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Effective Management in Multicultural Organizations

—*Creating a Learning-Based Order With a “Sharing Principle”*—

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Though much ink has been spilled in academia on the importance of multiculturalism, cultural clashes in business and the workplace continue to be an issue of growing concern as the world moves toward an interlinked, global economy. Now more than ever, learning to draw on the richness of a kaleidoscopic workforce and to help all team members bring out their best efforts, is an astute managerial decision. This article will therefore, first, give a synopsis of the background of the problem; second, suggest a review of related literature; and finally, propose a conceptual framework for effective multicultural management. The challenge for organization is to increase the potential benefits of cultural diversity by creating a *willingness-to-share attitude*—sharing success, sharing mental models, sharing a vision, and sharing competence—among workers so they will learn and their organization can learn. A real commitment to a **sharing principle** and **learning** is essential to effective management in multicultural organizations.

1. Background of the Problem

The world is moving into a post-modern era. It is changing and we must dare to change along with it and to set down today the first markers on the road to the third millennium. With changes in international communication capabilities, cultural diversity in business, and the arrival of global markets, organizations must see that their environment is changing dramatically (James & Snell, 1994). We, therefore, must also move in this direction now.

What is NOT KNOWN, however, is HOW multicultural organizations can be effectively managed. The synthesis and replenishment of the diverse talents of a multicultural workforce and the mediation between diverse occupational values require new kinds of strategies or approaches in managing organizational forces.

1.1. Facts & Realities

Beyond the significant number of multicultural countries, which is already widely recognized, today, we are living in a world where borders are decreasing in importance. As a consequence, people are moving from one place to another for economic, political, or social reasons rather than accepting the status quo in their environments. A **Multicultural workforce** is therefore rapidly and irreversibly becoming the norm in a large number of organizational situations. Unfortunately, nowadays, this fact is claimed to influence organizational performance *negatively*.

Moreover, the dramatic changes that are occurring around the world are occurring not only due to the rapid changes in technology and new service opportunities, but also from the evolution of *new domestic infrastructures* and *competitive environments*. Common agreements are therefore necessary *across borders* because there is a clear *mutuality of interests* which provide a significant incentive for compliance. Thus, actually, nations and organizations are more attracted to multicultural/international connections. Multicultural/international connections imply a **global network**—i. e., global mission, global vision, global markets, and interdependence on a global economy.

Learning to manage diversity is a change process, argues Thomas (1990). However, managing cultural diversity *well* is not easy. It not only needs time, voluntariness, and action, but it also requires a *positive, dynamic, and realistic* strategy. And here is the concern of this article.

1.2. Culture Matters

Traditionally, organizations were managed with *an ethnocentric approach to culture*, which assumes that any society has the same basic values and goals that characterize Western countries. But the evidence to date shows that this assumption is not valid. Although the concept of culture is difficult to define in practice, it is widely accepted that culture has significant effects on organizations (Bhagat & MacQuaid, 1982 ; Denison, 1990). **Culture differs in any society or social group and it does matter.**

To better analyze this question, we will consider the following simplified equations :

- (1) $Utility_{Ci} = U_{Ci}$ (Performance, Management, Environment, ...)
- (2) $Performance = P$ (Management, Environment, Culture,...)
- (3) $Culture = C$ (Performance, Management, Environment,...)

Equation (1) says that the social utility function under cultural conditions C_i has many dimensions such as, performance, management style, environmental conditions broadly construed, and so on. The functional form of the utility func-

tion depends on the cultural conditions (e.g., Cox, 1991, 1993; Wilhelm, 1994), including the possibility of diverse arguments in varied cultures (e.g., Cox et al., 1991; Maznevski, 1994; McLeod & Lobe, 1992; Watson et al., 1993).

Equation (2) states that performance is a function of the management style applied, the environment broadly construed, the cultural variables (e.g., Fershtman & Weiss, 1993; Weber, 1977), and so on.

Equation (3) says that the cultural vector itself is a function of many factors including performance (e.g., Baker, 1994; Simons et al., 1993), management choices (e.g., Maznevski, 1994; Tjosvold, 1991), environmental conditions, and so on. This equation suggests that culture is not static but subject to change. Some of these changes are planned and many are unplanned; some can be prevented or retarded or advanced and others cannot.

If we had such equations, how could we use them to make decisions? The manager's instinct is to choose a management style to maximize utility, taking cultural conditions and other variables into account. But the equations show that the maximization problem would be a complicated one indeed. Especially, if you look at "CULTURE." It is, at the same time, a dependent variable in equation (3), an independent or moderating variable in equation (2), and a giver of meaning in equation (1), in the sense that the utility function itself depends to some degree on the culture. **In making choices, we *must* consider culture** in all these ways. With such knowledge in hand, we could rethink the type of management with *new horizons*—that is, with cultural variables.

1.3. "HOW" was so Hard in Prior Studies

Though the great challenge facing management might be described as *the search of HOW*, prior studies fall far short of providing practical guidance for managing the culturally diverse groups for at least nine reasons:

1. *Case studies bear little resemblance to real life.* Most researchers have used short-term groups that existed only for the duration of their studies (e.g., Cox et al., 1991; Watson & Kumar, 1992; Watson et al., 1993). Their findings therefore give no guidance as to what to expect in ongoing organizational groups.
2. *Sample sizes fall below conventional levels* because organizations are reluctant to participate (Cox, 1990).
3. *There exists little empirical literature on the dynamics of culturally diverse work groups and even less on the effective management of such groups* though comparative studies have shown that culture affects the work-related values and behaviors of its members (e.g., Hofstede, 1984; McCarrey, 1988) and that the differences between cultures can cause difficulties in the multicultural workplace (e.g., Tang & Kirkbride, 1986; Vaid-Raizada,

- 1985).
4. *The tasks employed have been either quite simplistic* (Fenelon & Megargee, 1971) and/or *have had a game-like quality* (Ruhe & Allen, 1977), *having no significant impact on group members' well-being*, so that the relevance of the studies have been limited.
 5. *The existing studies' conclusions are incongruent.*
 - (a) Some studies concluded that racial diversity inhibited group performance (Fenelon & Mergagee, 1971 ; Ruhe & Allen, 1977) ; some found no performance differences between racially diverse and racially homogeneous groups ; and some concluded that racial diversity enhanced groups' performance (Ruhe & Eatman, 1977 ; Watson et al., 1993).
 - (b) Some specialists in this field argue that national or regional culture is rarely present in the firms (Maurice et al., 1980, 1992 ; Amadiou, 1993) or that it is often overpowered by organizational culture (Ivanier, 1992). The idea has been widespread that organizational culture moderates or erases the influence of national or regional culture. It assumed that employees working for the same organization even if they are from different countries or regions are more similar than different (Adler, 1991). On the contrary, others affirm that national or regional culture is predominant compared with organizational culture (D'Iribarne, 1986 ; Hofstede, 1980 ; Laurent, 1983 ; Meschi & Roger, 1994).
 6. *The greater the need for comparison, the greater the need to reduce complexity* (Evers, 1991). But consequently, though these analyses serve as useful background information, they are ineffective as recommendations for action.
 7. *Scientifically, it is hard.* Indeed, ideally, we want to emphasize on the interactions among the cultures, given a host of other variables in a dynamic system. But much past research went awry because it confused the three equations mentioned earlier : it mixed up culture as an outcome variable, as a causal variable, and as an indexer of utility functions. Moreover, the development of applied cultural studies faces grave difficulties in :
 - (a) Defining variables
 - (b) Data collection
 - (c) Empirical estimation
 8. *It is no longer easy to determine one specific set of objective leadership standards* that the "good manager" can put into practice to be successful. Relativity and flexibility are the new norms (Simons et al., 1993).
 9. *There is a warranted fear of misuse and misunderstanding.* The possible contribution to stereotyping and dynamic effects on group identities reveal that considering culture touches on sensitive questions. These questions are : what are our purposes and what it means to "analyze a culture" with

intellectual inquiry as well as on a philosophical level.

2. What's New in This Article ?

Prior studies hypothesize that cultural diversity is difficult to manage and to coordinate. However, it could also bring some *positive effects* if heterogeneous energies, viewpoints, ways of doing, ways of thinking, skills, and so on, are effectively integrated. The uniqueness of this article therefore stems from the way of viewing cultural diversity as an originator of a dynamic situation.

As a consequence, this article will :

1. First, examine and discuss related literature (Section 3) ;
2. And then, offer the concept of both motivational, interaction, visioning, and learning processes into a dynamic and flexible framework system (Section 4). This, hopefully, will :
 - (a) Not change only the organizational members' numbers and attitudes but also the way an organization is managed ;
 - (b) Provide management a **practical way** to understand and utilize the great asset—cultural diversity—in more suitable and productive positions and at their highest potentials.

3. Literature Review

3.1. How Broad Should this Definition of Culture be ?

From a narrow perspective, CULTURE can be defined as that complex of activities which includes the practice of the arts and of certain intellectual disciplines, the former being more salient than the latter (Trilling, 1978).

Most management researchers subscribe to a view of culture which sees it as a set of ideas shared by members of a group (e.g. Allaire & Firsirotu, 1984). Culture is therefore not an individual characteristic but rather denotes a set of common theories of behavior or mental programmes (Hofstede, 1980, 1984, 1994) that are shared by a group of individuals.

Harris & Moran (1987) define culture as the cumulative deposit of knowledge, beliefs, values, religion, customs, and mores acquired by a group of people and passed on from generation to generation. It includes not only arts and letters, but also ways of lives, values systems, traditions, and beliefs.

The majority of cultural components (e.g., beliefs, values, norms, perceptions, attitudes, and priorities) are less visible (Kotter & Heskett, 1992 ; Schein, 1992), which makes them more difficult to understand and cope with successfully. Therefore, culture can be viewed as a group of hidden and recurring patterns of behavior and thought. According to Aviel (1990) and Cushner & Trifonovitch (1989), they are hidden because individuals learn to behave appropriately in a given culture and little conscious thought is given to the actual behaviors and

how those behaviors are learned.

This is consistent with Kohls's (1981) definition that culture is an integrated system of learned behavior patterns that are characteristic of the members of any given society. It includes everything that a group thinks, says, does, and makes—its customs, language, material artifacts, and shared systems of attitudes and feelings.

