



Multicultural Diversity in Teams: Review of Recent Research

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Cultural Diversity in Organisations

The potential for superior productivity of culturally diverse teams is high ... [but they] rarely achieve their full potential.

- Nancy Adler, McGill Univ.

But for all our sophisticated deftness at cross-cultural encounters, fundamental difference, when it's staring at you across the table from within the close-up face of a fellow human being, always contains an element of violation.

Hoffman, 1989



Teams' Cultural Composition

- Cultural Diversity: the number of different cultures represented in the group;
- Cultural Norms: the orientations of the specific cultures represented in the group toward group dynamics and processes; and
- Relative Cultural Distance: the extent to which group members are culturally different from each other

Diversity: Advantages and Difficulties

On the most part, two separate theoretical frameworks explain the gains and losses caused by cultural diversity in teams:

- SIT & SCT based models argued that diversity would typically lead to less social cohesion and result in decreased team performance;
- Human Capital based arguments claim that diversity leads to enhanced team performance

Surface and Deep Diversity

In multicultural teams, diversity can be in the form of:

- Surface-level (black-American; Caucasian-American; French and Vietnamese) and/or
- Deep-level (Irish and English; Singaporean and Chinese; N. and S. Africans)

Most Common Categories of Personal and Team Identity

- Gender groups
- Position, level, class
- Functional unit
- Regional unit
- Ethnicity and race

Social Identity Theory Features

- Comparative process
 - define ourselves by differences with others
- Homogenization process
 - similar traits within a group; different traits across groups
- Contrasting process
 - develop less favorable images of people in groups other than our own

Biases Associated with Intergroup Conflict

- Social Categorization: Us versus Them
- Ingroup bias
- Racism and racial discrimination
- Outgroup homogeneity effect

