members influence their performance when working in a multinational team.

(Matveev and Milter 2004)

#### **4.5. Competences of Effective Culturally Diverse Leadership**

The increasing level of dynamics and intricacy in the global business environment (Gregersen *et al.* 1998, Harvey and Buckley 2002) creates an increasing demand on international leadership qualities (Jokinen 2005), since the existence of successful leaders affects organisational outcomes like leader evaluation, employee attitudes, and work performance (Marchese 2001, Testa 2004). As a result, it is important for effective leaders to be able to manage the challenges facing multinational groups (Foulkes 1995). It was argued that some leaders may be successful in monocultural contexts, but not in multicultural ones (Gregersen *et al.* 1998, Jokinen 2005). Jokinen (2005) suggested two possible reasons behind this. The first potential explanation is that effective multinational leadership (global leaders) have unique qualities and competences that enable them to be successful in the international context. The second potential explanation is that global leaders have only developed general leadership talents to a level that qualified them to be effective in these business environments. Bartlett and Ghoshal (1992), and Baruch (2002) argue that there is no 'global leader' nor special intercultural competences for them, and leaders who were efficient in international business are originally successful leaders in normal and in any settings.

It is vital to understand the three terms of 'global leader', 'competency', and 'global leader competences' before moving forward to illustrating the outcomes of previous research on this topic. The first term, global leader is defined as "anyone having global responsibility over any business activity" (Jokinen 2005 p. 201), this requires him/her to lead and manage culturally diverse workforce. Moreover, Stanek (2000) stated that global leaders have open minds. They have a clear understanding to their cultures and the ability to understand others (Brake *et al.* 1995). The second term, competency is defined as a description of "certain personal traits, behaviours, skills, values, and knowledge" (Jokinen 2005 p. 201). Finally, the third term global leader competences are "those universal qualities that enable individuals to perform their job outside their own national as well as organisational culture, no matter what their educational or ethnical background is, what functional area their job description represents, or what organisation they come from" (Jokinen 2005 p. 201).

Recent studies have agreed that there are a number of main qualities for global and successful leaders in the multinational organisations (Jordan and Cartwright 1998, Gregesen *et al.* 1998). Srinivas (1995) identified eight elements of global mindset of leaders. According to him, these component are curiosity and concern with context, acceptance of complexity and its contradictions, diversity consciousness and sensitivity, seeking opportunity

in surprises and uncertainties, fair in organisational process, focus on continual improvement, extended time perspective, and systems thinking. Rhinesmith (1996) suggested other six descriptions of global mindset that result in effective leadership. These descriptions are leading to managing competitiveness, managing complexity, managing adaptability, managing teams, managing uncertainty, and managing learning. Furthermore, Moran and Riesenberger (1994) claimed that successful multinational leaders should have a special mindset, be open minded towards working with different nationalities, have a long term vision, empower team members, manage international talents, respect other cultures, and be able to develop team members.

Another view is May's (1997), Jordan's and Cartwright's (1998), which argued that international leadership requires both personality and managerial characteristics. Personality traits involve intellectual capacity, self confidence, openness to experience, and emotional stability. While managerial competences involve relational abilities, cultural sensitivity, linguistic ability, and stress handling ability. According to Gregerson (1999), global leaders have five characteristics which are drive to communicate, broad-based consideration, cultural liveness, cosmopolitan orientation, and combined negotiation style. Conner (2000) identified an additional set of needed competences in the multicultural context. According to him, these

are business knowledge, personal influence, global view, strong personality, aptitude to inspire others, and entrepreneurial behaviour.

Likewise, Spreitzer *et al.* (1997) recognised a number of effective leadership qualities. These qualities are business domain awareness, understanding to cultural differences, bravery to take stand, capability to bring out best of people, acting with honesty, wisdom, loyalty, and risk taking. Goldsmith and Walt (1999) highlighted six competences claiming that they are necessary for the success of international leaders. These competences are thinking globally, appreciating cultural diversity, representing technological savvy, building partnerships, and sharing leadership.

Jokinen (2005) developed a more complex definition of effective leadership competences in the multicultural context. He divided these competences into three categories which are core leadership competences, desired mental characteristics of global leaders, and desired behavioural competences of global leaders. The first set of characteristics, core leadership competences include self awareness, commitment in personal transformation, and curiosity. The second set of characteristics, desired mental characteristics of global leadership involve optimism, self regulation, social judgment skills, and acceptance of complexity. Finally, the third set of



characteristics, desired behavioural competences of global leadership consist of social skills, networking skills, and knowledge.

In spite of the large number of researchers who investigated the different competences of successful multinational leaders, very few of their studies were based on empirical research. In other words, there is very little evidence of the outcome of these studies from the real world, which makes these results very subjective.

#### **4.6. Frameworks for Effective Management of Diversity**

##### **4.6.1. Adler's Strategies for Managing Diversity (1983)**

Adler (1983) provided evidence that high performance of multinational team “is as much to do with the values of multinational as with the development processes” (Higgs 1996 p. 39). This was in her analysis of organisational strategies for managing cultural diversity which was summarised by Higgs (1996) in Table 4.1.

Leading Culturally Diverse Teams in the United Arab Emirates

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Type of organisation	Perceived impact of cultural diversity on organisation	Strategy for managing the impact of cultural diversity	Most likely outcomes of strategy	Frequency of perception and strategy
<i>Parochial:</i> Our way is the only way	<i>No impact:</i> Cultural diversity has no recognised impact on the organisation	<i>Ignore differences:</i> Ignore the impact of cultural diversity on the organisation	<i>Problems:</i> Problems will occur but they will not be attributed to culture	Very common
<i>Ethnocentric:</i> Our way is the best way	<i>Negative impact:</i> Cultural diversity will cause problems for the organisation	<i>Minimize differences:</i> Minimise the sources and impact of cultural diversity on the organisation. If possible, select a mono-cultural workforce	<i>Some problems and few advantages:</i> Problems will be reduced as diversity is decreased while the possibility of creating advantages will be ignored or eliminated; problems will be attributed to culture	Common

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Leading Culturally Diverse Teams in the United Arab Emirates

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<p><b><i>Synergetic:</i></b> The combination of our way and their ways may be the best way</p>	<p><b><i>Potential negative and positive impacts:</i></b> Cultural diversity can simultaneously lead to problems and advantages to the organisation</p>	<p><b><i>Manage differences:</i></b> Train organisational members to recognise cultural differences and use them to create the organisation</p>	<p><b><i>Some problems and many advantages:</i></b> Advantages to the organisation will be realised and recognised; some problems will continue to occur and will need to be managed</p>	<p>Very uncommon</p>
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**Table 4.1:** Organisational Strategies for Managing Cultural Diversity (Higgs 1996 p. 39)

#### **4.6.2. Higgs Framework for Managing Diversity (1996)**

To successfully deal with and manage culturally diverse workforce, Higgs (1996) has identified a number of points to be carried out:

- The nature and the implications of cultural and national variations within team members should be recognised. In other words, diversity must be valued.
- A foundation of acknowledgment and acceptance of cultural diversity must be established.
- A framework for initiating and building high performance multinational teams which is mature enough to deal with cultural diversity has to be originated.

(Higgs 1996)

#### **4.6.3. MBI Framework for Managing Diversity (2004)**

Maznevski and DiStefano (2004) proposed a three-step framework to lead multinational teams. These steps are map (understand the differences), bridge (communicate across differences), and integrate (build on differences for synergy).

- **Map.** Mapping is about acknowledging the possible existence of differences, understanding these differences, and attempting to use them to describe different situations to resolve potential challenges and problems.

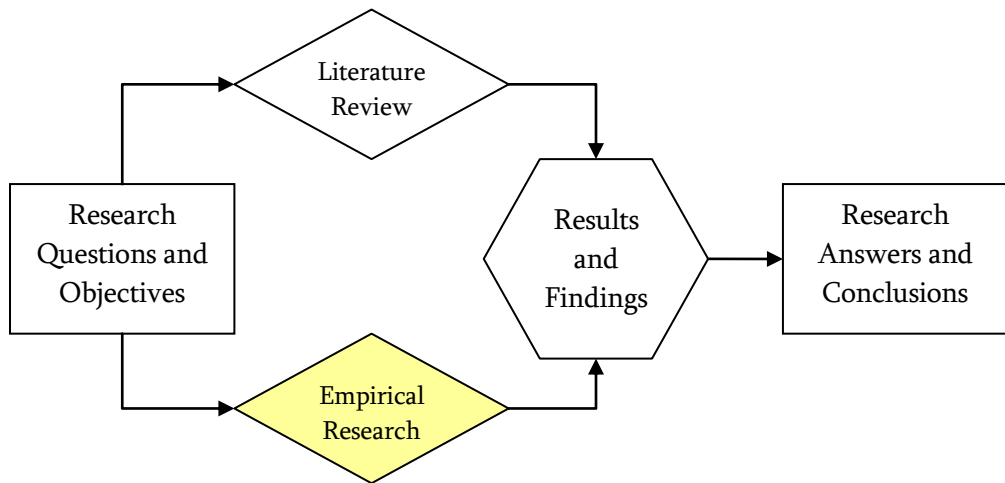
- **Bridge.** Bridging is a mean towards more effective communication. It consists of three communication skills. The first skill is preparing a foundation by motivating team members to understand each other and by making them believe that communicating together makes them more comfortable and productive. The second skill is decentring, which is about thinking and communicating from others' perspectives and angles. The third skill is recentring, this is achieved by creating a shared centre for all team members to think from.
- **Integrate.** Integrating differences leads to better decision making and implementation. It requires managing participation, resolving conflicts, and building on ideas. Managing participation can be carried out by collecting different ideas from different team members. This opens up doors for creativity and innovation. Resolving conflicts is a challenge that faces multicultural leaders. Since people from different cultural backgrounds express their ideas in different ways and perceive situations diversely, it is the leader's responsibility to ensure conflict does not affect the performance of the team. Finally, building on ideas occurs when the team reaches a stage of creativity and harmony that allows it to work towards new solutions and to generate to achieve more than the set objectives.