The definition that best suits the scope of this article is one conceived by combining the definitions of Harris & Moran (1987) and Kohls (1981) :

“Culture is created, acquired and/or learned, developed, and passed on by a group of people, consciously or unconsciously, to subsequent generations. It includes everything that a group thinks, says, does, and makes—its customs, ideas, mores, habits, traditions, language, material artifacts, and shared systems of attitudes and feelings—that help to create standards for people to coexist.”

This definition encompasses a wide variety of elements from the visible to the invisible,¹⁾ from the core values to the periphery values,²⁾ and embraces both national, regional, and ethnic boundaries.

Figure 1 shows that values higher in the hierarchy—i.e., core values—are more important, more enduring and resistant to change, mainly if they are invisible (e.g., Americans give primary value to freedom and independence and Arabs highly value religious belief and devotion). They are highly accepted within a cultural group, thus, they are more likely to cause conflict in intercultural interactions. Resistance to change softens when core values are becoming visible (e.g., Elashmawi & Harris [1993] say that the new generation in Japan is now putting more priority on self-reliance as opposed to the older generation, which

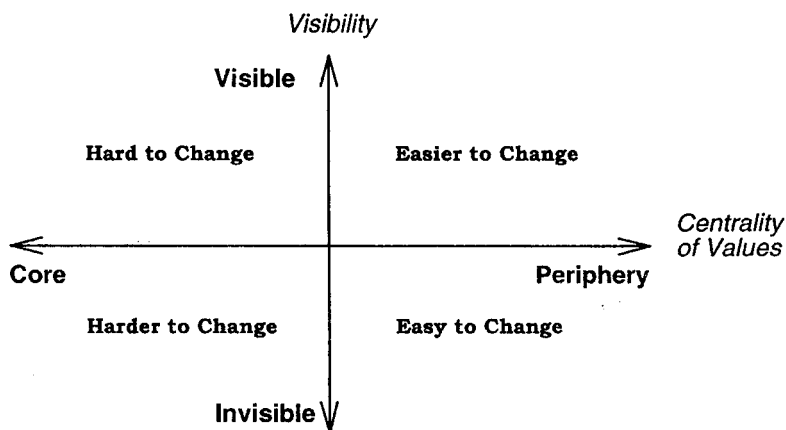


Figure 1 : Cultural visibility, values, & resistance to change

valued belonging to a group).

Values of low priority, low consensus, and less importance—i. e., periphery values—are on the contrary relatively susceptible to change (Shils, 1961). They are more easily subject to change when they are visible (e. g., clothing, housing) than when they are not (e. g., though Japanese are said to value high quality over immediate gain [Elashmawi & Harris, 1993], recently, it is observed that their car makers' strategy has moved on to a FLEXIBLE MANUFACTURING SYSTEM, whose watchwords are *change fast, keep costs low, and respond quickly to customers*).

3.2. What Should Cultural Diversity Mean ?

According to Cox (1993), since cultural group refers to an affiliation of people who collectively share certain norms, values, or traditions that are different from those of other groups, cultural diversity means the representation, in one social system, of people with distinctly different group affiliations of cultural significance. In addition, Cox assumes that the context of social systems are generally characterized by a majority group and a number of minority groups. Majority group means the largest group, while minority group means a group with fewer members represented in the social system compared to the majority group. Therefore in *most* social systems, one group may be identified both larger in size and as possessing greater power and economic advantages (Cox, 1993).

Mazrui (1992) however views societies in three categories :

1. HOMOGENEOUS society, in which over 80% of the population are in the same cultural tradition. A homogeneous society has a minimum of multiculturalism.
2. PREPONDERANT society, in which just over 50% belong to the same cultural tradition.
3. HETEROGENEOUS society, in which no cultural group is close to 50% of the population. Usually this is the most multicultural.

That is, it is a homogeneous social system with a minimum multiculturalism which is more probable to be characterized by a majority group and minority groups, rather than a heterogeneous one. Moreover, though Cox (1993) and Mazrui (1992) both consider all social systems being culturally diverse, Mazrui argues that the degrees of diversity are different depending upon the proportions of the cultural groups within the social systems.

In this article, I argue that :

“ Cultural diversity, as it is understood in the workplace today, implies differences in people based on their identifications with various cultural groups.

However, cultural diversity is not only defined by the number or proportion of cultural groups within the social system but also by their CULTURAL DISTANCE.³⁾ ”

In other words, disregarding the number or proportion of cultural groups⁴⁾ in a given social system, the more cultural distance between the existing cultures increases, the more the social system is said to be multicultural.

In addition, since a majority group is not always necessarily the dominant group, in order to better generalize the analysis and to avoid any confusion and controversy about the relationships between the cultural groups' sizes and their power and advantages (i.e., opportunity to succeed), from here, I will use the terms **dominant group**—which means the group who holds the power and economic resources—and **non-dominant groups** instead of majority group and minority groups.

3.3. How Does Cultural Diversity Influence Management ?

Since people's assumptions, beliefs, values, interests, needs, and goals are shaped by the culture to which they belong, they can be fairly deeply rooted in an individual. One must therefore assume, at least in the short run, that culture cannot be changed to meet the demands of management. In the case of national or ethnic cultures, they are also usually supported by a complex and long-established social system which has a vibrant existence outside the context of a business organization, fathoming power and opportunity discrepancies between the cultural groups. Thus we must take the position here that an individual's behavior in a organization will mainly be guided by the outside culture from which he/she comes (Jaeger, 1990).

Members of a multicultural organization therefore would not share a common set of assumptions, beliefs, values, interests and needs, nor goals which originate from the local environment. Indeed, employees do not leave their cultures at the company's door when they come to work. Jaeger (1990) says that these cultural values from the environment are brought into the workplace and have a strong impact on the behavior of persons within the organization.

The practical impact of culture on management practices will therefore be identified in (see Figure 2) :

- *Motivational process*, because individuals in organizations have various opportunities and interests and needs—these are the foundations of motivation ;
- *Interaction process*, because members of organizations do not share a common set of assumptions ; they do not perceive and evaluate attitudes and behaviors similarly, thus they do also act differently. Herein lies

the source of miscommunication, misunderstanding, competitive or even destructive conflicts, disrespect, and mistrust ;

- *Visioning process*, because visioning process could be only effectively achieved after the accomplishment of the motivational and interaction processes. That is, common needs and aspirations and goals (from the motivational process) are needed in conjunction with a common way of seeing the world (from the interaction process). If these elements are found in combination, then there will be a sharing of vision.
- *Learning process*, because without a common vision, there is no question of collective learning. Moreover, individuals in organizations hold diverse experiences, varied ways of thinking and doing, and different knowledge ;
- *Performance*, because work output depends upon the above cited processes as a whole.

I will accurately discuss the influences of cultural diversity on each of these processes in the following paragraphs.⁵⁾

3.3.1. Influences on Motivational Process

In summarizing the research on when and under which conditions everyone contributes in teams and benefits from differences, Slepian (1993) found that status and power differences can inhibit contributions.

When workgroups are diverse and the power distribution is heavily skewed in favor of a certain group or groups, it will be more difficult for members of different culture groups to work harmoniously together and this may hamper

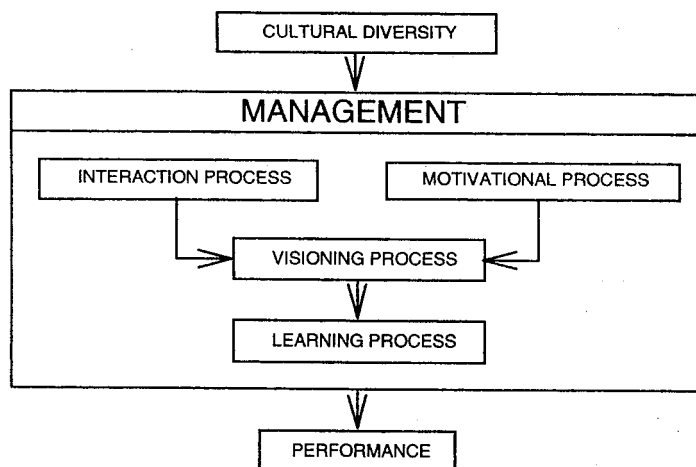


Figure 2 : Cultural diversity and its influences on management

organizational members' motivation. Indeed, this power discrepancy is a primary source of conflicts, affirm Randolph & Blackburn (1989). Most of non-dominant group members are favorable to promote a redistribution of power in organizations, while many of dominant group members oppose it as an unwarranted and misguided policy of reverse discrimination (Cox, 1993).

Cox (1993) asserts that imbalances, especially when they persist over a long period of time, have the effect of reducing the motivation and the perceived opportunity among members of non-dominant groups to participate and to excel to their fullest potential in diverse-group setting. Hence, the importance of seeking more balanced representation and power among culture groups in organizations.

It is noteworthy however that *to balance* representation and power is not an attempt *to replace* one dominant group with another !

3.3.2. Influences on Interaction Process

Jaeger (1990) mentioned that members of a cultural group share complementary attitude and behavioral programmes which regulate their interaction. Associated with these programmes are values and ideology which provide a guide and a meaning to what they are doing and/or thinking. Thus, within a multicultural group, certain attitudes and behaviors will generate a feeling and response that is positive while others will generate a negative feeling and response.

Communication. Communication is defined as a process of circular interaction, which involves a sender, receiver, and message (Harris & Moran, 1987). The sender or receiver may be one person or several people. Messages may be sent verbally or non-verbally. The way in which input is received and interpreted is influenced by an individual's culture. Therefore, two people can receive the same message and perceive two completely different meanings (Harris & Moran, 1987).

A heightened incidence of communication difficulties has been associated with heterogeneous groups, including multicultural ones (Ruhe & Eatman, 1977; Triandis et al., 1965). Communication can be discouraged when exchange predictability and attraction to others are low (Triandis, 1960). People however cannot avoid communicating, because all human behavior communicates messages whether intended or not. Even if a person is completely silent, his/her body language will still communicate (Harris & Moran, 1987).

Because free and ongoing communication is an important ingredient of creative problem solving (Ebadi & Utterback, 1984; Pelz & Andrews, 1978), overcoming the communication difficulties of multicultural work groups seems key to

realizing the creative potential of such groups (Collins & Guetzkow, 1964; Shaw, 1981; Triandis et al., 1965).

Conflict.

Cultures vary in distinct and significant ways. Our ways of thinking, feeling and behaving as human beings are neither random nor haphazard, they are influenced by our cultural heritage. And because culture structures our expectations, assumptions and behavior, it is easy to see why cultural differences can lead to conflict—they make reaching agreement more difficult (Cox, 1991) and conflict occurs when the actions of one or more members of a group are incompatible with, and resisted by, one or more of the other group members. Conflicts also arise when members believe their different goals cannot be achieved simultaneously.

