

Cross Culture Diversity at Workplace: A Literature Review

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ABSTRACT

Thanks to increased globalization, organizations, both commercial and non-commercial, are increasingly building their workforce that is as diverse and as agile as possible. Building a strong and able workforce is an essential function of the Human Resource Management (HRM) activity. This literature study begins by giving an introduction to the importance of culture and cultural diversity before laying down the focus on cross-cultural diversity for the workforce. Linking diversity to every business function or strategy helps managers build a diverse workforce. We mention change management and communication aspects of cross-culture diversity. The advantages and disadvantages that organizations accrue from designing such a workforce are put forth.

KEYWORDS: workforce diversity, multicultural team

A. INTRODUCTION

Organizations are more diversified and more involved in terms of products or services that they are offering. Organizations are operating from different geographies so as to cut cost and to have an edge over competition. Hence, it is becoming inevitably to hire and employ a diversified workforce. Employers, over the years, are found to be increasingly interested and open to hiring employees with diversified skills, backgrounds, and cultures. Today's force of work (workforce) is more diverse than ever before. New-age employee mix is far beyond color and gender and now will have a combination of different races, castes, personalities, ethnicity, styles, ages, educations,

backgrounds, etc. and hence. (Galagan, 1991) New age corporates settings do not allow discrimination of any kind — clear explicitly policies are framed prohibiting this.

Management strategies are drawn to ensure that the Human Resources (HR) Department builds a dynamic and diverse workforce that is adaptable to changing organizational circumstances. Managing a cross-culturally diverse workforce is easier said than done, and increased emphasis is on the management functions of the organizations.

This article first sets the context by introducing the topic of culture and later on the importance of cultural diversity. A brief mention of cross-cultural, multicultural, and intercultural is made. Then, the subject of cross-culture and cross-cultural management is explained. While there are several influencing factors, special attention is drawn to the introduction and management of change in the workforce. Communication is pivotal to this, and issues that might arise in the process were discussed. Finally, a note on the advantages and disadvantages of cross-cultural diversity in the workplace is given.

B. CULTURE

Culture describes several characteristics of a group of people living together with their distinct customs and values. It is a set of values and weaknesses that are common to a group of people and affects the responses to the environment. (Nisa) Cultural attributes get transmitted from generation to generation and thereby give the group a distinct identity. While some cultures look similar, others contrast and vary a lot. The impact of culture, family, education, and various other social experiences lead to the formation of human behavior and thereby impacts individualism. A culture accepted by one country might not be welcome in another.

Culture makes a profound impact on organizations, and hence the human resource management teams regularly ensure that the broad perception of the organization is well maintained. It makes a marked differentiation between blue and white-collar workers. The duties, roles, and responsibilities of these workers depend on their interpersonal behavior. Different levels of acceptability exist regarding language, dressing style, politeness, body language. Culture ultimately influences employee pay scales. (Graham, 2009) Managing culture changes is thoroughly discussed in (Brook & Pioch, 2006) where the case-study approach is used.

Three culture-related terms often confuse early HR enthusiasts. *Cross-culture* compares different cultures wherein the differences between them are understood and acknowledged bringing minor changes in individuals but not significant transformations. One culture which becomes the norm will be compared or contrasted with other cultures. A *multicultural* society will have several cultures and ethnic groups living next to each other with little or no engaging interactions with each other. Finally, the *Intercultural* will have a deeper understanding and mutual exchange of ideas and norms between cultures. (Schriefer, n.d.)

C. CULTURAL DIVERSITY

Marvin Wild defined Cross-culture as “When employees respect each other and get along in the workplace, it is amazing how productivity increases, morale increases, and employees are more courteous and to customers.” A workplace is said to be culturally diverse when the organization is all set and ready to hire employees regardless of their backgrounds, races, religions, and cultures. Both the employees and employers will benefit when organizations become open and are prepared to build diverse teams. Diversity brings in different talents and ideas to one place and thereby increases organizational productivity. When more different cultures are working together, the more will be cultural competition at the workplace. Conducting pre and post-induction training programs avoids or at least reduces potential cultural conflicts that generally occur in the workplace. Not just companies but even countries are also open and allowing cultural diversity. Western countries are now more open to embracing Eastern cultures.