(Maznevski and DiStefano 2004)

*Chapter 5*

**RESEARCH METHOD**

This chapter explains in depth the research method selected and the research process performed in the empirical study.



*Chapter 5*

**RESEARCH METHOD**

In order to answer the research questions outlined earlier in chapter one, the investigative research used a mixed-methods approach. Qualitative and quantitative methods were mixed and a variety of evidence such as surveys, interviews, observations and documents were used. This selection of the research method was based on two reasons. Reason one was to gain the deep and the descriptive results qualitative methods add to the study and to obtain the objective facts quantitative methods provide. Reason two was that case study method was seen to be the most appropriate to achieve the goals of this study. Moreover, this approach adds strength, novelty, and empirical evidence (Eisenhardt 1989).

Three organisations were involved in the study. One project was selected from each organisation to be a case study. The three organisations are based in the UAE- Dubai, and are project-based organisations with culturally diverse teams and with different lines of business. A number of steps were carried out in order to answer the research questions;

- Does leadership affect the performance of multicultural teams?
- How can leaders build an effective multicultural team?

- Are there special leadership competences needed in the multicultural context?

The first step was to conduct open-ended interviews with a number of project managers and team members of the three projects (one project per organisation). This was to identify challenges and issues multicultural teams suffer from, to explore probable solutions, and to illustrate real life examples of these challenges and how different project managers (leaders) responded to those issues. Appendix A includes the questions of the performed interviews.

The second step was to distribute a survey between team members of the three case study projects. The survey aimed to assess the general leadership score for the project managers and evaluate their effectiveness as leaders in the multinational context. The adapted survey was formulated by 'Collaborative Leaders' website (2008) and contained measures or scores for leaders in the following leadership capacities. These capacities are seen as important ones in the context of cultural diversity (Jordan and Cartwright 1998, Stanek 2000, Marchese 2001, Testa 2004, Jokinen 2005):

- Creating clarity
- Building trust
- Empowerment



- Developing people
- Emotional intelligence

The scores were calculated by summing the rates given by the team member for each competency where scores between 70-61 correspond to 'excellent', scores between 60-41 correspond to 'good', scores between 40-21 correspond to 'has opportunities for growth', and finally scores between 20-1 correspond to 'need to change behaviour'. A copy from the survey is available in Appendix B, while the original survey is available in Appendix C.

The third step was to evaluate the overall project performance for the three projects and to assess the success of them. This step was undertaken by retrieving the projects performance matrices, the projects plans, and the post projects reviews and measure their success or failure accordingly.

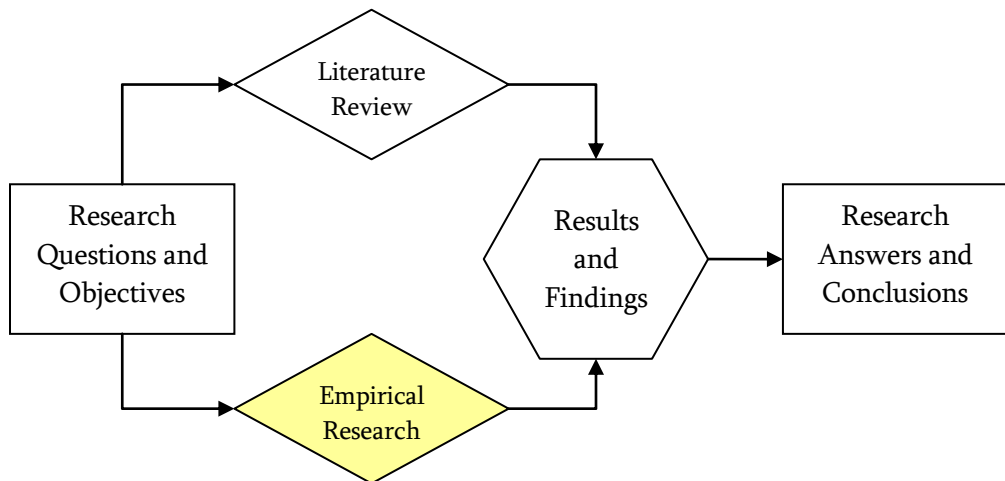
The fourth and the last step was to select a random sample of team members from each project, and to observe their performance reviews before, during, and after the three projects. This was undertaken by looking at the annual employees' performance reviews during these periods, calculating the average performance of each team member in the sample, and then comparing it with his/her performance during the case study project. This step was necessary to appraise the average performance of the team

members against their performance during the project and to conclude if the leadership style had an influence over the performance of the staff consequently. These four steps were able to give a clear idea about the effectiveness of the three multinational team, the effectiveness of the multicultural leader, and whether they were related to each other.

*Chapter 6*

**DATA COLLECTION**

This chapter illustrates the process of data collection and the main information accumulated from this process to be used in next research steps.



*Chapter 6*

**DATA COLLECTION**

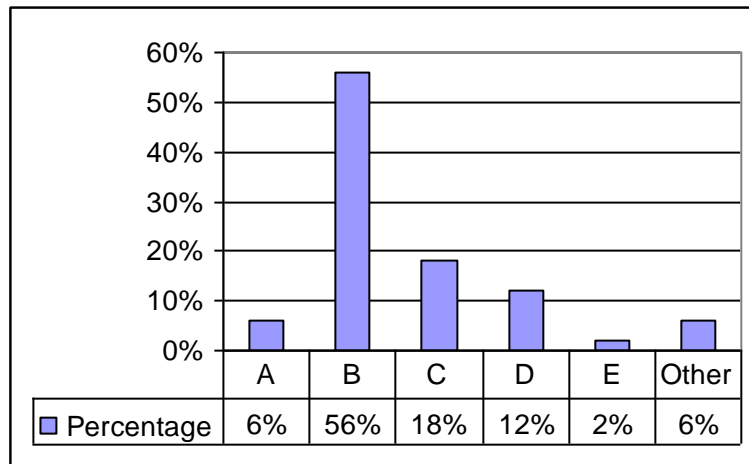
**6.1. Case Study One**

**6.1.1. Organisation Overview**

The organisation examined in this case study is one of the largest international organisations in the United Arab Emirates and it is a highly profitable business with a turnover of approximately US\$ 11 billion and over 36,000 employees. It is considered one of the fastest growing organisations in its lines of business which comprise of an internationally recognised cargo division, a full-fledged destination management, hotels and leisure division, an information technology division, a medical facility employing doctors, dentists, and nurses, in addition to its own college offering undergraduate and technical qualifications. These are all supported by an extensive range of corporate services and commercial departments. The organisation encompasses employees from more than 100 different nationalities in its branches all over the world.

The focus of this study was on the Group Information Technology (Group IT) which can be considered as a massive organisation on its own, employing over 1500 people. Although it includes less than 10 different

nationalities within its staff, the cultural diversity these cultural backgrounds create can not be disregarded. The percentage of these nationalities is illustrated in Figure 6.1.



**Figure 6.1:** Nationality Percentage in Group IT

### 6.1.2. Project Overview

The project selected in this case study was a huge IT project of cost AED 4,600,000. The final product of this project was meant to serve and automate operations in one of the key departments in the organisations as Phase I, and then be sold to other international organisations as Phase II. Both phases of the project were completed in the year of 2007. The duration of this project was 22 months, with 119 team members. The project team consisted of team members from three different cultural backgrounds. That is to say, it involved team members from nationality A (UAE nationals),

nationality B (Asians), and nationality C (Westerns). The project manager was again from nationality B. Moreover, the project team contained 94 permanent staff from three departments along with 25 dedicated consultants from four external companies. It is important to notice that some of those consultants came directly from their home countries to work in this project and most of them came from nationality B or at least they came from a similar cultural background.

### **6.1.3. The Research Process**

#### **The First Step: The Interviews**

Three interviews were performed in this case study. One was with the project manager and two were with team members who were the project coordinator and one of the technical development team. All the three interviewees agreed that cultural diversity did affect the team and the team performance. They highlighted different problems and opportunities this diversity had created. Some major points were the creativity and the new ideas people from different cultures can think of, the exchanged knowledge and experience between team members, the communication problems between culturally diverse team members, and the lack of ability to depend on each other in accomplishing different tasks. According to the three interviewees, these had affected the performance of the team and the

performance of the project to a great extent. As an example of a positive effect, interviewee 3 stated that “the experience and the creativity of the consultants opened up doors for new and unusual solutions. We must admit that their existence in the project team added value and saved a lot of time and effort”. That is to say, dissimilar mindsets or dissimilar schools of thoughts coming from diverse cultural backgrounds helped the team to approach problems in more helpful manners. While as an example of a negative effect, interviewee 1 stated that “I personally faced difficulties communicating with people from different cultures, maybe because I was not used to this in my home town. I think I personally did not perform in this project as I usually do as I did not gel well with the other team members”. Hence, the tension cultural variety may cause affected the performance of individuals in the project team and was an obstacle to some of them.

The project manager highlighted that culturally diverse team management needed a lot of wisdom in order to deal with different and new situations. The other two interviewees agreed with him and added that the leader had a great influence (positive and negative) on the team in many situations. As they see it, a multinational leader should be smart, patient, and diplomatic in order to achieve the project objectives. Furthermore, they suggested that

the leader can push the team to be more successful by motivation, support, patience, and intelligence.

Interviewee 3 declared a very interesting example when he was asked about the leadership role in overcoming cultural diversity problems. He was an Emarati team member who was new to the whole organisation. The project of our case study was his first project in the organisation which was a push for him to prove himself as an effective team member. The problem occurred when he started to feel unwanted or rejected by team members as he was the only Emarati or the only Arab between them. As the majority of the team members were from nationality B, they felt more comfortable communicating with each other using their native language. The project manager has noticed that his performance diminished and called him for a one to one meeting where they discussed the sudden change. Interviewee 3 stated “I was very open in the meeting and I explained my problem to the project manager. He did not get offended although he was from (nationality B) as well; on the contrary, he made sure every one in the team talked in English afterwards and assured I was assigned to a number of activities where I have managed to prove my capabilities. After few weeks I was a very active member in the team and this was acknowledged by all team members”. This example demonstrated possible communication, trust and tension concerns that can easily occur in multicultural environments.