As a result, in practice, organizations typically aim to homogenize their multicultural work groups rather than attempt to use their inherent diversity (Brown, 1983; Fernandez, 1981; Jones, 1986). However, conflict inevitably arises as a consequence of team functioning. Not only is conflict inevitable, but optimal team performance may require moderate levels of conflict. Without conflict, there may be no way to sense the need for change or draw attention to problem areas. Differences in values, orientations, and objectives may suggest different resolution strategies.

In brief, conflict can have negative and positive effects, depending upon its nature and amount, and how it is addressed (Gersick & Davis-Sacks, 1990). Conflict is unproductive when disagreements reach an impasse and incapacitate a team, but is useful when allowing team or organizational members to identify problems, develop learning, create solutions, and work through tradeoffs without alienating members.

Mutual Understanding. Cross-cultural understanding encompasses knowledge about how and why culturally different team members act the way they do, and respect for differing cultural operating styles.

Wilhelm (1994) states that cultural differences are one of the most common sources of professional misunderstanding. In his study on the influence of Mexican culture on the uses of American management theory in Mexico, he found that the Mexican perceives the Americans' directness as insensitive and cold-hearted, rather than efficient and professional. The US executive, who may sense an inability to get a straight answer from staff members, sometimes perceives this difficulty as reflecting dishonesty, inefficiency or lack of professionalism (Erlich, 1993).

People are often surprised to discover systematic differences in perceptions,

but those differences are not a real shock. A real shock would be the absence of differences. All sorts of obstacles stand in the way of mutual understanding. Big differences in perception are the rule, Baker (1994) argues, not the exception. That's why managing relationships is difficult. Mutual understanding does not come naturally, we have to work at it.

Mutual Trust & Respect. Trust, the mutual confidence that no party to an exchange will exploit the other's vulnerability, is today widely regarded as a precondition for success. If trust is absent, no one will risk moving first, and all will sacrifice the gains of cooperation.

Cox (1993) however asserts that cultural differences create uncertainty about human behavior because when the cultural systems driving behaviors are unknown, the behavior of others becomes less predictable.

What needs to be explained here is how the boundaries of a particular community are drawn or, collaterally, how mistrust rises. One way would be as the result of disputes that begin as disagreements (prompted, say, by the struggle for honor) over the interpretations of common norms, and end as the articulation of irreconcilable views of the world. Another would be as the result of the clashes of different cultural worlds which were, so to speak, irreconcilable from the beginning.

The crucial point is that there is nothing mysterious, in principle, about the creation of trust in teams and organizations. Trust can be created at will. If the reflexive view of self and society is correct, then the real problem is how trust can be built in particular circumstances through a circuitous redefinition of collective values. It is only by recognizing their mutual dependence that the actors can define their distinct interests.

Cooperation. By definition, cooperation is working together for the mutual or common benefit of everyone involved. Thus, I can say that failure to cooperate for mutual benefit does not necessarily signal ignorance or irrationality (Sugden, 1986). Then, if engaging in cooperative behavior would increase every party's welfare, why would individuals not engage in cooperative behavior? The problem of cooperation is not one of a lack of knowledge of the opportunities and benefits of collaboration, rather it is a managerial problem of creating an environment in which people know their counterparts in other cultural groups or working groups so well that collaboration—the bet that a favor given will be returned—represents a fair wager.

Moreover, Simons et al. (1993) states that cross-cultural collaboration always and everywhere means changes on everybody's part. Working side by side, pursuing the same processes, and producing the same product always

demands that people create a common way of thinking and viewing the world, which inevitably differs from that from which they came.

Mental Models. The existence of mental models is widely asserted in the literature. According to Senge (1990) mental models can be simple generalizations, such as “people are untrustworthy,” or they can be complex theories. But what is most important to grasp is that mental models shape how we act. If we believe people are untrustworthy, we act differently from the way we would if we believed they were trustworthy.

Mental models so powerfully affect what we do because in part they affect what we see (Senge, 1990). Two people with different mental models can observe the same event and describe it differently because they have noticed different details.

In addition, sending one’s mental message through another’s mental framework may result in a distorted or totally different message than was intended (Simons et al., 1993). And in a workplace setting, such result may hamper individuals and/or groups’ work relationships.

According to Senge (1990), the problems with mental models lie not in whether they are right or wrong (by definition), all models are simplifications. The problems with mental models arise when they exist below the level of awareness. When people remain unaware of their mental models, the models remain unexamined. And because they remain unexamined, they remain unchanged. So that, as the world changes, a gap widens between people’s mental models and reality, leading to increasingly counterproductive actions.

3.3.3. Influences on Visioning Process

Like other major organizational changes, enhancing organizational capability to manage multicultural workforce should begin with creation of a vision that specifies, in broad terms, the objective of the change. The objective of managing a multicultural workforce should be to create organizations in which members of all sociocultural backgrounds can contribute and achieve their full potential towards the vision.

Simons et al. (1993) however affirm that in a diverse workforce, not all people are so oriented. There are those who are oriented toward the present and are motivated by the quality of life they experience and those from more tightly knit cultures who look for continuity with the past. As a result, members of diverse groups generally have problems in agreeing on their purpose and on what tasks to perform.

Moreover, Cox (1993) states that in a multicultural social system, the various groups represented may develop different or even competing goals which then

become the basis of intergroup conflict. Cultural groups and/or teams and/or organizational functions are also often characterized by very different systems of norms, goal priorities, work styles, and so on. In other words, they can be viewed as having different cultures. The difference in cultures between them, partly manifested in different goals, sets the stage for intergroup conflict. Further, not everybody may perceive the goals the same way. Lack of goal unity or clarity reduces effectiveness (Larson & LaFasto, 1989).

3.3.4. Influences on Learning Process

During an interview made by Gosling (1994), Forbes asserted that the languages are easy to handle. It is managing in a different culture, which has a different set of assumptions about effective management, which is the difficult learning curve.

It is actually widely spread knowledge that heterogeneity in workteams promotes creativity and innovation. Kanter's study of innovation in organizations (1983), for example, revealed that the most innovative companies deliberately establish heterogeneous teams in order to create a marketplace of ideas, recognizing that a multiplicity of viewpoints need to be brought to bear on the problem. Cox & Blake (1991) also reviewed studies that show that the use of differences leads to higher-quality group processes and products.

Learning organization capitalizes on differences because solutions often reside outside the norm. Teams are the playing ground on which differences can be used to question old ways of seeing things and to construct new knowledge (Marsick, 1994).

3.3.5. Influences on Performance

An important question for managing in the multicultural workplace asks how cultural diversity affects the performance of work groups. Various avenues of research have suggested that an element of diversity serves as an important ingredient in creative problem solving. For example, experimental groups who were composed of members with unlike characteristics including ethnicity (Cox et al., 1991), outperformed groups of homogeneous members in terms of solution quality. Multicultural work groups offer numerous forms of diversity, including a diversity of values (Hofstede, 1984; McCarrey, 1988), of cognitive structures (Redding, 1980), and of behavioral styles (Jackofsky et al., 1988). The potential productivity of culturally diverse teams is high because they have the additional breadth of insights, perspectives, and experiences that facilitate the creation of new and better ideas. The creative potential of multicultural work groups becomes an exciting notion, particularly in light of the current reality.

Regrettably, culturally diverse groups rarely achieve their full potential.

Mistrust, misunderstanding, miscommunication, and so on often negate the potential benefits of diversity. Only if well managed can culturally diverse teams hope to achieve their potential and overperform homogeneous ones, recognize prior research (Copeland, 1988; Cox et al., 1991; Esty, 1988; Mandell & Kohler-Gray, 1990; Marmer-Solomon, 1989). “*How to manage diversity*” is therefore a crucial question.

The solution has generally been to avoid using diverse groups whenever possible; however, because of the trends outlined above, this alternative is no longer feasible. Managers cannot allow the diversity to hinder performance, and furthermore they should be able to use diversity [to promote collective learning, thus,] to enhance performance (Maznevski, 1994).

3.4. Transferability of Japanese Management to Asia :

An Illustrative Example

3.4.1. Fact I : Japanese & Asian Management Thinking Are Not the Same

While Asia stands to accrue many benefits from Japan's efforts at fostering closer cultural ties within Asia, the question arises of whether it is correct to stereotype Asia as homogeneous and, thus, having the same management practices or not.

In discussing management practices, Asians are often viewed to share a common value system codified in Confucianism.⁶⁾ According to Doktor (1990), the basic group-oriented structures found in Asia necessitate a sensitivity to human relation: the CEO is an important social leader. Time spent cultivating social relationships increases his/her effectiveness as a top manager. In addition, respect for rank and status within Oriental cultures is high, so the manager's role takes on great symbolism. The manager is seen as a representative of the organization.

However, there are also significant differences across Asian countries because even these heirs of Confucianism have given different interpretations to the original Confucian values and modified them to meet their own specific conditions over the centuries (Fukuda, 1988). That is the reason why Lao Tzu said the one becomes the many (Tung, 1994). This statement seems to conform with Hofstede's (1991) study on culture and organizations, which uses the four dimensions of national cultures—power distance (PDI), collectivism/individualism (IDV), femininity/masculinity (MAS), and uncertainty avoidance (UAI). Scores on each dimension (obtained in a 0-100 range) for 50 countries and 3 multicountry regions (East Africa, West Africa, and Arab countries) have been calculated from the answers by IBM employees in the same kind of positions on the same survey question (Hofstede, 1991).

Table 1 shows clearly the cultural differences between Asian countries, in-

Table 1 : Scores on 4 dimensions of national culture for Japan and some Asian countries

Region	Country	PDI Score	IDV Score	MAS Score	UAI Score
<i>East</i>	HONG KONG	68	25	57	29
<i>East</i>	JAPAN	54	46	95	92
<i>East</i>	SOUTH KOREA	60	18	39	85
<i>East</i>	TAIWAN	58	17	45	69
<i>S-East</i>	INDONESIA	78	14	46	48
<i>S-East</i>	MALAYSIA	104	26	50	36
<i>S-East</i>	PHILIPPINES	94	32	64	44
<i>S-East</i>	SINGAPORE	74	20	48	8
<i>S-East</i>	THAILAND	64	20	34	64
<i>South</i>	PAKISTAN	55	14	50	70
<i>South</i>	INDIA	77	48	56	40

Source : Hofstede (1991).

cluding Japan.