D. CROSS CULTURE

The importance of cross-culture gained more importance in social science studies (such as arts, culture, history, psychology, tourism, human rights, etc.). The networked society – in communications (such as in the context of social media communication, public relations, and journalism), inter-organization (as in the case of business negotiations such as sales and marketing etc., product design and development) and intra-organizations (organizational behavior, corporate structures and leadership, human relations etc.). Intra-organizational studies on the topic mostly dealt with the various dimensions impacting the workplace, role, and action to be taken by the management and how benefits that accrue from implementing strategies.

In his work *Eye on Psi Chi*, Walter J. Lonner discussed the psychology aspects of cross-culture and elevated the subject from merely being a field of psychological study to a type of research methodology. (Lonner, 2000) Commendable work in the discipline is also done by the International Association of Cross-Cultural Psychology (IACCP), established in 1972, that focuses on different studies in cross-cultural factors that impact human behavior.

E. CROSS CULTURE MANAGEMENT

People need to collaborate in teams culturally and geographically in today's economy, stressed (Appelbaum, Shapiro, & Elbaz, 1998). Intercultural dimensions in a modern organization are unavoidable, and emphasis on multicultural teams has increased over the years. (Weatherley, 2006) The preparation towards being globally ready can begin by training young graduates on potential challenges in communication and in using cultural nuances. (Kaur, 1997)

Figure 1: Framework for Cross-Cultural Management



Source: Adapted from (Gannon & Newman, 2001)

Eight key cross-cultural dimensions of cultural differences among project teams are proposed in the framework by (Ochieng & Price, 2009). They are:

- Leadership style
- Team selection and composition
- Team development process management
- Communication
- Collectivism
- Trust
- Management and
- Uncertainty

Globalization and increased diversity in terms of gender and ethnicity are forcing organizations such as multinational companies (MNCs) and corporates to take cross-culture diversity seriously to have an edge in their business. Not just large companies, cultural diversity, and knowledge have differential outcomes on enterprises, as seen in the European context. (Audretsch, Belitski, & Korosteleva, 2019) Regression analysis based on a model involving entrepreneurial outcomes - start-up net entry ratio, survival ratio, high growth ratio, population density, GDP in PPP and cultural diversity are considered in their research.

The primary goal of cross-culture diversity is to determine and understand different human behaviors and cultures. The importance and interest in the last few decades because organizations are concerned about their employees more than ever before. Employees today live in a truly global environment. The necessity to be employed makes traveling more or less inevitable for employees. The migration of workforce to areas where employment opportunities exist increases diversity in a given region. When employers hire keeping diversification in mind, it creates a cross-cultural atmosphere within the organization. This cross-cultural diversity is helping to create a better bonding between employees, thereby connect people at different levels. Irrespective of gender,

financial liberty is also considered a significant part. (Aguilera & Jackson, 2011) The topic is hence, undoubtedly an inevitable part of Human Resource Management studies.

Organizations need to deal with several consequences in the process of their business development, such as workplace issues, economic and political problems. Cross-cultural diversity helps identify many organizational obstacles and fosters the adoption of new kinds of operations. (Komal, 2005) Cross-culture diversity gains even more significance when employees need to work in collaborate, probably with multiple organizations. Studies show that multicultural workgroups are providing useful results in areas of decision making involving multinational challenges. Global organizations thus recognized the importance of designing multicultural work environments. Managements have to consider opinions given by employees without bias.