Leading Culturally Diverse Teams in the United Arab Emirates

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	Interviewee 1	Interviewee 2	Interviewee 3
Does cultural diversity affect the project team?	Yes	Yes	Yes
Does cultural diversity create problems or opportunities to the project team	It creates both problems and opportunities	It creates both problems and opportunities	It creates both problems and opportunities
What are these problems or opportunities?	Communication problems, lack of trust, creativity	Shared knowledge, lack of trust	New ideas, new ways of thinking
Do these problems and opportunities affect the performance of the team?	Yes	Yes	Yes
Does the leadership have a role in managing these problems and opportunities?	Yes	Yes	Yes
What is this role?		Motivation, support	Empowerment

Leading Culturally Diverse Teams in the United Arab Emirates

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Is there an appropriate leadership style to follow in the multinational context?	No	Yes	No
What are the important leadership characteristics that should be available in the multinational environments	Wise, patient	Diplomatic	Smart
How can leadership make the multicultural team more effective?	By helping them to be more creative, to overcome cultural barriers	By supporting them and motivating them to be more productive	By reacting intelligently to different situations and problems

**Table 6.1:** Summary of Case Study 1 Interviews

### **The Second Step: The Leadership Assessment**

The project manager of this project scored high in most of the five competences assessed in the survey. He scored 62 'excellent' in creating clarity, 49 'good' in building trust, 53 'good' in empowerment, 64 'excellent' in developing people, and 59 'good' in emotional intelligence.

### **The Third Step: The Project Performance Assessment**

According to the project documents (project plan, post project review) and the project charts (cost, schedule), the project was able to achieve its objectives. Despite of the schedule slippage, the project was considered as a success, and the senior management was pleased to accomplish such a high quality product that was sold to more than an international organisation.

### **The Fourth Step: The Team Members' Performance**

This step was not simple to evaluate as the team size was huge (119 team members) and team members varied from permanent staff to external temporary consultants. Since the performance reviews of consultants were not available, this step was carried out using a sample of permanent staff only. This sample was randomly selected and was of size 10.

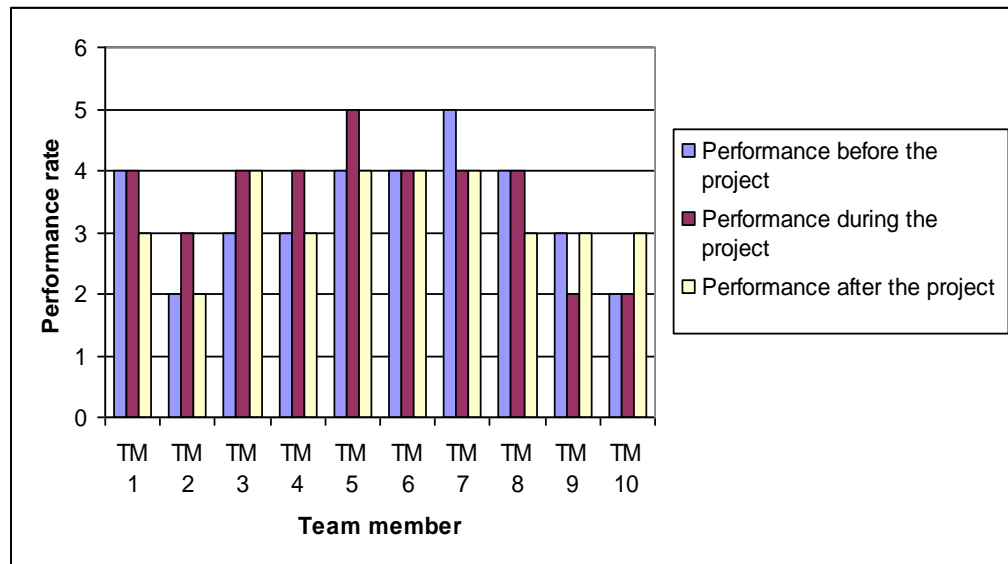
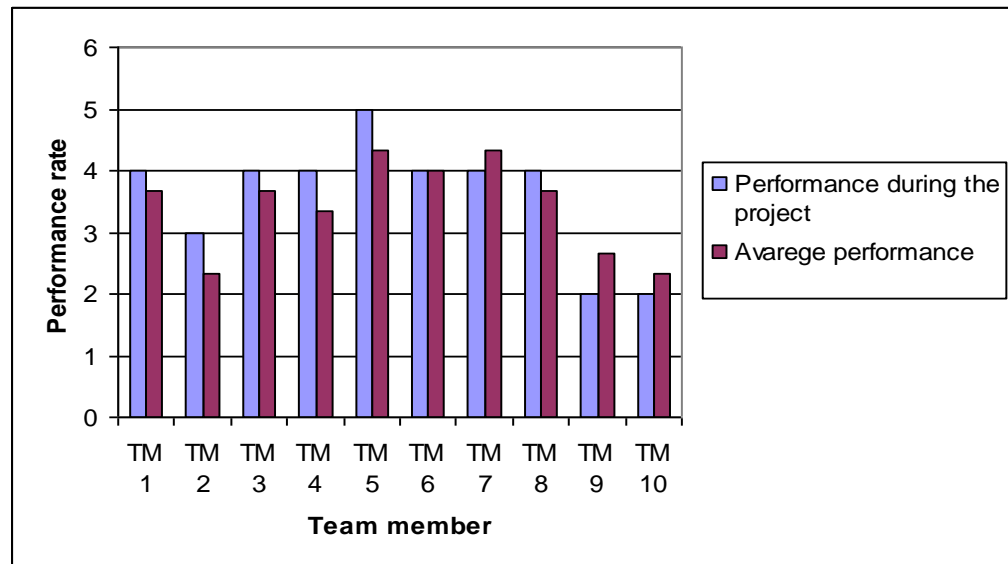


Figure 6.2: Case Study 1 Team Members' Performance

In the organisation of this case study, the performance review takes place once every year. The over all performance rates are 1: unsatisfactory, 2: developing, 3: good, 4: very good, and 5: exceptional. Since the project lasted for 22 months (approximately two years), the performance rate one year before the project, during the project years, and one year after the project were used (see Figure 5.2) to calculate the average performance rate for each employee, and then it was compared with his/her performance during the project (see Figure 5.3).



**Figure 6.3:** The Average Performance vs. the Performance during Case Study 1 Project

It is clear that the performance of 60 per cent of the sample employees was increased, while 30 per cent was decreased and only 10 per cent remained as is. In general, the average performance for this sample was 3.4 while it was increased to 3.6 during the project.

## 6.2. Case Study Two

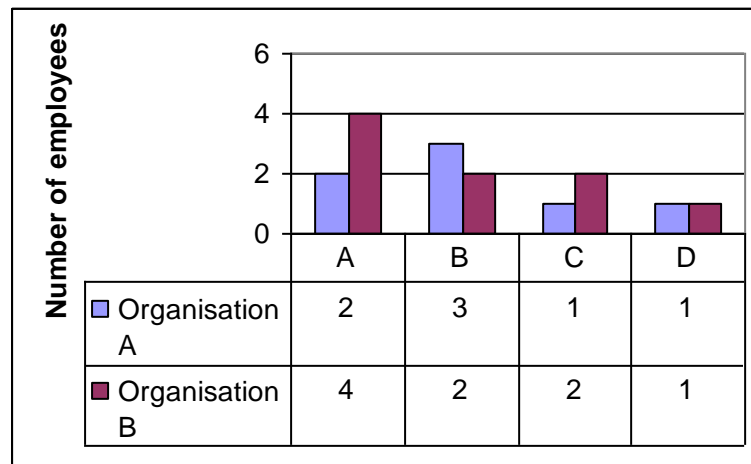
### 6.2.1. Organisation Overview

The organisation examined in this case study is one of the youngest yet most successful investments organisations in the United Arab Emirates. It manages companies operating in real estate, hospitality, finance, healthcare,

energy, research, education, entertainment, media, internet, tourism and biotechnology. It was established less than five years ago and it managed to prove itself as one of the strongest organisations in the country with its international high standards. In 2004, its annual turnover was US\$ 850 million. It encompasses 32,000 staff members coming from very culturally diverse backgrounds from around thirty nationalities.

### **6.2.2. Project Overview**

The project under examination in the case study was about acquiring an e-service that was already available in the market by another organisation and implementing it after certain customisation processes. This implies the involvement of teams from other organisations. The project took 10 months to reach to completion in 2008. The project team size was relatively small; it consisted from only 7 employees from the organisation and other 9 employees from another joint venture organisation. Nonetheless, this sixteen-member team involved four different cultural backgrounds. This vast cultural diversity in such a small team was one of the main drivers for this research to select the project to be the second considered case study. Figure 6.4 shows the nationalities of the team members from the two organisations.



**Figure 6.4:** Team Members' Nationality Distribution in Organisations A and B

### 6.2.3. The Research Process

#### The First Step: The Interviews

In this case study, three interviews were conducted. The first one was with the manager of the project who belongs to nationality B (Asians), the second one was with a team member from organisation A, who belongs to nationality C (Westerns), and the third interview was with another team member from organisation B who comes from nationality D (Far Eastern). The project manager strongly agreed on the major role cultural diversity played in affecting the team and the over all project performance. A number of problems occurred during the project due to cultural differences. These issues were identified by the three interviewees to be

miscommunication, misunderstanding, lack of reliance on each other, and defensive behaviour.