Because cultural influences on management are most clearly recognizable at the national level (Hofstede, 1994), it is safe to say that while people from Japan, Korea, China, Hong Kong, and Taiwan may derive their business from the same philosophers, they differ significantly in the way they interpret and apply the philosophies.

Consequently, though many Japanese managers stationed in the region tend to think that a geographical proximity and some cultural similarities will automatically make their local Asian employees think and behave very much like themselves (Fukuda, 1988), it is wrong to assume and to stereotype Asia as homogeneous.

3.4.2. Fact II : Cultural Diversity in Asia Matters

Though cultural programs differ from one nation to another in ways which are seldom fully recognized and often misunderstood (Hofstede, 1994), the existence of cultural variety within an Asian nation itself is also another fact than no one can deny.

Cultural diversity within a nation is usually defined by the existence of various ethnic, religious, or linguistic groups within the nation. Malaysia, for example, is a country made up of three main ethnic groups of Chinese (35%), Malays (54%), and Indians (10%) (Fukuda, 1988; Hamzah-Sendut & Datuk, 1991), as is Singapore; Indonesia has over 360 tribal and ethnic groups (Fukuda, 1988);

Thailand and Laos are composed of the Tai people (the largest ethnic group) and substantial parts of the population of Vietnam, China, India, Cambodia, and Myanmar; China is the home of 56 ethnic groups; and Vietnam that of over 50 ethnic groups.

Furthermore, since Asia was already a more or less borderless region (we can say that because of each country's population), people are moving from one place to another for economic, political, or social reasons rather than accepting the status quo in their own environments. A **Multicultural workforce** is therefore inevitably and irreversibly becoming the norm in almost all Asian organizational situations and understanding the combined impact of ethnic and national diversity—that is, cultural diversity—on management is crucial.

Indeed, Fukuda (1988) and March (1992), for example, argue that Japanese multinational corporations are experiencing many problems in their host countries because Japanese expatriate managers' attitudes and tactics are producing considerable negative reaction by not promoting locals to higher positions and by using job evaluation that includes subjectivity. Though, this may contradict the Japanese management practices which value hierarchy over equal opportunity, in multicultural settings, employees are usually motivated to produce more and better ideas if everybody has more or less equal power and opportunity to participate in the given activity.

3.4.3. Result : Transferability of Japanese Management Is a Complex Issue

Given certain commonalities in the cultural tradition, it might be argued that the practices of Japanese management can be more readily transferred to Asia than to the West. And such transfer may prove to be useful as well. Ishida (1986) mentions that there is some evidence that suggests that Japanese companies in East Asia are taking more positive steps to Japanize local operations than their counterparts operating in the West. However, Fukuda's (1988) study has revealed that Japanese managers working in East Asia remain rather skeptical about the transferability of their home-grown style of management even to their neighboring countries with similar cultural backgrounds.

Indeed, companies that have already taken steps into Asia know that getting into Asian business activity also means being willing to manage effectively the diversity of cultures, skills, and human resources which are as rich and subtle in variety as Asian cuisine.

3.5. Why Cross-cultural Interface Management is Very Limited ?

According to Hayashi (1985, 1989), culturally mixed organizations are inevitable. Therefore, he proposes the concept of **cross-cultural interface management** to alleviate strategic problems in multicultural organizations.

3.5.1. Its Concept

CROSS-CULTURAL INTERFACE refers to points of contact between cultures (Brown, 1983 ; Hayashi, 1985 ; 1989) and its central problems involve cross-cultural communication (Hayashi, 1985 ; 1989).

Cross-cultural interface may be classified into :

- FUNCTIONAL INTERFACE which involves collaborative relations for specific objectives ;
- NON-FUNCTIONAL INTERFACE which may be found in one's relations with neighbors and with colleagues outside of work, that is, the contact is not designed to achieve predetermined objectives.

In Hayashi's studies, the firm's organization consists of (see Figure 3) :

1. Those who represent *the organizational culture of the main office* or FIRST CULTURE ;
2. Those who embody *the local culture* or SECOND CULTURE ;
3. Those who can *bridge* those two cultures or THIRD CULTURE.

Brown (1983) views these elements as *cultural parties* and *cultural representatives* and he states that the existence of a cross-cultural interface must often be inferred from the relevance of cultural differences to conflict problems.

According to Hayashi (1985, 1989), the structure and the management of cross-cultural interface are significant determinants of the firm's performance. Cross-cultural communications between the first and second cultures turn out to be the key factor. The first and the second cultures come into contact and it is **the interface administrator(s)** who bridge the two cultures, playing the role of a **boundary spanner**.

Interface administrators can serve as both : ⁷⁾

1. EXPLAINERS, to explicate to groups of the other culture the system of meanings (in general and the organizational cultures) to which they belong, in regard to business matters as they arise one after another.
2. INTERPRETERS, on the basis of the system of meanings of the other culture, to decode the meanings of business matters as they arise one after another in the light of the system of meanings of their own general and organizational cultures.

There are flows of explanations and interpretations back and forth between the first and second cultures so that interface administrators begin to form *a third culture* which is a new system of knowledge, meanings, and values, as distinct from the first and second cultures.

The effectiveness of the interface administration depends upon :

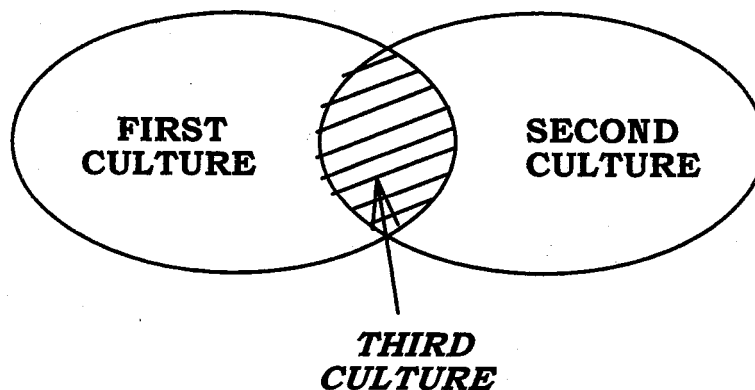


Figure 3 : The Cross-cultural Interface

- The scope of the interface
- The amplitude and variety of cross-cultural contacts
- The quality of explanations and interpretations

The interface structure is basically the linkage of the first and the second cultural groups (see Figure 3).

3.5.2. Its Limits

Hayashi's thought about cross-cultural interface management is interesting but the concept is basically confined to communications between two different cultures.

However :

- The point is that it is not only a matter of communication, but also a matter of combining heterogeneous energies, viewpoints, ways of doing, ways of thinking, skills, and so on.
- Cultural diversity refers to the existence of more than two different cultures in the workplace. It is therefore very complex to use this concept within a multicultural organization. Indeed, the fulfilment of the requirements for an interface administrator would become very difficult and the scope of the interface would become larger and more complex.

3.6. Why New Technologies' Contributions Are Still Hopeless ?

A large number of overlapping technologies are available to help businesses run more effectively. They include telephone, fax, photocopiers, audio and video conferencing, small and large-scale computers, computer software, electronic mail, and so on. However, disadvantages and cultural traps of new technologies

are still making their contributions hopeless.

3.6.1. Development & Implementation

The development and implementation of new technologies (e.g. a multimedia training system) is not free of pain.

1. The system is costly to develop and implement ;
2. It is cumbersome to update all training stations when the system is not networked ;
3. Computer memory is limited in stand-alone training stations, and impedes augmentation of the existing programs and the addition of new ones ;
4. It is costly to change to meet new business requirements.

3.6.2. Cultural Traps

In addition, there are always potential traps when those using the new technologies come from different cultures.

In Motivational Process. *Access to information and decision making are usually structured.* All employees, all teams, all occupations, and/or all units' access to all information and facilities is not therefore practicable. In other words, some employees, teams, occupations or units may be lacking access to facilities. They are therefore easily left out of the success sharing.

In Interaction Process.

1. *Security problems increase.* How many organizations recognize that the faxes they send are frequently received in open areas where they are freely read and/or destroyed? How many organizations have experienced forged E-Mail? This may foster mistrust and privacy can be invaded—disclosure of information that should be private, alteration of messages, and so on.
2. *Because communication technologies establish both “in” and “out” groups, they redefine organizational relationships.* Employees, teams, or units (and why not cultural groups?) lacking adequate facilities are easily left out of the loop.
3. *The lowness of immediate interaction and visual feedback makes it possible to make cultural mistakes without spotting the problems created.* When the problems are recognized, you are then dealing with both the problem and the dynamics that have already been set off.
4. *Mental model sharing is difficult.* Since mental models are shaped by cultures and since technological solutions reduce immediate contact and face-to-face communication, identification of common mental models can be very difficult and mental model sharing can be impossible.

In Visioning Process. Since new technologies make mental model sharing difficult and since they do not promote direct interactions and communications, a real vision sharing may be difficult to attain. Indeed, absence of mental model sharing means absence of common ways of seeing the world and the future. In other words, a common vision—i.e., a common world in a common future—cannot be expected.

In Learning Process.

1. *Employees' self-contentment with operational-level learning.* Actually used technologies just foster the operational-level learning without helping employees to move beyond that level.
2. *Collaborative learning is not appealing.* Indeed, if employees can be content with self-learning (encouraged by self-paced instruction, ability to use multiple learning tools, non-threatening learning environment), collaborative learning is not attractive at all, mainly in a multicultural workplace.
3. *Co-creation of new competence is difficult and risk of a non-learning stage (competence rigidity) increases.* Since everybody gets the same information, knowledge, and skills from consistent and standardized training, we understand that everybody has more or less the same ways of doing things, thus, the same competence. There is nothing different to be exchanged or to be argued with. As it was already found by prior research, this kind of situation does not promote creativity and innovation.

In Performance. Before multicultural workforce and multicultural companies can keep improving, they first must learn at the higher-level. In other words, if new technologies are not able to help organizations and organizational members to achieve this level of learning, it can be predicted that individual, team, unit, and organizational performance levels will not reach their highest level.

3.6.3. How to Move Toward Multicultural Learning-Based Order ?

Because people are social beings, information services are unlikely to replace direct interaction; rather, these services will offer viable alternatives to the real thing when more convenient.