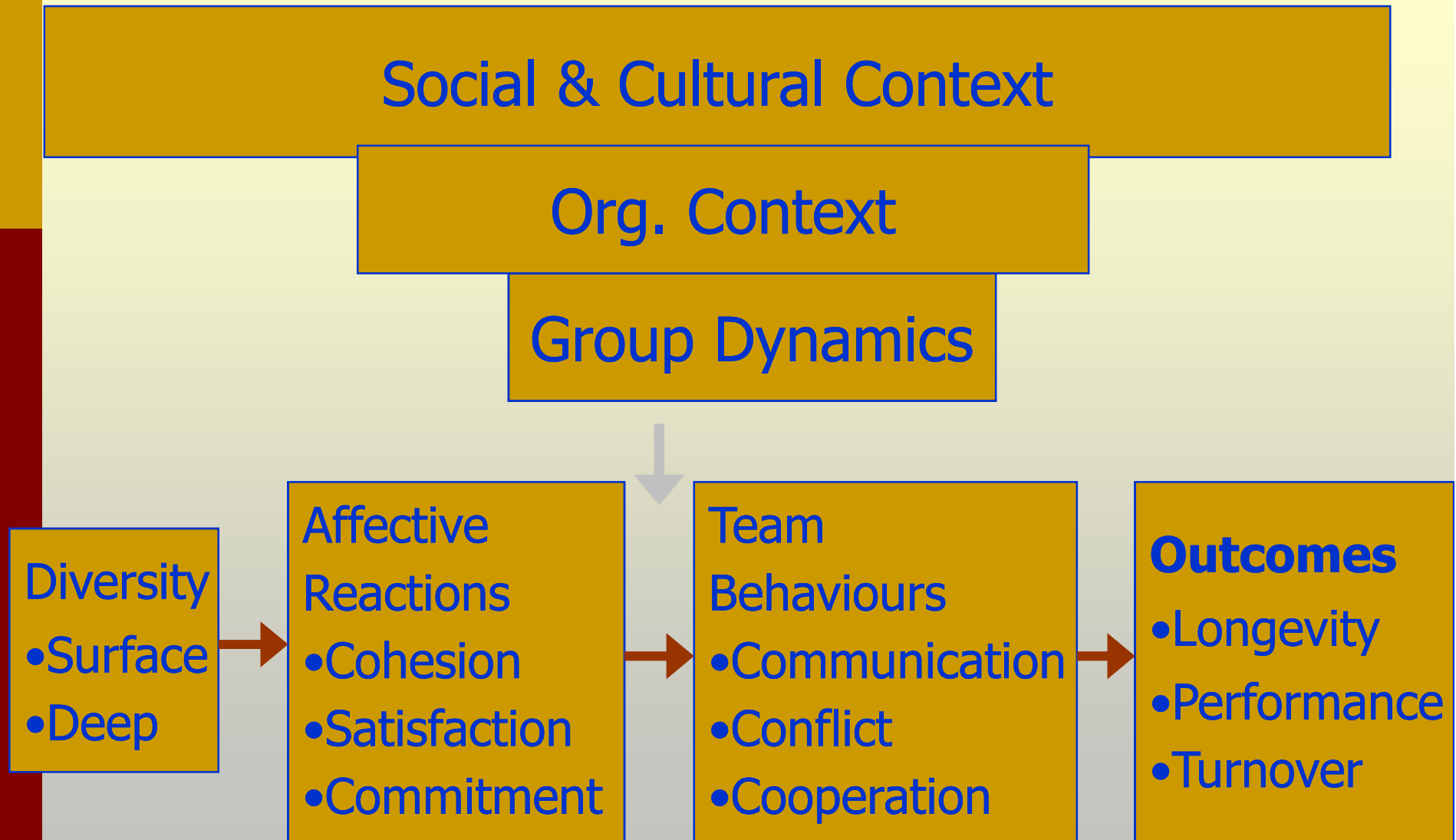
Diversity-Related Problems

- Increased ambiguity
- Increased complexity and confusion
- Difficulty to converge meanings and
- Miscommunication
- Lower cohesiveness
- Harder to reach agreement
- Harder to make decisions and agree on specific actions

Diversity-Related Advantages

- Broader cognitive frame & resources
- Multiple perspectives
- Richer alternatives & more ideas
- Increased creativity and problem solving skills
- Increased flexibility
- Overall, increased 'absorptive capacity' (Cohen & Levinthal, 1990)

Dynamics of Team Diversity



Jackson, Joshi & Erhardt (2003)

Reviewed 63 recent studies with different diversity aspects of organizational teams

- Differentiated between Relations-oriented attributes (age, sex, ethnicity) and Task-related (function, tenure, education)
- Many studies looked at
 - Surface-attributes (89%) and
 - Only single diversity attribute (43%)
 - Often sex and ethnicity were studied together

Jackson, Joshi & Erhardt (2003)

- Surface-level diversity has more immediate impact and is influential in early-stage/newly formed teams while deep-level becomes more important over time and its effects last longer.
- Diversity, in general, and cultural/ethnic diversity in particular, have mixed effects on team processes and performance;
- Less effect on simpler, motor-based tasks; more effect on complex, interdependent teamwork

Earley & Mosakowski (2000)

- Studied effects of heterogeneity in transnational teams using experimental and field settings
- Reasoned that the effects of national heterogeneity on team performance is non-linear;
- Found that in the early stages, homogenous teams (those with only one major national group identity) outperformed both moderately heterogeneous (groups with two different sub-group identities) and highly heterogeneous (no clear sub-group identities exist) teams.

Earley & Mosakowski (2000)

- In the longer term, high-heterogeneous teams' performance increased as they managed to create a hybrid-culture;
- Such hybrid culture was not created in moderately heterogeneous teams, whose performance was lower than both high and low heterogeneity teams.

Team processes mediated the effects of heterogeneity on team performance, such that:

- In homogenous groups, members perceived many similarities between themselves (SCT!); trust, shared mental models and open communication developed early on in the team's life

Earley & Mosakowski (2000)

- In moderately heterogeneous teams, a dynamic of ‘us vs. them’ prevailed, with the two sub-groups sticking to themselves in times of conflict, resulting in little cross sub-group cooperation;
- In highly heterogeneous teams, as time passed, members go to know each other better and since there were no dominant sub-groups, they were free to form a ‘hybrid culture’-unique to their team and overarching each members’ national identity.
- Implications for joint ventures and projects where two cultures (national or organizational) get together to try to create a cooperative structure

Demographic Faultlines

Faultlines (Lau & Murnighan, 1998): Several demographic, salient attributes that combine to create strong differences between groups

A framework that explains internal group conflict: when groups split into subgroups members' group-related identities will be more strongly associated with their subgroups than with their entire group

Strong faultlines increase group conflict and decrease performance.