Furthermore, the project manager drew attention to the difficulties he faced managing the diverse team, coordinating for results, and resolving people problems. He stated “it was not a straight forward task to manage a small yet a diverse team. People management took a lot of effort from me during this project. The biggest issue rose when the project coordinator (from nationality C) took a long sick leave, leaving the project pending from our end since he was the contact point from our side.” He further added, “the problem was that the contact point from (organisation B) end was from (nationality C) as well, which was a positive point for the project, but when the project coordinator left, it was hard for our team members to communicate effectively with team members from (organisation B)”. The project coordinator in this project was the only one responsible for meeting, organising, communicating, and harmonising with the representative from organisation B. This allocation worked perfectly in the beginning as both representatives came from the same cultural background and consequently crystallised well together. Nonetheless, when the project coordinator left for a sick leave, none of the other team members felt comfortable to deal and to communicate with the representative from organisation B, because



of the unseen cultural barriers. This created communication problems and slowed down the progress of the project.

The team member interviewees shared the same opinion with the project manager and claimed that cultural diversity in the case of the project was a source of troubles. Management of this diversity was essential to accomplish the objectives of this project. According to them, effective management in this context needs intelligence, experience, cultural awareness, and quick responses. A summary of the conducted interviews is shown in Table 6.2.

Leading Culturally Diverse Teams in the United Arab Emirates

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	Interviewee 1	Interviewee 2	Interviewee 3
Does cultural diversity affect the project team?	Yes	Yes	Yes
Does cultural diversity create problems or opportunities to the project team	It created both problems and opportunities	It created problems	It created problems more than opportunities
What are these problems or opportunities?	Communication problems, lack of trust	Defensive attitude, misunderstanding	Communication problems
Do these problems and opportunities affect the performance of the team?	Yes	Yes	Yes
Does the leadership have a role in managing these problems and opportunities?	Yes	Yes	Yes

Leading Culturally Diverse Teams in the United Arab Emirates

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What is this role?	Overcoming cultural diversity obstacles	To be responsive to potential problems and to be able to create a good work environment	Support team members, communicate clear roles for each team member
Is there an appropriate leadership style to follow in the multinational context?	No	Yes	Yes
What are the important leadership characteristics that should be available in the multinational environments	Cultural intelligence	Quick corrective responses which come from experience	Cultural awareness, intelligence
How can leadership make the multicultural team more effective?	Building trust, enhancing communication between team members	Rising cultural awareness	Building trust

**Table 6.2:** Summary of Case Study 2 Interviews

### **The Second Step: The Leadership Assessment**

The results of the project manager of this project were not so high. He scored 41 'good' in creating clarity, 30 'has opportunities for growth' in building trust, 50 'good' in empowerment, 27 'has opportunities for growth' in developing people, and 22 'has opportunities for growth' in emotional intelligence. This result was the lowest result when compared with the other project managers.

### **The Third Step: The Project Performance Assessment**

Based on the information extracted from the projects documents (project plan, post project review) and the projects charts (cost, schedule), the project was considered over schedule and over budget. The project was completed in 10 months duration while it was planned to be completed in 6 months time. Nevertheless, the over all quality of the project was satisfactory and it was deployed in more than one department of the organisation.

### **The Fourth Step: The Team Members' Performance**

This step was not easy to perform in this case study as well. This was because of the fact that team members were divided between two organisations; and knowing that the author had no access to the

information from organisation B, this step was carried out in organisation A only on five of the seven team members involved in the project.

Again the employees' performance review takes place annually in the organisation, and the overall employee rates are represented by numbers from 1 to 7, 1 for unsatisfactory and 7 for excellent. As the project was completed only in 2008, it was not possible to consider the performance rate of the year after the project completion. Therefore, three rates were included for each team member to evaluate his/her average performance; these were the performance rate one year before the project, two years before the project and during the year of the project. Figure 6.5 demonstrates these rates and Figure 6.6 demonstrates the average performance rate compared with the performance rate during the project year.

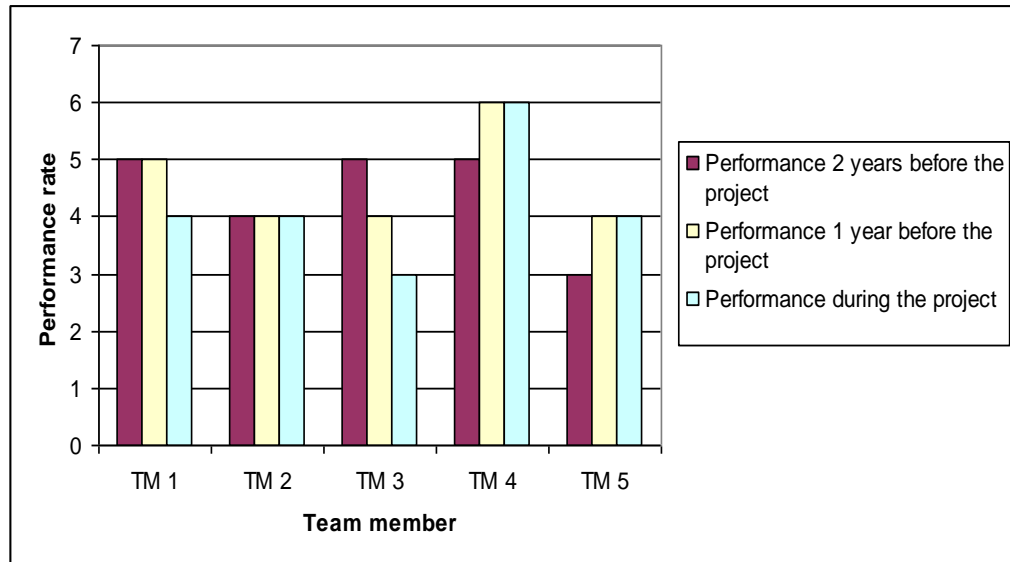


Figure 6.5: Case Study 2 Team Members' Performance

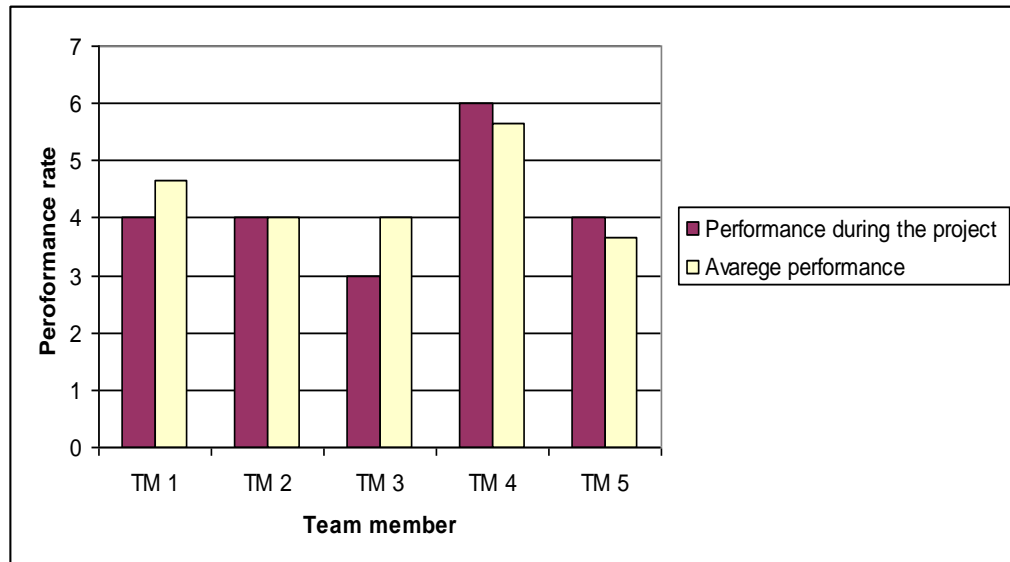


Figure 6.6: The Average Performance vs. the Performance during Case Study 2 Project

It was observed that the performance of 40 per cent of the sample employees was higher than the average performance, 40 per cent was lower than the average performance and while 20 per cent remained the same as their average performance. Yet, the overall performance of the team was 4.1, this decreased to become 3 during the project.

### **6.3. Case Study Three**

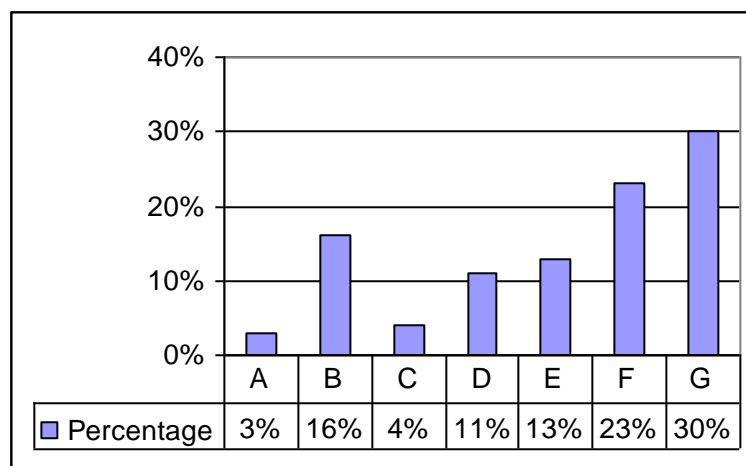
#### **6.3.1. Organisation Overview**

The organisation under investigation in this case study is a huge international multinational organisation that has recently opened a branch in the United Arab Emirate – Dubai. Its annual turnover is US\$ 98 billion and it employs over 300,000 workers. Its branches are spread world wide and its brand name is one of the most famous ones in the industry of computer hardware and software. Known for its multinational environment, the organisation encompasses over 150 different nationalities distributed between its large number of branches.

#### **6.3.2. Project Overview**

The project of our case study was a medium size project with 56 team members involved and with project duration of 18 months. The type of the project was not disclosed, yet all other needed information were available

for the author to carry out the study successfully. The project team consisted of team members from seven cultural backgrounds based in Dubai and in other branches of the organisation. Figure 6.7 gives a better picture of the distribution of the project team.



**Figure 6.7:** Case Study 3 Team Members' Nationality Distribution

### 6.3.3. The Research Process

#### **The First Step: The Interviews**

The interviews in the case study were limited to team members only as the project manager was in a duty travel. Three team members from nationality A (UAE), C (Westerns) and E (Arab) were interviewed to demonstrate the cultural diversity experience they went through being part of this project. All interviewees seemed to agree that cultural diversity had affected the



performance of individuals in the project team. According to interviewee 1, “cultural diversity is a two sided coin, it can be positive and it can be negative. I believe it is the project manager’s accountability to ensure the project team experience the positive side of the coin and avoid the negative side of it”.