Managers can effectively handle cross-cultural encounters by gain knowledge of the other culture and speak in its native culture, avoiding cultural bias, and developing skills to address it. (Singh, 2014) The knowledge dimensions of cross-culture are Trust, Empathy, Transformation, Power, and Communication. (Srinivasan, 2008)

One of the earliest works on cross-culture in the Indian context is by (Kundu, 2001) which claimed Indians to be willing risk-takers and have low stress and anxiety levels. A study by (Arpita, 2014) found significant differences in workforce effectiveness and that employee effectiveness is found to be more in the Southern region over Northern. Being an IT hub, the Indian IT industry inevitably has to deal with cultural diversity. IT employees are found to be indeed highly receptive, comfortable to communicate and show acceptance to organizational cultural diversity. (Shreelatha, 2014) Managements, along with their HR Departments, need to evolve strategies improving team cohesiveness and thereby remove mistrust, misunderstanding, miscommunication, stress, and lack of cohesion. (Savitha, 2014)

How well are companies communicating with their internal and external stakeholders is of interest to researchers. The usage of websites as the medium of sharing or disclosing company policies is thoroughly studied. (Point & Singh, 2003) And as (Besler & Sezerel, 2012) points out, the communication process is not that well done. Descriptive research method is used in the research work. A re-confirmed to this is from an Australian study where only one in forty organizations who publicly stated having diversity policies agreed to participate in a study. (Emile, 2015)

CHANGE MANAGEMENT AT WORKPLACE

Organizations implement workplace changes as part of their strategies. The HRM functions play a vital role in facilitating this. Changes at the workplace happen in different dimensions, with cultural change being one of them. Being subtle and sensitive, organizations prefer these changes to happen slowly and expect positive results over time if not immediately. Some useful strategies popularly seen in the cross-cultural landscape include allowing employees to be open-minded and

free to share ideas, capturing and storing knowledge on employees' cultural backgrounds. Employees should be aware of non-verbal communications like including body language, clothing style, eye contact, facial expressions, hand and arm gestures, physical postures, etc.

F. HANDLING CULTURAL DIFFICULTIES DIFFERENCES

Workplaces blend cultures of different individual and impacts each of them to a certain extent. This blending creates what is called the culture of the workplace. Now, this culture in the workplace will sometimes affect the company as well as the personal success of the employee. For example, cross-culture encourages the free exchange of personal views, opinions, thoughts, and ideas with others and this to the improvement of individual behavior traits such as empathy, patience, etc. towards colleagues and with that of the management. Such employees get excited about learning new languages and are curious to learn about other cultures.

Managing diversity in cross-culture project teams is a continuous process as team size changes because of members joining in and moving out of the group. The questionnaire method is the most common method to measure the suitability of a team member. Various dimensions of measurement include intercultural competence, communication style, emotional intelligence level, and the potential role of the team member. (Popescu, Borca, Fistis, & Draghici, 2014)

G. COMMUNICATION ISSUES

In the history of development economics, Cross-culture has been thought of as a critical factor in many organizations globally and can play an essential role in the development of communication between the people. Expression of employee content is one of the several forms of communication of cultural differences. Some employees feel nervous and get trauma when they are about to get judged, putting them into an inconvenient situation.

Cultural issues affect the workplace, communication in all roles, and work statuses. The employee body language and verbal styles can speak a lot about this. Organizations frame their communication manual, stating company standards and best practices communication. The prohibition of the use of slang, for example, will be explicitly mentioned. Language management itself is of paramount importance. (Feely & Anne-Wil, 2002)

keholders of an organization, and hence, it plays a critical role in successfully carrying out business deals. The consequences of ineffective communication are well-known and well documented. They lead to confusion or misunderstanding, and the consequences are that business relationships will get jeopardized. (Jenifer & Raman, 2015)

Experts often compare culture with that of an iceberg – one that has a visible and invisible part. On similar lines, when attempting to bridge gaps in a cross-culture diversity, there will be visible and invisible differences. Dress code, eye contact, body language, and such variations will become

apparent quickly. The tighter hidden elements depend on responses or observations like the concept of time punctuality, time management, teamwork, amongst others.