When faultlines are strong, members communicate and share information within rather than across their subgroups

Demographic Faultlines

Lau and Murnighan (2005): effects of faultlines, diversity and work-related communication on several group outcomes.

They predicted that faultlines affect groups through communications:

With strong faultlines communication between subgroups leads to more conflict and lower performance;

However, under weak faultlines, such communication facilitates better performance.

Lau & Murnighan, 2005

Experiment with Undergraduate OB students in Canada

Students assigned to groups based on their sex and race, resulting in strong and weak faultlines groups;

Strong faultlines group had members differ on gender and race simultaneously

Task: team case analysis with presentation

Lau & Murnighan, 2005

Results: strong faultlines members evaluate their subgroups much more favorably and had more interpersonal connections within subgroups

Unexpectedly, members of strong faultline groups experienced less relationship conflict, more psychological safety and satisfaction than weak faultline group members

Cross faultlines communication and group outcomes were positively related in weak faultline groups, but not related in strong faultlines.

Under which conditions does diversity is more likely to lead to positive or negative effects on team processes and performance? (Pelled, Eisenhardt & Xin, 1999)

What traits influence team outcomes in what specific contexts? (Stewart, 2006)

Dahlin, Weingart & Hinds (2005)

How does team educational and national diversity affect information use?

- MBA teams in a US university
- Task: HBR Case Analysis
- Information use dimensions: Range, Depth & Organisation (integration); esp. important for new product design & problem solving teams
- Range -> Depth -> Organisation

Dahlin, Weingart & Hinds (2005)

Conceptual rationale:

- Information-processing theories explaining educational diversity (moderately task-related);
- SCT explains effects of national diversity (task unrelated and salient); following E & M, 2000
- For educational diversity (UG major) expected:
 - Inverted U-shape relationship for Range and Depth and inverse linear relation for Organisation
- For national diversity expected:
 - Nonlinear, U-shaped relationship, for Range, Depth and Organisation

Dahlin, Weingart & Hinds (2005)

Results

- As expected regarding educational diversity
- National diversity: U shape for Range, but inverted U for Depth and Organisation
- Educational div had much more impact than national
- 'Biculturals' in teams increase the range and depth of information it uses

Antonio et al. (2004)

- Studied effects of minority influence on team members' ***complex thinking*** (“degree to which cognitive style involves differentiation and integration of multiple perspectives”).
- Experimental design, using students in a US campus working in small ad-hoc groups.
- Task: writing on and discussing one's opinion for or against a major social issue
- Presence of a minority member (black in a Caucasian group) increased members' complex thinking (CT)

Antonio et al. (2004)

- In racially homogenous groups, students who interacted with racial minority people also exhibited higher CT; and
- Presence of a member expressing a minority opinion also increased team members' CT

Kearney, Gebert & Veolpel (2009)

How does Team Need for Cognition affects the relationship between diversity and team processes and performance?