Some of the diversity disadvantages the team has suffered from were conflict and misunderstanding. At the same time, the team gained some of the diversity advantages like better problem solving ability due to the diverse approaches undertaken to solutions.

Interviewee 1 mentioned an example of what he called “the two sided coin”. He referred to one of the situations where two experienced consultants who came from different cultural backgrounds were arguing about a way a problem should be resolved. “They were arguing all the time because every one of them did not want to see or consider the other’s point of view, until a third team member came to suggest a new way to deal with the problem which was a combination of the two ways suggested by the consultants”. He added “they learned to work with each other after that, trying to combine their thoughts and build on each other’s ideas”.

None of the interviewees thought that there is a certain leadership style that works perfectly when dealing with multinational teams. Interviewee 2 stated that, “multicultural teams are so complex to have one appropriate style of leadership”. In his view, global leaders should be able to adapt to different situations, deal with different people, and react appropriately and not necessarily consistently to different circumstances. Table 6.3 summarises the conducted interviews.

Leading Culturally Diverse Teams in the United Arab Emirates

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	Interviewee 1	Interviewee 2	Interviewee 3
Does cultural diversity affect the project team?	Yes	Yes	Yes
Does cultural diversity create problems or opportunities to the project team	It created both problems and opportunities	It created both problems and opportunities	It created both problems and opportunities
What are these problems or opportunities?	Conflict, better problem solving	Conflict, misunderstanding	Creativity, innovation
Do these problems and opportunities affect the performance of the team?	Yes	Yes	Yes
Does the leadership have a role in managing these problems and opportunities?	Yes	Yes	Yes
What is this role?	Manage the two sided coin	Solve problems and create opportunities for	Support team members, show appreciation

Leading Culturally Diverse Teams in the United Arab Emirates

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	multinational teams		
Is there an appropriate leadership style to follow in the multinational context?	No	No	No
What are the important leadership characteristics that should be available in the multinational environments	intelligence	Cultural knowledge, responsive behaviour	Consideration, support
How can leadership make the multicultural team more effective?	Manage diversity to gain advantages and avoid disadvantages	Rising cultural knowledge	Empowerment

**Table 6.3:** Summary of Case Study 3 Interviews

### **The Second Step: The Leadership Assessment**

The project manager of this project was perceived as an effective leader by his team members, as his scores were relatively high. He scored 59 'good' in creating clarity, 57 'good' in building trust, 57 'good' in empowerment, 56 'good' in developing people, and 67 'excellent' in emotional intelligence.

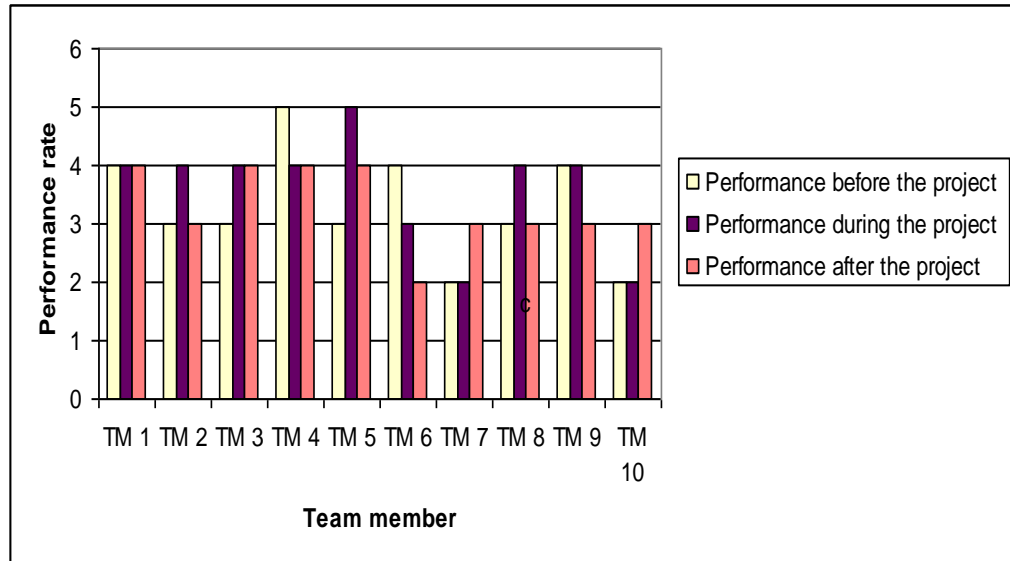
### **The Third Step: The Project Performance Assessment**

To evaluate the success of the project, the projects documents (project plan, post project review) and the projects charts (cost, schedule) were retrieved and studied. The over all project performance was good as it was completed in the planned date and 3 per cent less than the approved cost. Moreover, the product quality was very high. This was seen of a magnificent value added to the profile of the organisation.

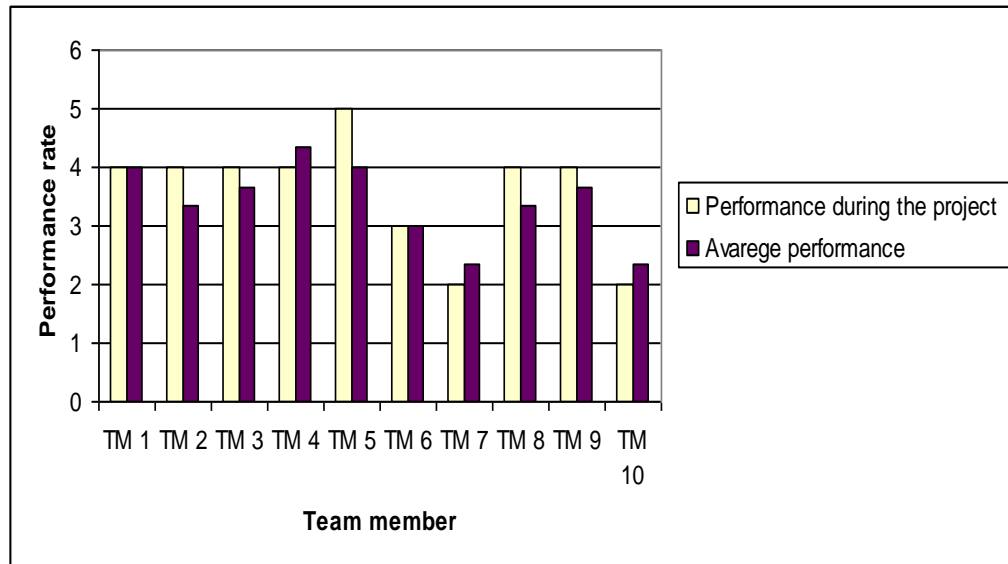
### **The Fourth Step: The Team Members' Performance**

In this organisation, the performance reviews of employees occur annually, with five performance rates. These rates are 1: unsatisfactory, 2: not fully effective, 3: fully effective, 4: superior and 5: outstanding. In this step, ten team members were randomly selected and the three performance rates one year before the project, during the project and after the project were used to calculate the average team member performance. This can be seen in Figure

6.8, while a comparison between this average and the team members' performance during the project is shown in Figure 6.9.



**Figure 6.8:** Case Study 3 Team Members' Performance



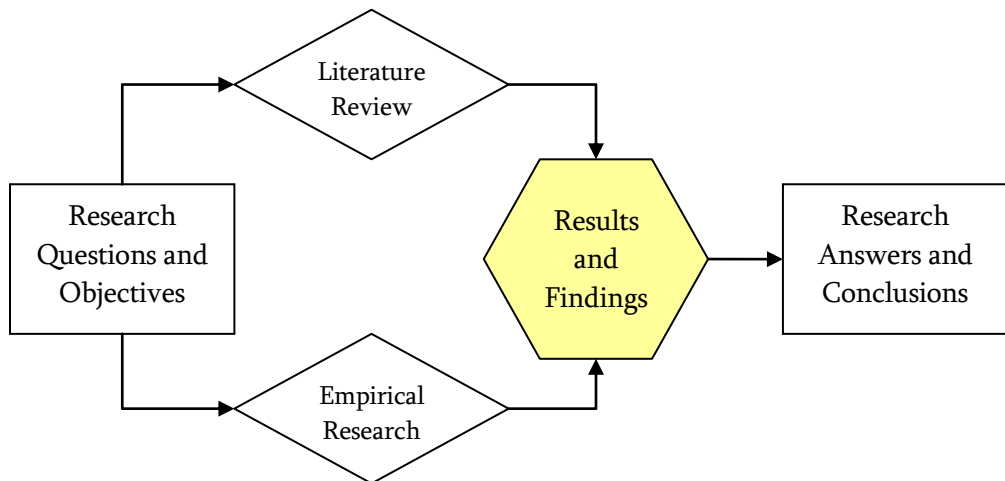
**Figure 6.9:** The Average Performance vs. the Performance during Case Study 3 Project

It was observed that the performance of 50 per cent of the sample employees was higher than the average performance, 30 per cent was lower than the average performance and while 20 per cent remained the same as their average performance. It is important to notice that the average team performance improved from 3.4 to 3.6 during the project.

*Chapter 7*

**DATA ANALYSIS**

This chapter uses the information gathered from the previous chapter to analyse and to evaluate different settings and to reach to conclusions and recommendations that answers the research objectives.





*Chapter 7*

**DATA ANALYSIS**

The analysis of the collected data was undertaken by observing two matters in each case study. Firstly, examining the effect of cultural diversity on the project team. This included studying the positive and the negative outcomes from team diversity and the way it influenced the performance of the team. Secondly, investigating the effect of leadership in these situations. This was carried out by exploring different leadership styles and their roles in managing, working out, and utilising diverse teams.