As the new information technologies and services find increasing use, they may usher in a dramatic social transformation. The new options of interacting globally are beginning to dramatically alter the way the world works. Multinational corporations are now able to conduct their business around the world with ease, and this global scope of business activity is primarily responsible for the recent emergence of a global economy.

Before computerization, the Industrial Age demanded conformity to decisions

flowing from the top of a hierarchy in order to keep the production lines running. But now, the Information Age encourages the creative use of knowledge because the need to solve tough new problems is becoming the central functions of a high-tech, global economy.

The result of these trends is likely to be a society governed not by hierarchical pyramids, but by constantly changing pockets of collaboration within a web of social/information networks spanning the globe.

And as information becomes the primary resource in a competence-based economy, far greater attention must be devoted to its equitable distribution if the world hopes to avoid creating an underclass of "information have-nots." If this is true, the key is to create an environment where everyone benefits the use of new technologies so that they can opt for a willingness-to-share attitude.

Every technology must therefore be used as a strategic tool—one directed towards multicultural learning through the sharing principle (success sharing, mental model sharing, vision sharing, and competence sharing).

4. Model Building

4.1. How Should the Definition of Multicultural Management Be ?

Within recent years, multicultural management has become a popular topic within management in general and organizational behavior and human resource management in particular. However, considerable confusion exists as to what managing diversity actually is. In my definition,

"Managing cultural diversity means creating a multicultural learning-based order with a SHARING PRINCIPLE—sharing success, sharing mental models, sharing a vision, and sharing competence."

Managing diversity, therefore, considers the motivational, the interaction, the visioning, and the learning processes simultaneously, and expands the notion of valuing diversity by implementing initiatives at all levels in an organization. The goal is to develop an environment that works for all employees (Thomas, 1990) and to maximize the potential benefits of diversity while minimizing the potential drawbacks (Cox, 1991). Hence, the next question about **HOW** this cultural diversity can be effectively managed in a dynamic system, is of vital importance.

4.2. How Can We Build a Framework for an Effective Multicultural Management ?

Since diversity in many situations is a fact of life and not a choice and since the potential benefits of diversity appear to be greater than the potential costs (Cox & Blake, 1991), the challenge for organization is to increase these benefits

while decreasing the negative effects of diversity.

As a team, employees are the organization and will have to be treated differently than in the past. Managers will have to design new motivational, interaction, visioning, and learning strategies.

Management responsibility is therefore to provide necessary training and transparent performance evaluation feedbacks to promote an open and equal opportunity, to develop plans to share the work results with employees, to create an environment which welcome mental models sharing, to support vision creation with employees, and to encourage co-creation of new competence and competence sharing. **The central point is establishing a learning attitude among workers so that their organization can learn.** Without individual learning, team learning cannot occur; and without team learning, there can be no question of organizational learning (Swieringa & Wierdsma, 1992). In the new reality, without organizational learning, performance improvement can be difficult to achieve, even impossible.

4.2.1. Toward Success Sharing

Just as macroeconomics can travel anywhere and be the same, there are also some universal management characteristics that can travel in the same manner. Management is, for example, universally about motivation⁸⁾ since people's needs and motives are remarkably universal. All employees, for example, have the need to feel productive, to participate in the success sharing or, at least, to earn their pay. This desire to be successful in performing job duties and to share the outcomes motivates employees of all cultural background to master job skills and routines.

Teams are usually motivated to produce more and better ideas if all members have more or less equal power and opportunity to participate in the given activity. Managers should distribute power according to each member's ability to contribute to the task, not according to some preconceived notion of relative cultural superiority.

Organizations with team environments should therefore train teamwork as part of their development programs.⁹⁾ And in order to motivate teamwork in organizations with team environments, performance appraisals should be modified to assess and reward the behavioral and performance indicators of the teamwork.

The central point in this section is that **without an open and equal opportunity, there can be no question of success sharing.** An open and equal opportunity can be realized by providing training to the employees and by developing and improving the performance evaluation feedbacks and transparency. When people share success, it has to be made clear that the success and promotion opportunities open to them are equal and linked to the quality of their outputs so that

they can be committed to improving or at least maintaining their efforts.

Trainings. Generally speaking, training people means partly empowering them. The empowerment idea manifests itself at all levels of societal interaction. It is found in giving voice to the disenfranchised, in allowing the weak and the marginalized to have access to the opportunity they need to forge their own destinies; in allowing each and every employee the possibility of becoming the producers of their own welfare.

There are a variety of training and development activities that are designed to increase knowledge of equal opportunity-related issues. For example, two primary diversity-training approaches are being used by various organizations: awareness-based training and skill-based training. The two approaches are interrelated and can reinforce each other, but they are different:

- AWARENESS-BASED TRAINING aims at heightening awareness of diversity issues and revealing workers' unexamined assumptions and tendencies to stereotype.
- SKILL-BASED TRAINING represents a progression in intent. It goes beyond consciousness-raising, to an effort at providing workers with a set of skills to enable them to deal effectively with workplace diversity—be it in the role of manager or the role of employee.

Cox (1991) however asserts that the skill-based training is enough to provide more specific information on cultural norms of different groups and how they may affect work behavior. Indeed, awareness-based training is open to criticism for its limitations. It seeks to heighten awareness, but it does not provide skills to enable participants to act more effectively. Many are finding that without skill-based training in how to deal with cultural differences, people may be at loss as to what to do with their new understanding.

Skill-based training has to have three objectives:

1. Building new diversity-interaction skills
2. Reinforcing existing skills
3. Inventorying skill-building methodologies

Beyond these objectives, "*just-in-time training*" is also crucial. Just-in-time training means that training must come when the employee—i.e., the learner—needs it (Watkins & Marsick, 1993). People learn best when learning is relevant and immediately available and useful.

Performance Evaluation. There is perhaps not a more important human resources system in organizations than performance evaluation. Supervisor's rat-

ings of subordinates' performance represent critical decisions that are key influences on a variety of subsequent human resources actions and outcomes (Judge & Ferris, 1993).

Effective teams are aware of their own performance and progress toward goals (Gaddy & Wachtel, 1992). They frequently evaluate their progress and make adjustments in goals or activities (Goodman & Dean, 1982; Weingart, 1992). Teams are dynamic and evolve over time, so the long-term viability of teams requires adequate performance assessment and feedback mechanisms to allow the team to make adjustments as needed (Goodman et al., 1988).

Individual team member performance must also be monitored in order to avoid social loafing free-riding (e.g., Albanese & Van Fleet, 1985; Matsui et al., 1987). This is the tendency of people to expend less effort when working on a team as opposed to working alone. To refrain any negative effects, members must be able to differentiate their contributions from those of other members and perceive a link between their performance and team success (Levine & Moreland, 1990), that is, transparency is necessary.

Transparency is absolutely essential for any form of accountability and for understanding the factors that underlie any decision. The information should be available to everyone in a sufficiently transparent fashion so that both the costs and benefits of particular decisions and to whom such benefits accrue would be known.

Also feedback enables people to know how they affect each other, and how well they perform their tasks and meet their objectives at work. Feedback ranges from the informal comments we make about our reaction to something others do or say, to the formal performance appraisals we give each other. Feedback rightly given and received empowers the individual by informing him/her how to behave in more effective ways, and thus gives more choice and focus to his/her efforts (Simons et al., 1993).

It makes sense to use the feedback and appraisal to improve how diversity is managed. Most managers want to be better managers of *all* their people. Given information about their performance, they are willing to learn to do things differently.

Success Sharing. Should companies share the success with their employees? And if so, HOW? Sharing in the success of the business can be an important tool to align the employees' interests with those of the company—if employees perceive the program as fair.

The method used to reach out to employees are broad, depending upon the size of the company involved. But the sincerity of recognition should be available to all workers. Tennessee Valley Authority (TVA), for example, is

offering financial incentives to all employees who contribute to the success of the agency. Successful companies such as TVA use gain sharing plans to reward their employees and to promote individual ownership of the company and its goals. One night a year Disneyland is open to Disney employees and their families only, with top management dressed in costumes and running the concessions and rides; Federal Express honors outstanding employees by christening new airplanes with the names of their children; WordPerfect Corporation told employees if they double sales in a year, all 600 employees would spend a week in Hawaii; A-P-A Transport Corporation, North Bergen, takes its 1,800 employees, their spouses or guests, on an expense-paid weekend (and has been doing so for many years); Warner-Lambert, Morris Plains, uses gift certificates for on-the-spot employee recognition; Thomas J. Lipton, Englewood Cliffs, has an Open Vending Machine Day whereby employees are allowed free access to plant cafeteria vending machines when reaching certain manufacturing goals...

Success sharing (or gainsharing) is actually one of the most rapidly growing compensation and involvement systems in U.S. industry today. It is a system of management in which an organization seeks higher levels of performance through the involvement and participation of its people. Employees share (not necessarily financially) in the success (or gain) when performance improves. The approach is a team effort in which employees are eligible for bonuses at regular intervals on an operational basis.

Success sharing also reinforces total quality management, partially because it contains common components, such as identity, involvement, and commitment. Most important to a successful success sharing endeavour is management commitment and willingness to accept change (Wilhelm, 1995).

Though most success sharing formulas are based on a ratio between direct labor costs and production value, Graham-Moore & Ross (1990) claim that one of the objectives that has to be met to have a successful success sharing formula is the fairness of the policy established for sharing true increases in labour productivity.

4.2.2. Toward Mental Models Sharing

The idea is straightforward: adherence to a certain pattern of social relationships generates particular way of looking at the world—i.e., shared mental models; adherence to a certain worldview legitimizes a corresponding kind of visioning activity.

However, the development of shared mental models will require more lengthy and elaborate periods of interaction (Schein, 1993). Hence, **the necessity of repeated interactions and social networks inside organizations**. The assumption here is that if these two requirements will become common in a

multicultural workplace, members will communicate better with each other, be able to foster constructive conflict, then begin to mutually understand, mutually trust and respect, and cooperate. The important goal of this process is to enable the group to reach the gradual co-creation of a shared set of meanings and a common thinking process—i.e., mental models sharing.

Repeated Interactions. Interactions may emerge out of a wide variety of already established conditions, such as preexisting friendship ties or resource dependence (Galaskiewicz, 1985). These different starting points vary in the degrees to which the parties are acquainted and have had prior interactions and, thus, they vary regarding the opportunity through prior sensemaking activities to come to know and understand self in relation to the other. Indeed, in practice, most relationships among strangers emerge incrementally and begin with small, informal deals that initially involve little risk (Friedman, 1991). As these interactions are repeated through time, and meet basic norms of equity and efficiency—i.e., satisfactory for both parties, they may be able to negotiate, make commitments, and begin to rapidly create and develop a social network.