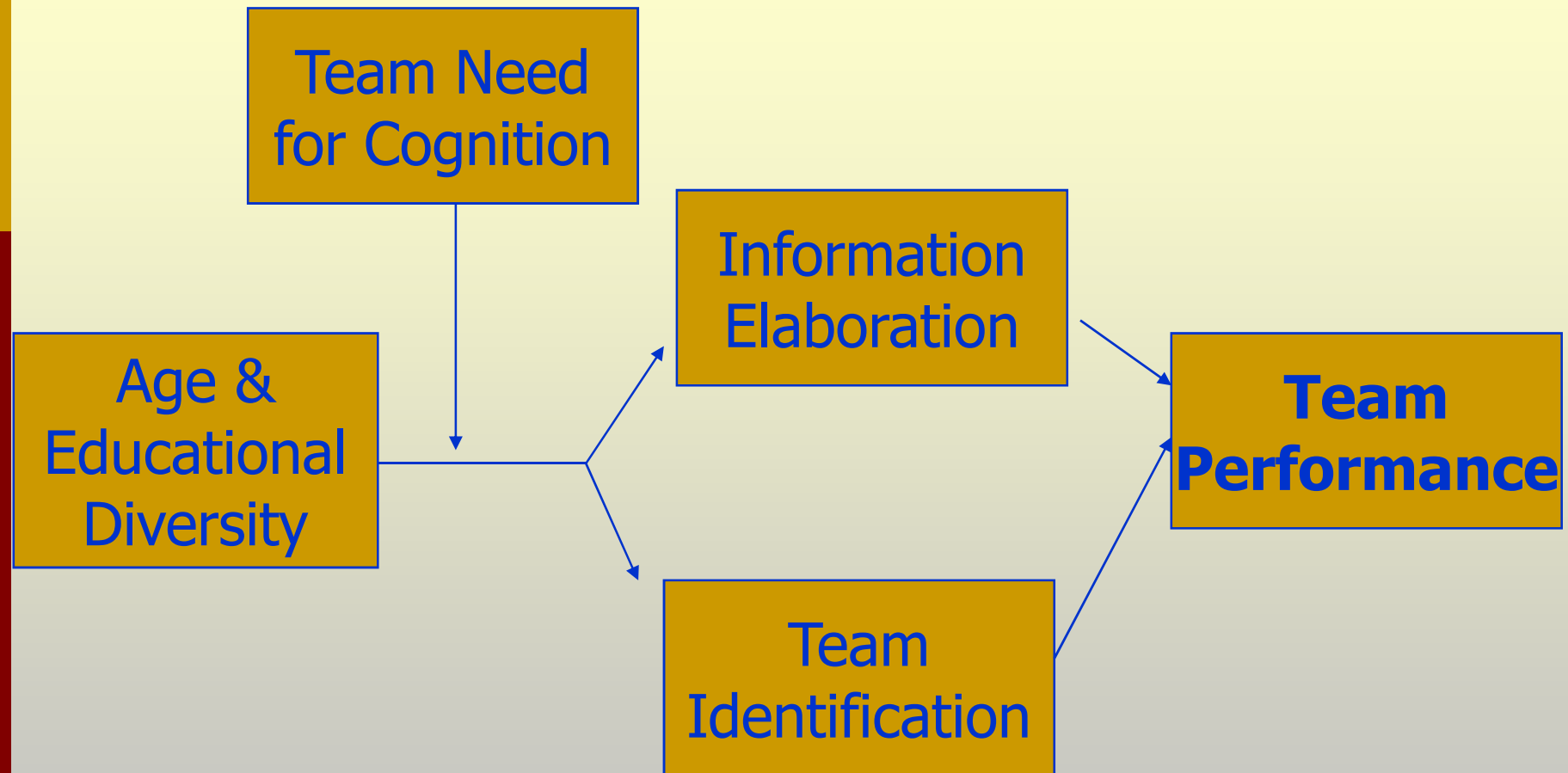
83 teams from eight German organisations;

Self report for team processes; performance assessed by leaders and supervisors

Suggest: High team need for cognition is conducive to leveraging potential advantages of diversity in teams.

Examined Age (demographic) and Education (deep/task-related) diversity dimensions

Kearney, Gebert & Veolpel (2009)



Kearney, Gebert & Veolpel (2009)

Results: both types of diversity were significantly positively related to each of the DVs

- Elaboration of task-relevant information
- Collective Team Identification
- Team Performance (both ratings)

only when team need for cognition was **high**.

Diversity Beliefs: Homan et al., 2007

Experimental design with students in Europe;

Faultline groups were created;

Diversity beliefs were manipulated: groups were persuaded either of the value of diversity or the value of similarity for group performance;

Groups were provided with either homogenous or heterogeneous information for the task;

Gender diversity was examined;

Task: generate and select ideas in desert survival simulation

Diversity Beliefs: Homan et al., 2007

Results: Informationally diverse groups performed better when they held pro-diversity beliefs;

Performance of informationally homogenous groups was not affect by diversity beliefs

Effect was mediated by group information elaboration (degree to which information is shared, processed and integrated in a group interaction)