**7.1. Case Study One**

**7.1.1. The Effect of Cultural Diversity on the Project Team**

In this project, a number of advantages and disadvantages of cultural diversity were recognised. These are;

Advantages:

- Increased creativity, innovation, and problem solving abilities
- Knowledge and experience sharing between team members

Disadvantages:

- Disability to relay on one another's work
- Miscommunication

- Feeling uncomfortable working with people from varied cultural backgrounds

These advantages and disadvantages affected the over all performance of the team and the project. This was concluded from the examples provided earlier by the interviewees of this case study, when one of them pointed the role of having diverse schools of thoughts in solving problems creatively, and when another one mentioned that he did not perform as he usually does because of cultural variation.

#### **7.1.2. The Role of Leadership in the Multicultural Context**

It was seen through discussions, feedback, and observations from interviews and documents that leadership had an undeniable role in effectively manage the advantages and the disadvantages of diversity illustrated in the previous section. The leadership assessment showed that the project manager had a relatively effective leadership style as perceived by his subordinates. This was followed by a good performance for both the project and the team members, which proves the existence of a positive relationship between the variables of leadership style, team performance, and project performance.

The example declared by one of the interviewees about cultural diversity challenges and the role of leadership in managing them is furthered

analysed in this section. To undertake this, several points should be pointed out in order to analyse the situation.

- The employee who suffered from the problem was a new joiner
- The employee was Emarati
- The employee was the only Arab in the team
- The problem:
  - The employee felt rejected by other team members
  - The employee suffered from the usage of languages he could not understand between team members
- The result: his performance was affected negatively

The problem can be linked to and explained by a number of cultural diversity aspects. These aspects were discussed earlier in Chapters two, three, and four.

If Tuckman's team development model (see Chapter two) was considered, it would be clear that the Emarati employee was stuck in the first stage of 'forming' where confusion, uncertainty, and disability to communicate effectively take place, while other team members moved to the next stages of team development. Therefore, he was not able to act as an effective team member. This can be explained by two concepts.

The first one is lack of intercultural competences; which are according to Matveev and Milter (2004), cultural knowledge, skills, and personal orientation. Both the team members and the employee lacked the cultural knowledge, the ability to deal with people from other cultures, and the capability to accept dissimilarities. This resulted in misunderstanding, rejection, and mistrust. As a result, the team was not able to perform successfully with a team member who created a new cultural background on his own.

The second concept is 'culture shock'. Culture shock was defined as the challenges or the difficulties an individual faces when he first joins a different or a new culture (Brooks 2006 p. 284). It might be argued that this is not applicable to this case study, since the organisation is based in the UAE. In other words, UAE national workforce in this case was not exposed to any new country or to any change in culture. However, it is very appropriate to refer to culture shock when talking about this case study if the following scenario is considered. A fresh UAE national graduate joins this international organisation. He is happy, excited and full of dreams. After few weeks or maybe days he realises that he is the only UAE national or maybe the only Arab in the whole department. Nothing seems to reflect the fact that he is in the UAE. Although he was told that the official language is English, people around him are using their first language. They

are ignoring the fact that he does not understand this language. Faces, attitudes, and behaviours give him the feeling that he is odd. Although he is in his home country, he starts to feel like a stranger. This situation is more painful than being a real stranger where this would be an expected situation. Gradually he becomes isolated, he loses interest in the job and he feels he does not belong to this team. This was happening to the Emirati employee in the case study.

To solve the problem, the project manager (the leader) had to select a proper approach to the problem. Two angles were handled in this approach, which were the team members and the employee himself. The project manager tried to raise the communication effectiveness in the team by assuring all used the same language, and he used empowerment with the UAE national team member as a way to motivate and involve him in the activities of the project. These two approaches resulted in an enhancement in the intercultural competences. This was achieved through rising the acceptance, respect, and appreciation of cultural differences between the team members. In fact, this leadership approach was considered suitable and successful in the multinational context of the project.

## 7.2. Case Study Two

### 7.2.1. The Effect of Cultural Diversity on the Project Team

The project under examination in this case study faced many problems dealing with a culturally diverse team, these problems can be summarised by:

- Miscommunication
- Misunderstanding
- Lack of trust
- Occurrence of defensive behaviours between the team

These problems were major since the project team belonged in this project to two organisations rather than one. This created an extra distance between the team members which made it even harder for them to effectively work together.

The problem mentioned by the project manager in his interview was worth additional analysis. Therefore, it is important to look at the following facts about the situation;

- The project coordinator is from nationality C (Western)
- The project coordinator is the only contact point from organisation A

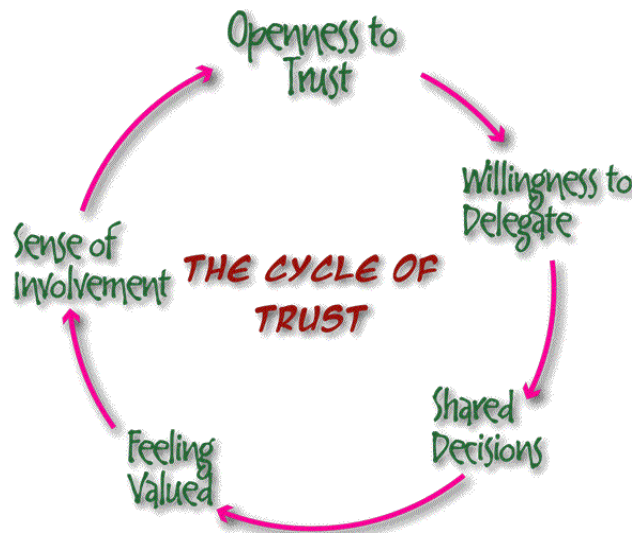
- The contact point from organisation B does also belong to nationality C (Western)
- The project coordinator took a long sick leave
- The problem:
  - The communication between the team members from the two organisations was no longer effective
- The result:
  - The deliveries slipped and the milestones were not met

To explore the reasons behind this problem, it is helpful to relate to the fact that a group member does not feel like being a part of a team unless there were shared interests between him/her and other team members (McKenna 2006). This was defiantly not the case between the project team members, as belonging to different organisations and to different nationalities made it hard for them to establish common goals and objectives. For this reason, the absence of the project coordinator created a gap between the team members.

Another identified reason behind the problem was the mistaken communication approaches undertaken from the beginning of the project. In order to achieve success in any project, the correct communication means should be available for all team members. That is to say, the

communication between the team members in the two organisations should not be through only one team member. This limited team discussions and neglected the value they add to the team.

Lack of trust between team members can be seen as another reason why the team did not manage to work together efficiently. Building trust is achieved by keeping all team members well informed about all work related matters and treating them all equally. Supporting a team by building trust between them can easily eliminate potential problems. This can be tackled by developing a circle of trust (see Figure 7.1) and eliminating the developed circle of mistrust (see Figure 7.2).



**Figure 7.1:** The Circle of Trust (Gladen 2006)





Figure 7.2: The Circle of Mistrust (Gladen 2006)

### 7.2.2. The Role of Leadership in the Multicultural Context

In this case study, the leadership style had no significant influence in solving multinational problems. In other words, the project manager did not take a serious accountability for resolving conflict, miscommunication, and distrust. This was based on the perception of the team members reflected in the below average scores for leadership, the overall record of the project performance, and the percentage of team members whose performance was below average during the project.

An effective multicultural leadership of this project was to affect the team dramatically in many ways. It could have improved the quality of the work

by building the circle of trust between team members, allow more frequent team discussions, insuring better communication between team members and motivating team members to work with people from different cultures and different organisations as a team.

### **7.3. Case Study Three**

#### **7.3.1. The Effect of Cultural Diversity on the Project Team**

This project was also affected by the culturally diverse team in many ways. The research process revealed the following problems and opportunities the project faced as a result of this diversity;

Problems:

- Conflict between team members
- Misunderstanding

Opportunities:

- Problem solving abilities

An interesting point was mentioned while conducting the interviews for this project. In this project, team members realised that cultural diversity has advantages and disadvantages, and it was their accountability with the project leader to utilise these advantages and to avoid these disadvantages in

order for the project to succeed. This realisation helped them to perform better together and to understand the differences between them.

The situation that took place between project consultants was an obvious proof. To make it more understandable a further analysis is carried out on the situation and the following facts are pointed out;

- Two of the consultants suffered from contentious disagreement
- The two consultants came from different cultural backgrounds
- A third team member resolved the problem by integrating the ideas of the two consultants

This scenario is so similar to the MBI framework for managing diversity which was suggested by Maznevski and DiStefano (2004), and which was mentioned in Chapter four. The team member was able to solve the problem by mapping the differences between the two consultants, bridging their ideas for a better communication, and finally integrating their ideas together or building on each others' ideas for a better solution.

Ideally this was supposed to be the role of the team leader. At the same time, it was a good sign that team members in this project were able to express their ideas and suggest solutions to problems that were out of their

scope of work. This empowerment and shared leadership enhanced the abilities of the team members.

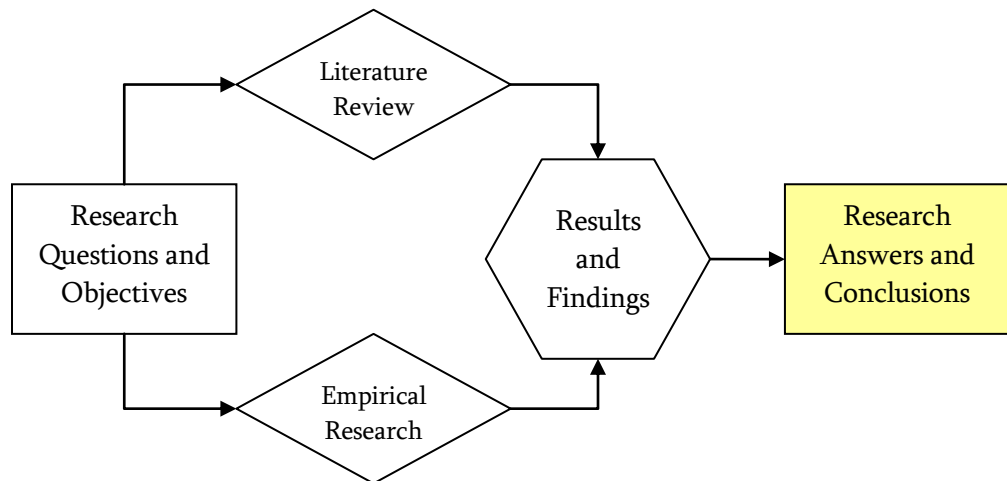
### **7.3.2. The Role of Leadership in the Multicultural Context**

The leadership style in this project was perceived by team members as an effective leadership style. It is important to notice that the leader scored a very high 'excellent' in emotional intelligence while he scored 'good' in all other competences. This can be considered as a sign that indicates the significance of this competence in the multicultural context. Other research steps also indicated an effective leadership of the project since the project quality was superior and the performance of 50 per cent of the staff was higher than average.