The social networks, which are produced through an accumulation of prior interactions that were judged by the parties as being efficient and equitable, increase the likelihood that parties may be willing to make more significant and risky investments in future interactions.¹⁰⁾ On the contrary, repeated failures by individuals to gain confirmations of their perceptions of self in relation to others set in motion defense mechanisms and the development of a deviant identity, which will not likely lead to congruency in definition of values, purposes, or expectations.

Social Networks. Social networks consist of friends, relatives, and business associates (Sonnenberg, 1990). Networking today is no longer just a nice way to meet colleagues. It is a strategic necessity.

Sonnenberg (1990) stated that networking is a long-term strategy. Networks improve over time as they are developed by their staunchest members. They are important vehicles for communications in organizations (Guetzkow, 1965), thus, can improve mutual understanding, mutual trust and respect, and cooperation. Nevertheless, they are not developed overnight. Successful networks change and evolve, expand and contract, and must be continually nurtured by all their members.

According to Baker (1994) the most productive attitude in a network is what psychologists call interdependence or mutual dependence. It is the recognition that you need each other. It is the recognition that people get things done through and with others. Mutual help and cooperation is therefore vitally impor-

tant. An interdependent person knows that no one is an island (Baker, 1994).

Sonnenberg (1990) however argues that networking must be a give-and-take relationship because when you do too much for people without ever accepting something in return, you make recipients hesitant to ask for more and you imply that they have nothing to offer. Whereas, help is not given on a one-for-one basis. Just because you perform a favor does not mean you should expect one in return.

With this norm of generalized reciprocity "I'll do this for you now, in the expectation that somewhere down the road you'll return the favor," it is expected that :

- Networks increase the potential costs to a detector in any individual transaction since by engaging opportunism within one transaction, he puts at risk the benefits he expects to receive from all the other transactions in which he is currently engaged, as well as the benefits from future transactions.
- Networks facilitate communication and improve the flow of information about the trustworthiness of individuals.
- Networks embody past success at collaboration, which can serve as a culturally defined template for future collaboration.

The business benefits of networking can be substantial, but beyond professional life, networking can give you enormous personal pleasure and satisfaction.

Communication. Communication is often difficult between people with the same language, similar experiences, and familiar environment. It is even more so when all these factors are not shared. Many researchers (e.g., Bosche, 1993) therefore suggest the use of INTERCULTURAL COMMUNICATION¹¹⁾ whenever people belonging to different cultural groups come into contact; Hayashi (1985, 1989) proposes the concept of CROSS-CULTURAL INTERFACE MANAGEMENT to alleviate strategic problems in culturally mixed organizations.

However, *being able to slip into and out of more than one culture is a skill belonging to a limited number of the individuals.* A more practical suggestion for individuals would therefore be to develop a communication network by, first, taking the step of repeated interactions.

The arrangement of communication networks or channels among members can exert a powerful influence upon team performance. Many types of networks have been investigated to determine their effects on team functioning, including wheel, Y, chain, circle, and completely connected configurations. These networks differ in ways relevant to team performance, including speed and accuracy of information transmission (e.g., decentralized channels create fewer bottle-

necks), extent information is distributed among members (e.g., members may be better informed in decentralized channels), and degree of member satisfaction with the channels—e.g., higher for decentralized (Shaw, 1981).

Even though the design of a team's communication network is not always under the control of the members, it is desirable that members have knowledge of these networks so they can implement them where and when possible.

Constructive Conflict. First of all, we must agree that without communication, there can be no question of interpersonal conflict. And thereby, without conflict, there can be no question of promoting constructive conflict!

Experts on conflict management have noted that a certain amount of interpersonal conflict is inevitable and perhaps even healthy in organizations (Northcraft & Neale, 1990). However, conflict becomes destructive when it is excessive, not well managed, or rooted in struggles for power rather than the differentiation of ideas.

The practices of constructive conflict may offer a useful alternative for managing multicultural groups, Tjosvold & Johnson (1983) declare. The constructive conflict approach builds on the idea of conflict being a key to unlock the potential group decision making. It encourages variety, openness, and challenge.¹²⁾ Group decision making can be improved by constructive conflict practices, because the knowledge and perspectives of all members are tapped and uncritical acceptance of alternatives is prevented (Schweiger et al., 1989). In the case of multicultural groups, the constructive-conflict approach could ensure that members regardless of cultural background are called upon to contribute and that the inherent diversity of such groups is valued.

Research has supported the benefits of constructive conflict to group decision making. When constructive conflict was built into the decision-making process, groups produced assumptions of greater validity and of more importance (Schweiger et al., 1986) and made recommendations that more often integrated the ideas and concerns of multiple parties (Tjosvold & Deemer, 1980) and that were superior in quality (Schweiger et al., 1986) than when harmony or conflict avoidance prevailed. Furthermore, it was the presence of constructive-conflict practices, that is, searching out a variety of perspectives, openly discussing differences, and carefully critiquing assumptions and alternatives, rather than the specific format of debate, that led to higher quality decision making (Schweiger et al., 1986).

An important question remaining for those who manage multicultural groups is HOW constructive conflict can be achieved. In his study of conflict-positive organizations, Tjosvold (1991) argued that managers play a key role in setting the norms that encourage work-group members to express their opinions, doubts,

uncertainties, and hunches. He advised managers to actively solicit various viewpoints, seek solutions that are responsive to several viewpoints, and reward for group successes rather than independent work. Moreover, managers or outside change agents may be required to provide training to familiarize group members with the constructive-conflict approach and to practice its implementation (Schweiger et al., 1986; Tjosvold, 1991).

Mutual Understanding. The formula for managing any relationship involves the same basic elements: mutual understanding¹³⁾ and mutual benefit. When there is mutual understanding, each person understands the reasons why the other acts in a particular way and accepts the other's behavior as legitimate and authentic, despite the tension or inconvenience it might cause. Each person understands the other's motives and feelings, each can take the role of the other with great empathy. When there is mutual benefit, both parties get what they need from the relationship. Each help the other. It is win-win (Baker, 1994). One may remark then that mutual understanding can be effectively achieved by fostering a social network.

Mutual Trust & Respect. Trust, the mutual confidence that no party to an exchange will exploit the other's vulnerability, is today widely regarded as a precondition for success. If trust is absent, no one will risk moving first, and all will sacrifice the gains of cooperation to the safe. An area does prosper because of the cooperation which trust makes possible, though on the other hand, these same actors regard their mutual confidence as a natural fact.

Trust can also be created at will. If the reflexive view of self and society is correct, then the real problem is how trust can be built in particular circumstances through a circuitous redefinition of collective values. It is only by recognizing their mutual dependence that the actors can define their distinct interests.

In my conceptual framework, it may be fair to say that individuals are trustworthy because a trustworthy reputation is useful when repeated interactions and social networks are common (i.e., repeated interaction and social networks increase reputation building). A long term orientation encourages trust because the value of short term gains from untrustworthy actions are reduced.

In addition, an important component in effective interpersonal relations between non-dominant and dominant cultures is the ability to express respect and positive regard for the other. When we treat people with respect, we confer status, making them feel as they are people of importance in our way of thinking. We will be expressing sincere interest in them, and they will most likely respond positively to us.

Mutual trust and respect eases collective life. The greater the level of trust and respect within a community, the greater the likelihood of cooperation.

Cooperation. Usually, people believe that cooperation emerges when people find it in their interest to do favors for each other or to help each other out. However, these favors rarely occur simultaneously. Rather, it is a case of "You do a favor for me now, and I will owe you one: I will help you on your problems next time you ask." To sustain this, the future must have a large enough shadow: those who are to cooperate must have a large enough chance of interacting with, and needing, each other again. Therefore, in great majority, the foundation of cooperation increasingly depends on the durability of the relationship (i.e., repeated interactions) and networking (Simons et al., 1993).

Simons et al. (1993) argue that cross-cultural collaboration always and everywhere means changes on everybody's part. Working side by side, pursuing the same processes, and producing the same product always demands that people create common mental models which may differ from that they have.

Mental Models Sharing. A team or a group with a shared mental model is one where most, if not all, of the people involved think about a phenomenon or situation in a very similar manner (e.g., Cannon-Bowers et al., 1993). This seems straightforward enough.

According to Marsick (1994), mental models are not unchangeable, they are the collective creation of people. Therefore they can be changed by agreement of people. However, he emphasized, they have to be made publicly discussible and questionable.

Shared mental models are assumed to enhance the quality of teamwork skills and team effectiveness (Cannon-Bowers et al., 1990, 1993; Orasanu & Salas, 1993). Specifically, it is hypothesized that the greater the overlap or commonality among team members' mental models, the greater the likelihood that team members will predict the needs of the task and team, adapt to changing demands, and coordinate activity with one another successfully (Cannon-Bowers et al., 1993). Teams who share mental models are expected to have common expectations of the task and team, allowing them to predict the behavior and resource needs of team members more accurately (Cannon-Bowers et al., 1990).

Shared team models work by virtue of their capacity for allowing individual members to anticipate and predict the behavior of individual members and the probable behavior of the group (when there is occasion to operate as a group). This capacity, in turn, allows for the efficient and effective use of team member inputs (Klimosky & Mohammed, 1994).

My view of shared mental models therefore presumes that:

- They are an emergent characteristic of the group, which are more than just the sum of individual models (Klimosky & Mohammed, 1994).
- They represent efforts to simplify events or responsibilities in order to make them more tractable (Klimosky & Mohammed, 1994).
- They reflect organized knowledge (Klimosky & Mohammed, 1994). Usually they are in the form of a set of concepts stored and retrieved from memory in relationship to one another.
- They imply a variety of content. While life would be more simple if we could conclude that mental models always implicate a specific domain, we feel that this is not the case. We allow therefore that the content of shared mental models might reference representation of tasks, of situations, of response patterns or of working relationships.
- They reflect internalized beliefs, assumptions, and perceptions. They are therefore really how the group members, as a collectivity, think or characterize phenomena.