Horwiz & Horwiz (2007): Meta-analysis

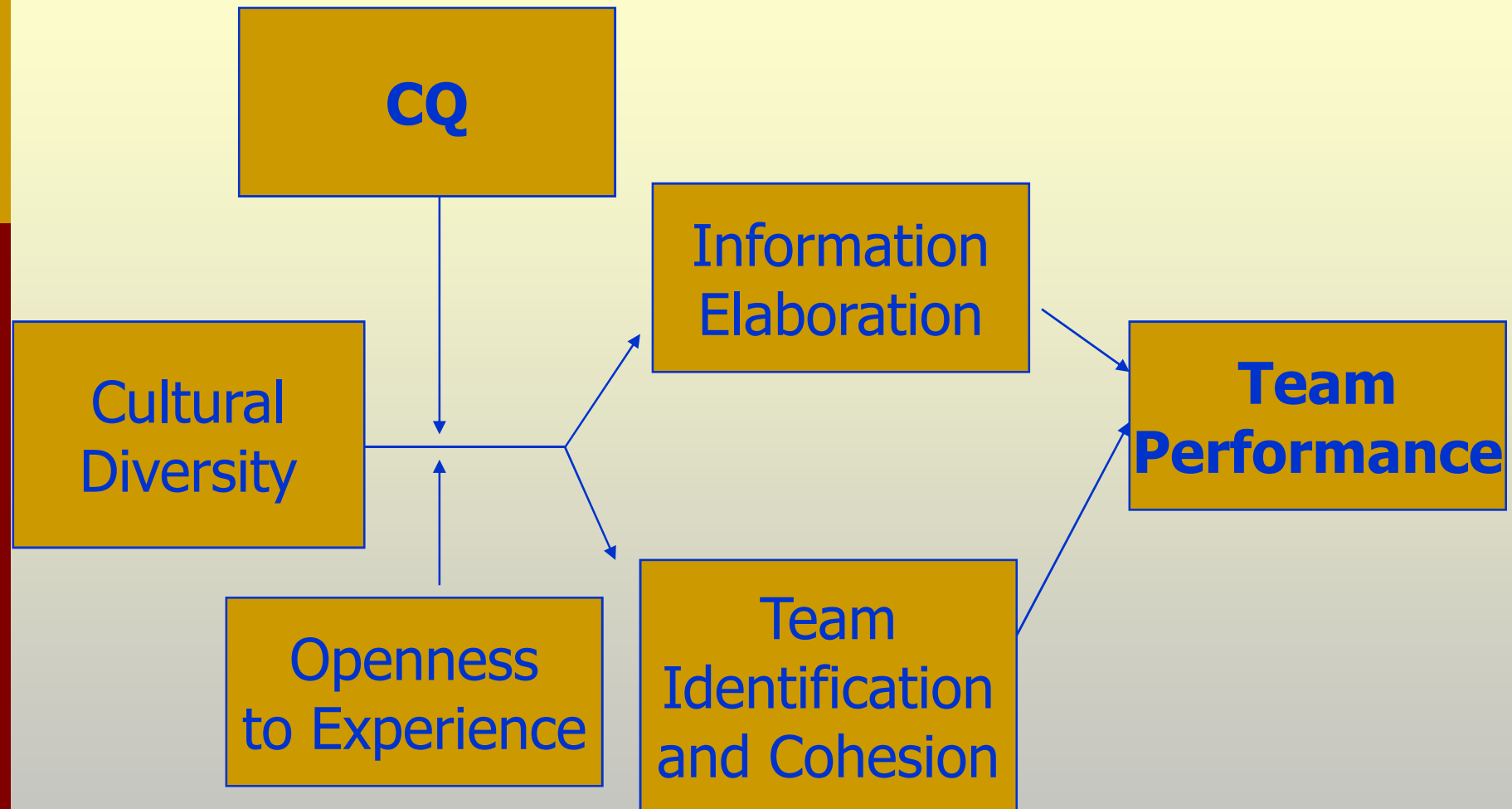
- Task-related diversity (e.g., functional) was positively significantly related to both quality and quantity aspects of team performance;
- Demographic diversity had no relationship with either aspect of team performance;
- No significant relationship found between either diversity type and Social Integration
- Studies using self-report assessment had a more positive correlation between diversity and team performance than external assessment

Speculations

Which factors would affect (moderate) the effect of cultural/national diversity on team processes and performance?

Openness to experience (personality) and CQ (partially acquired multidimensional competence) may be such moderators

Eisenberg (2009)



Implications for Interventions?