*Chapter 8*

**DISCUSSION AND CONCLUSIONS**

This chapter puts an end to the dissertation by summarising the main research out comes and by suggesting possible areas or topics for future research.



*Chapter 8*

**DISCUSSION AND CONCLUSIONS**

**8.1. Towards an Effective Leadership in the Context of Cultural Diversity**

Based on the literature reviewed and the undertaken research it can be concluded that leadership has a significant influence over the performance of multicultural teams. As a result, it has an influence over the performance of projects and the performance of organisations. Therefore, a special attention should be given to leadership qualities in multinational organisations.

However, this research also shows that there is no certain leadership style that can always work in the multicultural context, or fixed leadership qualities that must be available in the leader for him/her to be successful in this perspective. This is because of the complexity and the involvedness these kinds of teams engage. Nonetheless, the results of this research suggest that emotional intelligence is crucial in leading a culturally diverse team (Meldrum and Athkinson 1998, Kets and Florent-Treacy 2002).

It is important to define the term 'emotional intelligence' to understand its importance in the context of cultural diversity. Emotional intelligence is a person to be aware of, manage and use emotions appropriately in dealing

with people in various situations (Goleman 1996). Another definition of emotional intelligence is the capacity to deal with both emotions oneself and others efficiently. This interpersonal talent has become important in the research of leadership recently (Goleman 1998). In fact, it is one of the most popular interpersonal skills required in a successful leader (Palmer *et al.* 2001).

Emotionally intelligent people usually have five main skills. These skills are self awareness of one's own emotions as they happen, managing feelings so they are appropriate, motivating oneself to accomplish a goal, having empathy and understanding for others' emotions, and being able to interrelate well and work with others (Cacioppe 1997).

Research studies found that people with higher emotional intelligence are more social, personally effective, trustworthy, and better academic performers. In addition, it was found that they spend over 40 per cent of their study time in the 'flow', which is a "psychological state where excellence is effortless", while other people can spend only 16 per cent of their study time in the flow (Cacioppe, 1997 p. 337). Another research by Palmer *et al.* (2001) found that transformational leaders have higher emotional intelligence than transactional leaders which would make them better leaders.

A recent research over managers and professionals in Australia revealed that emotional intelligence is one major characteristic of successful leaders. Moreover, it suggested that a successful leader must be able to manage his/her emotions and respond to others' emotions effectively. To sum up, an emotionally intelligent leader seems to evaluate the situation, have a clear vision, use his/her and others knowledge, and be in the 'flow' focused. This can be described in one word, 'wisdom', which is defined as "the capacity of judging rightly in matters relating to life and conduct soundness of judgment in choice of means and ends, sound sense in practical affaire, knowledge, especially of a high kind, wise teaching or action" (Little *et al.* 1973).

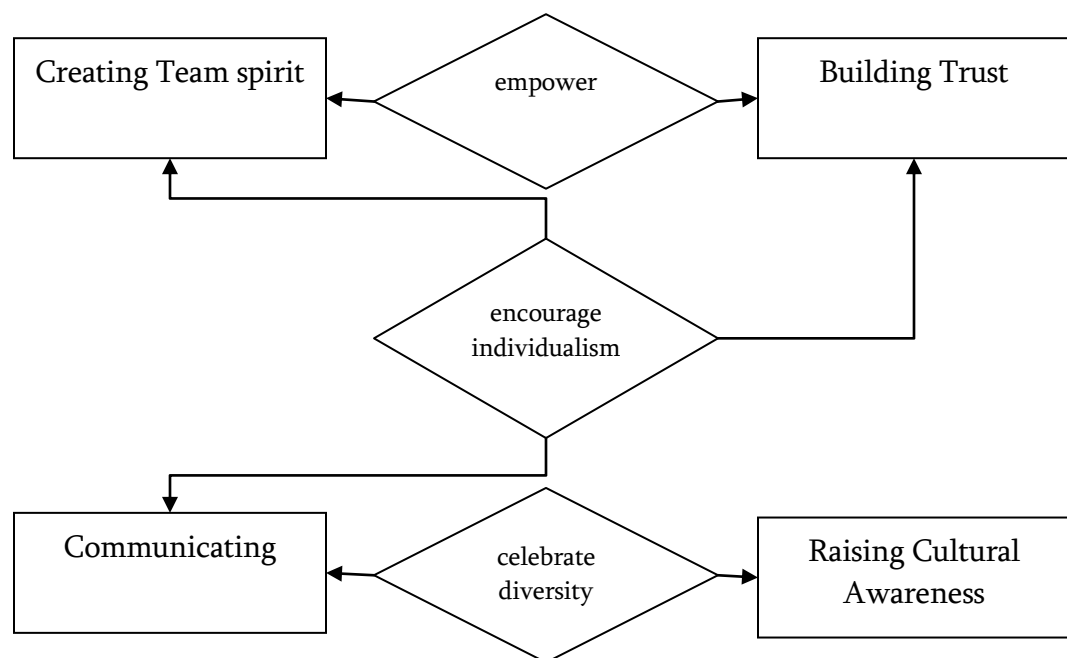
As mentioned previously, there is no direct way to manage cultural diversity. In fact, designing a perfect multi national environment is a mission that needs patience and cooperation. Based on the conducted research, it is seen that attempting to resolve potential problems and difficulties which arise due to cultural diversity can be the key for building effective culturally diverse teams.

A suggested course of actions or a framework to deal with cultural diversity problems is developed and is illustrated in Figure 8.1. As mistrust, miscommunication, and stress were seen as the three major obstacles



multicultural teams face (Adler 2002), and in order to achieve the strategic objective of utilising cultural diversity, four objectives must be attained. Those objectives are raising cultural awareness, creating a team spirit, breaking communication barriers and cultivating trust.

To meet those objectives a course of actions must be undertaken. Those actions are listed and their role in achieving a healthy multicultural environment is illustrated below in Figure 8.1.



**Figure 8.1:** A Strategy to Utilise Diversity

### **Celebrate Diversity**

Celebrating diversity is a way to break down cultural barriers between intercultural team members. Egge (1999) suggested applying it by celebrating different cultures traditions, occasions, and holidays. This does not only raise the cultural awareness within the team, but also creates a healthy work environment where people feel more comfortable to communicate and to interact. Cenen and Canen (2001) supports this idea by stating that creating an informal work environment gives a better chance for formal groups to perform better.

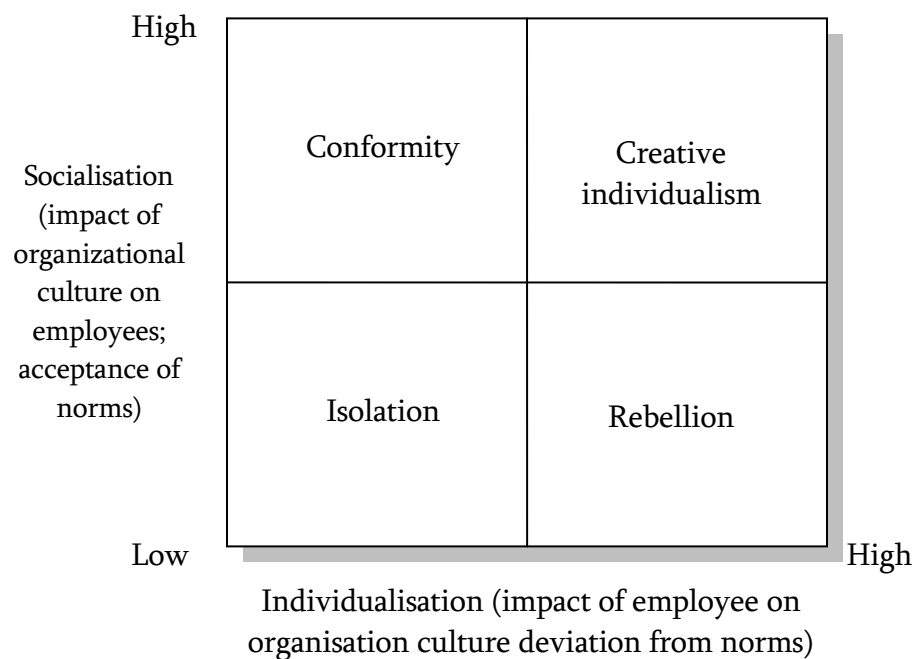
### **Empower**

Encouraging team members to make decisions in their areas of responsibility is a very effective way to manage in a multinational context (Terry 2007). It allows diverse personal capabilities to cross cultivate and to think about new ideas. Making use of the ideas of team members does not only utilise their experiences and creativity, but also motivates them to work harder. In fact, letting intercultural teams make decisions increases their loyalty and their sense of belonging to the organisation.

### **Encourage Individualism**

There is no doubt that the organisation culture has a significant effect on its employees, which is often referred to as socialisation. At the same time,

several studies showed that the employee has an influence on the culture of the organisation as well. This is known as individualism (Newstrom 2002). Newstrom (2002) illustrated the relationship between socialisation and individualism in Figure 8.2, which demonstrates the four degrees in which employees accept or reject the existing culture. Since creative individualism is the key for innovation and creativity, management should encourage employees -especially new joiners- to express their ideas and suggestions freely.