Some prior writers argue that decisions can be made in the absence of a team mental model and despite differences of interpretation among individuals (e.g., Donnellon et al., 1986; Weick, 1979). Time pressure, for example, may force a group to arrive at a decision without members sharing perceptions and beliefs on the issues under consideration. It is even possible that team mental models may not emerge until after the decision phase if the team continues to interact and discuss concerns. However, team mental models could have a major influence on the implementation of a decision (providing that the team also has to implement what it has decided on). Teams that have well developed mental models may be able to implement their decisions more quickly and with fewer problems than teams that do not have collective mental models (Klimosky & Mohammed, 1994).

One of the first large corporations to discover the potential power of mental models was Royal Dutch/Shell. It is truly multicultural, formed originally in 1907 from "a gentlemen's agreement" between Royal Dutch Petroleum and the London-based Shell Transport and Trading Company. Managing a highly decentralized company through the turbulence of the world oil business in the 1970s, Shell found that, by helping managers clarify their assumptions, uncover internal contradictions in those assumptions, and think through new strategies based on new assumptions, they gained a unique source of competitive advantage. Royal Dutch/Shell now has more than a hundred operating companies around the world, led by managers from almost as many different cultures.

Developing an organization's capacity to work with mental models involves both repeated and open interactions and networks that help bring these interac-

tions into efficiency.

Because of the increasing rate of change in the environment (e.g., due to immigration/migration and technological complexity), organizations face an increasing need for learning. Consequently :

- People from different cultural backgrounds are more and more likely to work together in a similar environment (implying different languages and assumptions about reality, i.e., different mental models).
- Organizations and their subunits are more and more likely to develop their own cultures (implying different languages and assumptions about reality between organizations and between subunits, i.e., different mental models).

Organizational effectiveness is therefore increasingly dependent on valid communication, constructive conflict, mutual understanding, mutual trust and respect, and cooperation across culture boundaries. Integration across cultures (between individual or cultural groups and between organizations or subunits) will increasingly hinge on the ability to develop an overarching common mental models.

In addition, any form of organizational learning will require the evolution of shared mental models that cut across the interacting cultures ; and the evolution of new shared mental models is inhibited by current cultural rules about interaction, making them a necessary second step in learning.

4.2.3. Toward Vision Sharing

The essence of a team is shared vision. Without it, groups perform as individuals ; with it, they become a powerful unit of collective learning.

Block (1987) asserts that managers empower when they create a vision of greatness. However, empowerment will not take place if executives merely create a vision, and then pass it down through successive levels of the organization to reinterpret and implement. Empowerment occurs through mutual creation of a common vision.¹⁴⁾ Mutual creation implies dialogue and modification of the vision up, down, and across levels. Visioning is a collective process (Watkins & Marsick, 1993) and empowerment interrupts the status quo.

It is however naive to think that co-creation of a vision is easy to achieve without the two preconditions cited above : success sharing and mental models sharing. Members of diverse groups generally have problems in agreeing on their purpose and on what tasks to perform. To maximize the effectiveness, the manager and team leader must help the group to agree on a vision that transcends their individual differences.

When people work together toward a common objective, teams inevitably hold themselves responsible, both as individuals and as a team. This sense of mutual accountability also produces the rich rewards of mutual achievement in

which all members share (Katzenbach & Smith, 1993).

Senge (1990) said that purpose is similar to a direction, a general heading. Vision is a specific destination, a picture of a desired future. Purpose is abstract, vision is concrete. The organizational vision—whether it addresses the company's products, working environment, or quality of workforce—should provide a vivid picture that inspires employees and managers alike. Real visions have meaning as they are realized in particular designs, products, processes, and services (Savage, 1990).

The power to act must be directed toward something. In a learning organization, leaders help people create a collective vision toward which the entire organization can work (Watkins & Marsick, 1993). By learning to share a perspective, or mental models, teams make aligned action possible. A key task in creating the learning organization is to create alignment by placing the vision in the hands of synergistic teams. These teams need support through enhancement of their team learning effectiveness and creation of routine methods to capture and share their learning with the rest of the organization (Watkins & Marsick, 1993).

The learning organization must begin with a shared vision, Watkins & Marsick (1993) declare. Learning is directed toward that vision. Learning organizations depend on the participation of many individuals in a collective vision and on the release of the potential locked within them.

4.2.4. Toward Competence Sharing

The idea of learning organization is not new (Pedler et al., 1991). Interest has only increased because learning has been identified as the hallmark of today's companies.

Individuals must learn if social aggregates are to learn. Managers can involve social units in collective learning—aggregates of people who are united by the pursuit of common vision. A collective process—in which competence was shared—has therefore to take place in such a way that social units learn (Marsick, 1994).

The challenge is to develop mechanisms to capture, save, and share gains of learning (Watkins & Marsick, 1993). However, up to now, it is not clear which mechanisms work best and what conditions prompt access and utilization for learning. What is known is that capturing and sharing the gains (of learning) depends on the existence of exchange mechanisms (Marsick, 1994).

Since ethnic and cultural diversities are "natural" sources of requisite variety, which is a condition for organizational learning, both managerial and individual learning are crucial elements for successfully managing multicultural organizations.

Here, I argue that if the above-mentioned pre-conditions—success sharing (4.2.1), mental model sharing (4.2.2), vision sharing (4.2.3)—are satisfied, an environment that fosters multicultural learning can be *effectively* and *easily* generated (Figure 4).

In this section, I define **competence** as:

“a set of information, knowledge, experience, and skill being able to bring

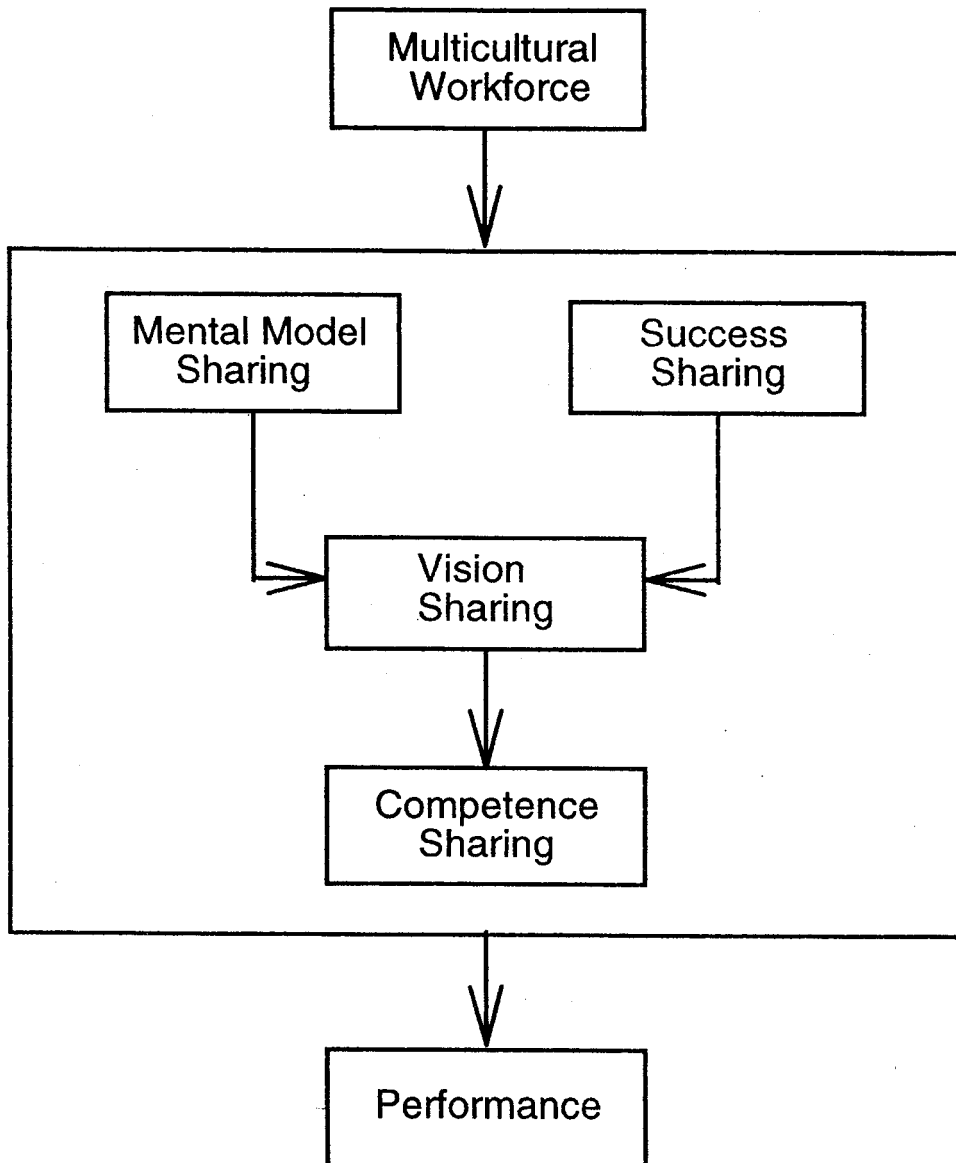


Figure 4: Factors facilitating a competence sharing

an individual, a group, or an organization, to create a new set, or at least, to improve the existing set."

I suggest that (see Figure 5) :

- *Information & Tacit Knowledge*¹⁵⁾ become *Experience* after practical acquaintance with it ;
- *Experience* becomes *Codified Knowledge* when it can be transferred after its codification ;
- *Codified Knowledge* becomes *Skill*¹⁶⁾ when it has been mastered through repetition, to improve the quality of the existing output ;
- *Skill* becomes *Competence* when it is recognized by a higher social level (see Figure 6) from the repeated outputs it generates.

I argue that an effective learning process does not only consider potential exchanges of information or knowledge or experience or skill, but rather "*competence sharing*." Moreover, I understand that competence is not inertial. It is rather subject to change through time (see Figure 5). Hence, the well-known term "*continuous learning*."

The following steps of the learning process should take place after vision sharing (see Figure 6).

1. COMPETENCE ACQUISITION. Logically, a learning process should begin with competence acquisition from inside and/or from outside the company ; through formal (e.g., training at local specialized schools) and/or informal (e.g., friendship) channels. Normally, competence acquisition may occur by chance and/or by careful planning.
2. EXPERIMENTATION. At this stage, employees test newly acquired competence by using scientific and non-scientific methods simultaneously. Usually, this activity involves "learning by mistakes" and/or "learning by doing".

In this article, I classify these two first steps as *operational-level learning* since they are not basically motivated by expanding horizons (see Figure 6).