So, on top of all these, diversity also involves how people recognize (perceive) others as well as themselves, which can affect how they interact with their colleagues and people of the same social group (peers). The increased rapport can either create and strengthen bonds or relationships or create and introduce gaps.

H. ADVANTAGES OF WORKPLACE DIVERSITY

1. **Creativity & Innovation:** When people from different cultures, backgrounds, and beliefs come together and work for a collective achievement or goal, there can be improved creativity and innovation. Such teams gain from informational advantages and thereby have quicker, transparent, and efficient decision making. The degree of diversity of the organization influences the innovation process. An atmosphere of helping and explaining with each other and increased collaborations are found from culturally diverse groups, thereby improving the communication process amongst them. Though initial cultural differences surface, they are relatively easier to overcome. (Bouncken, Brem, & Kraus, 2015) A study by (Elia, Petruzzelli, & Piscitello, 2019) of 161 strategic alliances in 31 MNC subsidiaries from the biotech industry found that innovation is less prevalent in subsidiaries when partners from other cultures are involved. The role of managers, especially in the concept of deploying the workforce, is highlighted.
2. **Increased adjustments:** Organizations have to develop a variety of solutions that promote the expression of diversity issues. Value-adding ideas originate from different people coming from diverse backgrounds, and this can help the organization in addressing their concerns and reaching their demands. They will get a chance to think cross-culturally and make them adapt to new situations quickly.
3. **Increased productivity:** Organizations can improve profitability by increasing productivity. Diversity has a direct and positive correlation on the organizational functions of (state) corporations and that organizations are open to making adjustments for the needs, age, and education of its workforce. (Okello, 2015) While a diverse workforce can improve productivity levels, failure, or inability to effectively handle, it can lead to disastrous consequences. Countries that face these challenges include those who are already diversified countries (such as India), where diversity exists amidst unity and those countries where factors like caste and regional feelings are giving higher importance. (Saxena, 2014)
4. **Increased range of services:** A diverse collection of people with different experiences, skills, languages, and other differences helps a company to provide its services wide enough.

I. DISADVANTAGES OF WORKPLACE DIVERSITY

1. Communication issues: Effective communication can drive for organizational success, but diversity necessities an extra layer of communication. Using slow speech and asking confirmatory questions to ensure the correct conveyance of messages are standard practices. Despite this, there can be potential unintentional offensive consequences, and these can lead to a lack of bonding in the workforce. (Evans & Suklun, 2017)
2. Lack of freedom of speech: Some employees, fearing being judged, might not express their views and opinions in an open environment. The use of online dashboards and intranet portals can help reduce this anxiety and thereby improve freedom of speech levels within the organization.
3. Integration issues: Even in a diverse workplace, there may be chances of occurring conflicts between the employees. Perhaps, a situation can arise where employees begin avoiding each other. The result in that the disturbances get created in team building, reaching company goals, and finally derails business growth. Being unable to adapt to the host country and its culture makes employees (or their spouses) have to end their assignment before its complete and return to their home country as seen in the study by (Swart, 2014) on an Argentinian MNC having operations both in Argentina and South Africa. The need for formulating good expatriate programs is stressed. The study has built a conceptual framework, identified variable composition and tabulated corresponding research questions.
4. Increased Competition: When employees do not have a sense of bonding with each other or commitment to the work, they are likely to compete amongst and against each other. Unity and cohesion as a single team will be missing. Consequences of this are that organizational goals will take more time because of slow progress, negatively impacts employees' productivity and delays reaching targets.

J. CONCLUSION

Cross-culture diversity at workplace will have both cons and pros. Managements wishing to embrace cross-culture have to include the Human Resources Department right from the core strategic processes. Managers need to be specially trained in cross-culture dimensions and etiquity. Companies have to be really searious in implementing the strategies in spirit and not limit to policy statements. Change management should be taken slowly and gradually.

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