**Figure 8.2:** Four Combinations of Socialisation and Individualisation (Newstrom 2002 p. 95)

## **8.2. Conclusions**

The main aim of this research was to further investigate the concept of cultural diversity in the business environment in the United Arab Emirates, its effect on teams, and how can it be effectively managed. This was undertaken by reviewing the available literature on a number of topics. These topics were groups and teams, culture and cultural diversity, and management of culturally diverse teams. This was followed by an experiential research to draw a more comprehensive picture about the subject and to build a more integrated framework to be used by future research.

Despite the large number of studies carried out on the topic of managing multicultural teams, and the required characteristics to undertake this, only few of them were based on empirical research (Jokinen 2005). As a result, a long list of leadership competences was generated with little or no evidence on its correctness. Therefore, the research attempted to undertake an empirical method to find more reliable conclusions which can be used by organisational development as a base for developing training and selection schemes, and by team leaders to revise their management style and to develop their skills.

Three case studies from the United Arab Emirates- Dubai were the tool to answer the research questions and to achieve the objectives of the research. The case studies revealed that leadership in the multinational settings has an important role in increasing or decreasing the productivity of multinational teams through effective or ineffective management of diversity. However, no specific leadership style was recognised as always suitable or successful in this context. Leaders must have cultural and emotional intelligence to deal with problems appropriately in different occasions and under different circumstances. To make this easier to implement, a framework to utilise diversity was developed. This framework suggested that by creating a team spirit between multicultural team members, building trust among them, raising their cultural awareness, and insuring effective communication, the team will be able to accept their differences and to perform more productively together.

As for suggestions for further research, the research brought several hidden issues which can be good research topics into surface. First, more comprehensive and concise definitions of 'culture', 'cultural diversity' and their dimensions in the business environment are needed. This is important to form a unified base for future research in the area. Second, a standard scale to assess and to evaluate the level of success of multinational teams and multinational leaders need to be developed. This again will be helpful

to be used as a solid measure in different future studies. Third, because of the time limitations of this research, the empirical investigations were limited to three case studies. In order to get more dependable results, a large sample is recommended. More experimental research on the topic is considered necessary to support the results of this research. Fourth, a complete leadership framework based on the results of this research with certain steps can be developed to be used as a reference and a guide for leaders in the multinational context. This might be considered as a next step to take this research forward. Finally, investigating the organisational level of diversity management mentioned in Chapter one and integrating it with the results of this research can form magnificent results to effectively manage diversity.

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**APPENDIX A**

**INTERVIEW QUESTIONS**

## APPENDIX A: INTERVIEW QUESTIONS

### Organisation information:

1. Date of establishment:
2. Location of head office:
3. Size:
4. Approximate number of nationalities:

### Project information:

1. Duration:
2. Cost:
3. Team size:
4. Number of nationalities:
5. All staff are permanent/ consultants/ both:

### Personal information:

1. Title/ position:
2. Nationality:
3. Team leader/team member:

### Interview questions:

1. Does cultural diversity affect the project team? How?

2. Does cultural diversity create problems or opportunities to the project team?
3. What are these problems or opportunities?
4. Do these problems and opportunities affect the performance of the team? Give an example.
5. Does the leadership have a role in managing these problems and opportunities?
6. What is this role? Give an example.
7. Based on the given example, suggest a way leadership can follow to improve the situation.
8. Is there an appropriate leadership style to follow in the multinational context?
9. What are the important leadership characteristics that should be available in the multinational environments?
10. In your point of view, how can leadership make the multicultural team more effective?

**APPENDIX B**

**QUESTIONNAIRE QUESTIONS**

## APPENDIX B: QUESTIONNAIRE QUESTIONS

### General Information

1	Gender	1 Male	2 Female		
2	Marital Status	1 Single	2 Married	3 Others	
3	Rank	1 Entry level	2 Middle level	3 Senior level	
4	Years of Experience	1 Less than 2	2 2-5	3 5-10	4 above 10
5	Years in current organisation	1 Less than 2	2 2-5	3 5-10	4 above 10

For each item, circle one rating under the "Behaviour Frequency" column indicating your view of how often your leader exhibit that behaviour.

### Creating Clarity

<i>BEHAVIOR</i>		<i>Seldom</i>	<i>Sometimes</i>	<i>Often</i>	<i>Always</i>			
1	He can describe a personal vision for my community that offers a future achievable with the assets available.	1	2	3	4	5	6	7
2	He facilitates an effective process for exploring the diverse aspirations among community team members.	1	2	3	4	5	6	7
3	He facilitates the development of a shared community vision that is influenced by the views of diverse team members.	1	2	3	4	5	6	7
4	He communicates the shared vision broadly.	1	2	3	4	5	6	7
5	He creates a framework for action using systems thinking.	1	2	3	4	5	6	7
6	He facilitate stakeholder teaming to develop strategic action plans.	1	2	3	4	5	6	7
7	He creates the conditions for brainstorming the strategic issues and actions.	1	2	3	4	5	6	7
8	He builds an action plan with time lines and assigned responsibilities to enable the community vision to be achieved.	1	2	3	4	5	6	7
9	He facilitates achieving buy-in to the action plans and next	1	2	3	4	5	6	7

## Leading Culturally Diverse Teams in the United Arab Emirates

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	steps.							
10	He follows up on action plans to ensure completion.	1	2	3	4	5	6	7
11	He seeks innovative solutions for persistent problems encountered while mobilizing to achieve the vision.	1	2	3	4	5	6	7

### Building Trust

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<i>BEHAVIOR</i>	<i>Seldom</i>	<i>Sometimes</i>	<i>Often</i>	<i>Always</i>			
1 He builds communication processes that make it safe for people to say what is on their minds	1	2	3	4	5	6	7
2 He refuses to engage in “rigged” processes.	1	2	3	4	5	6	7
3 He protects the group from those who would wield personal power over the collaborative process.	1	2	3	4	5	6	7
4 He creates credible processes for collaborating.	1	2	3	4	5	6	7
5 He ensures that processes for exercising collaborative leadership are open to all team members.	1	2	3	4	5	6	7
6 He ensures that the processes for collaborative leadership are transparent to all team members.	1	2	3	4	5	6	7
7 During the first stage of creating collaborative relationships, He establishes the common ground among the team members.	1	2	3	4	5	6	7
8 He approaches collaboration by relying heavily on building trust among team members.	1	2	3	4	5	6	7
9 He “walks the talk”, i.e., He does what He says He will do.	1	2	3	4	5	6	7
10 He demonstrates to my peers that He believes that trust is the foundation for successful collaboration.	1	2	3	4	5	6	7

### Empowerment

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<i>BEHAVIOR</i>	<i>Seldom</i>	<i>Sometimes</i>	<i>Often</i>	<i>Always</i>			
1 He uses my personal power responsibly.	1	2	3	4	5	6	7
2 He shares power as a means for increasing power.	1	2	3	4	5	6	7
3 He shares power with others whenever possible.	1	2	3	4	5	6	7

## Leading Culturally Diverse Teams in the United Arab Emirates

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4	He offers people an active role in decision making about matters that affect them.	1	2	3	4	5	6	7
5	When exercising leadership, He relies significantly on peer problem-solving.	1	2	3	4	5	6	7
6	He promotes self-confidence in others.	1	2	3	4	5	6	7
7	He creates processes that ensure team members an equal say in decision making.	1	2	3	4	5	6	7
8	He encourage others to act together to change circumstances that affect them.	1	2	3	4	5	6	7
9	He expresses confidence in the capabilities of others.	1	2	3	4	5	6	7
10	He uses influence to produce results whenever possible.	1	2	3	4	5	6	7
11	He is open to being influenced by others.	1	2	3	4	5	6	7

### Developing People

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<i>BEHAVIOR</i>		<i>Seldom</i>	<i>Sometimes</i>	<i>Often</i>	<i>Always</i>			
1	He takes seriously my responsibility for coaching and mentoring others.	1	2	3	4	5	6	7
2	He invests adequate amounts of time doing people development.	1	2	3	4	5	6	7
3	He defines my role when serving as coach. 1	1	2	3	4	5	6	7
4	He is committed to developing people from diverse segments of the population.	1	2	3	4	5	6	7
5	He creates opportunities for people to assess their leadership skills.	1	2	3	4	5	6	7
6	He helps people take advantage of opportunities to learn new skills.	1	2	3	4	5	6	7
7	He looks for ways to help others become more successful at their jobs.	1	2	3	4	5	6	7
8	He helps people to take advantage of opportunities for new experiences. 1	1	2	3	4	5	6	7
9	He establishes my expectations for the people He mentor.	1	2	3	4	5	6	7
10	He asks the people He mentor to define their expectations.	1	2	3	4	5	6	7
11	He creates a mutually agreed-upon coaching plan, including criteria for success.	1	2	3	4	5	6	7



## Leading Culturally Diverse Teams in the United Arab Emirates

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### Emotional Intelligence

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<i>BEHAVIOR</i>	<i>Seldom</i>	<i>Sometimes</i>	<i>Often</i>	<i>Always</i>			
1 He recognizes the effect of my emotions on work performance.	1	2	3	4	5	6	7
2 He recognizes the effect of my emotions on relationships.	1	2	3	4	5	6	7
3 He recognizes my personal impact on group dynamics.	1	2	3	4	5	6	7
4 He can describe my strengths realistically.	1	2	3	4	5	6	7
5 He can describe my weaknesses realistically.	1	2	3	4	5	6	7
6 He works to understand others' perspectives.	1	2	3	4	5	6	7
7 He reads the dynamics of groups.	1	2	3	4	5	6	7
8 He listens to others actively, checking to ensure my understanding.	1	2	3	4	5	6	7
9 He reads non-verbal communication accurately.	1	2	3	4	5	6	7
10 He uses self-assessment tools such as personality inventories to inform my self reflections.	1	2	3	4	5	6	7
11 He seeks feedback from all relevant constituencies about my behavioural impact.	1	2	3	4	5	6	7

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**APPENDIX C**

**ORIGINAL QUESTIONNAIRE  
QUESTIONS**