3. EXCHANGE OF COMPETENCE or COMPETENCE SHARING. Competence sharing is important because of its impact on individual and team practices in a learning organization. Usually, this activity involves learning from others and transferring of competence. Shared competence can be a terrific asset because it comes from looking outside one's immediate environment to gain a new perspective and it is a powerful motor for a co-creation of new competence. In learning organizations, people also share competence through informal conversations. For example, a study by Xerox Corp.'s Palo Alto Research Center showed that service technicians learned the most about repairing copiers from sharing stories with each other—not from reading manuals.

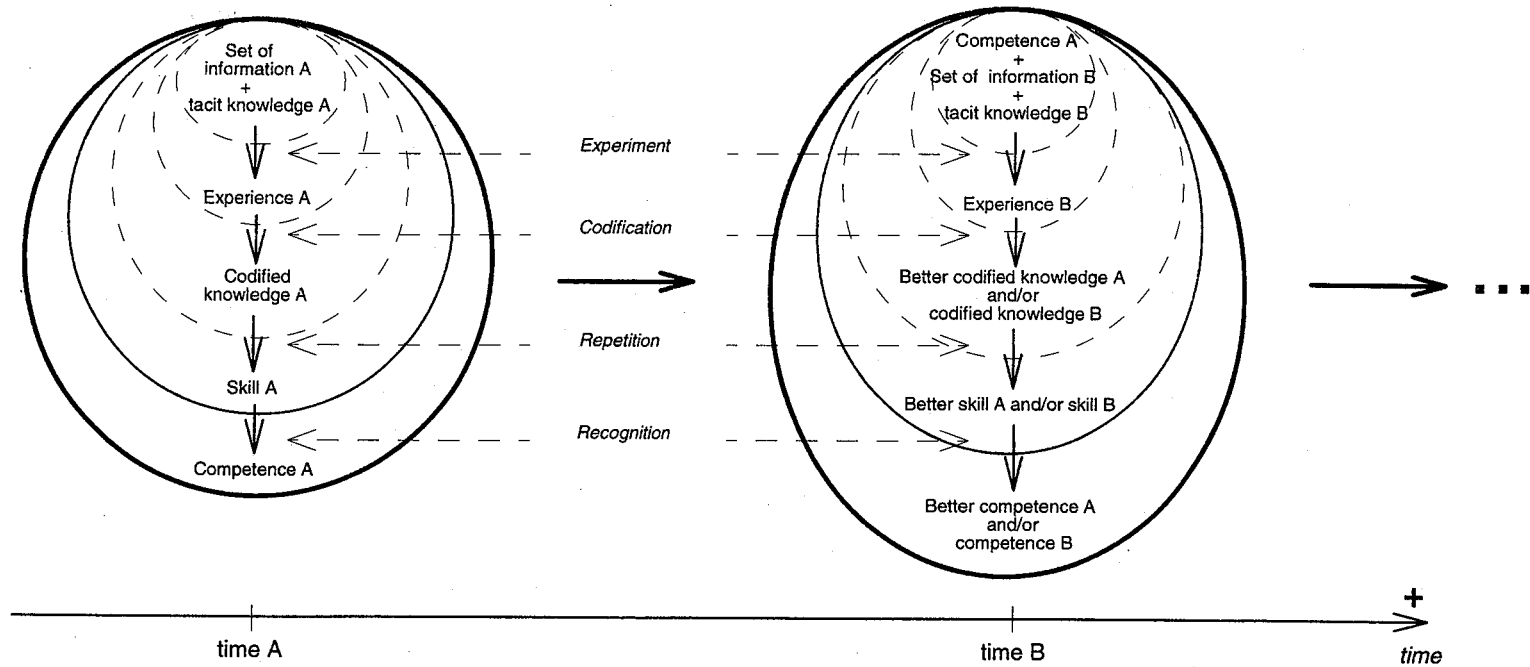


Figure 5: Individual competence development

$\forall A, B, A < B;$
 set of information A $\neq$ set of information B;
 tacit knowledge A $\neq$ tacit knowledge B;
 experience A $<$ experience B;
 codified knowledge A $<$ codified knowledge B;
 skill A $<$ skill B;
competence A $<$ competence B

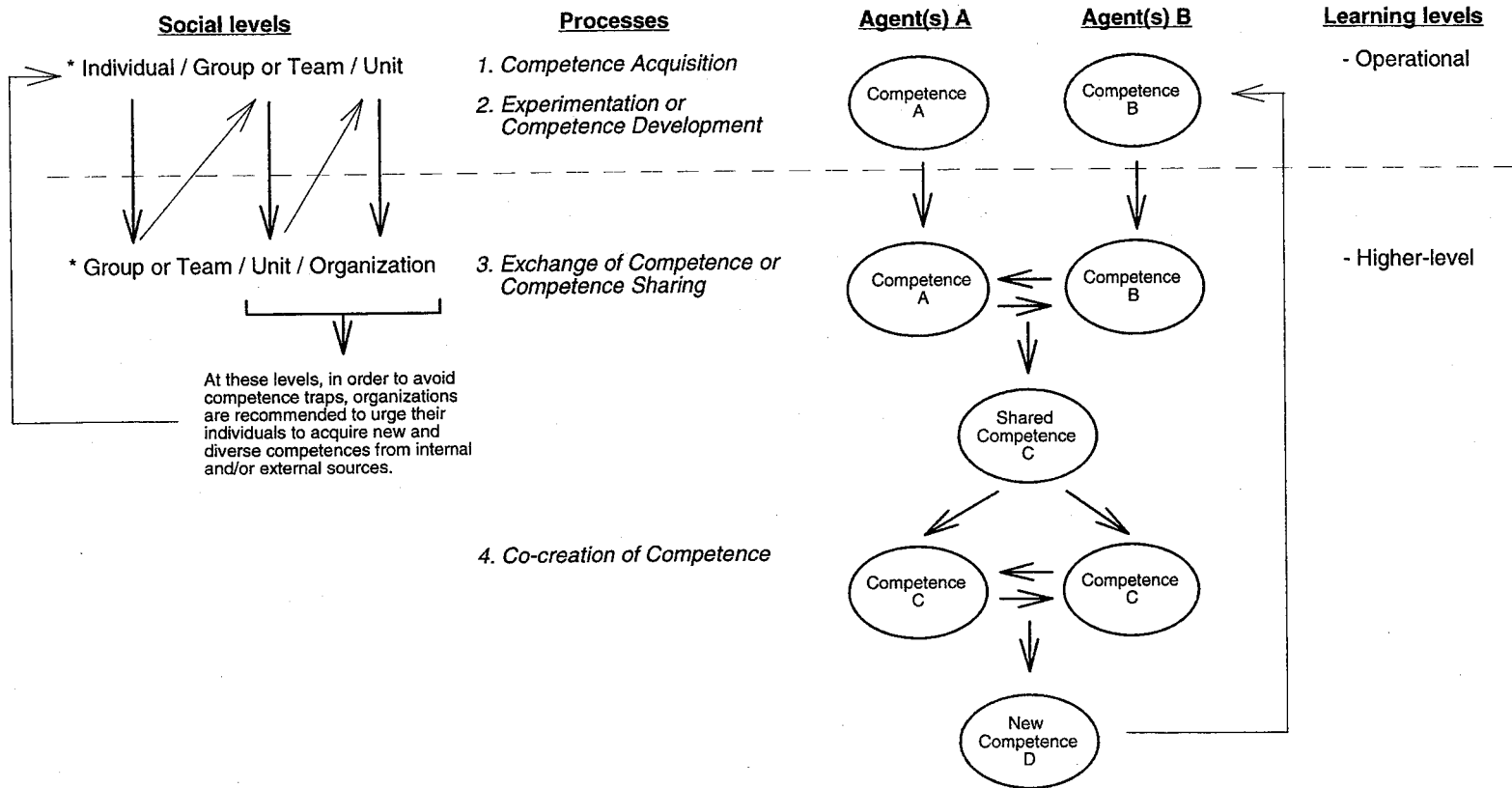


Figure 6 : A dynamic model of learning process

4. CO-CREATION OF NEW COMPETENCE. At this stage, employees work together with a constant determination to improve on what has been and what should be done and/or to co-create new competence towards the shared vision.

I call these two last steps *higher-level learning* because they are the development of the mind to think in terms of whole systems and complete processes (see Figure 6).

A genuine learning organization has to dedicate itself to develop the higher-level learning of all its people, not just some at the middle and a few at the top (Teramoto et al., 1993a; 1993b). That is, for an organization to receive the full benefits of a multicultural workforce, it is essential for higher-level learning to permeate it from the bottom up.

Competence can be transferred from one individual to another and from the team to the rest of the organization to achieve unified action on a shared vision. The establishment of mechanisms to exchange and share what teams learn is a key element in creating the learning organization (Marsick, 1994; Teramoto et al., 1994; Watkins & Marsick, 1993). That is managing cultural diversity, which itself is the essence of the sharing principle proposed in our framework.

Over time, the competences become organization-specific. These resources can, however, also act as **competence traps** or **competence rigidities**. This facet of competence sharing can be particularly devastating for businesses who wish to compete on the basis of new products and markets. Internally developed, competences focus attention and momentum of activities in a certain direction thereby reducing an organization's learning and innovative capabilities. Consequently, I suggest that organizations will attempt to break these competence traps by ACQUIRING (searching, buying) new and diverse competences from internal/external sources (refer to the first step of the learning process—COMPETENCE ACQUISITION) before existing competences become organization-specific.

4.2.5. Toward a Co-Success

A long time ago, literature claimed that cultural diversity often leads to lower performance.

Studies conducted over the past three decades, (e.g., Copeland, 1988; Cox et al., 1991; Esty, 1988; Mandell & Kohler-Gray, 1990; Marmer-Solomon, 1989) however, agree that, when properly managed, culturally diverse groups and organizations have performance advantages over homogeneous ones. In addition, many writers such as Adler (1991) and Kumar et al. (1991) found that the common element among high performing groups with high diversity is the integration of that diversity.

Integration is a combining of different elements into a unified result. Thus,

by intergrating the diverse strengths of various people on a team, solutions and strategies can be developed that produce greater results than the simple addition of each contribution alone (Maznevski, 1994).

This article has developed and proposed a **practical and realistic integration of employees' skills and abilities, attitudes and behaviors, knowledge and experiences, ways of thinking, ways of doing, and so on through the sharing principle**—sharing successes, sharing mental models, sharing vision, and sharing competence—for effective multicultural learning and, thus, toward a real co-success (see Figure 7).

Since learning is and has been identified as the core key of higher performance in today's new reality, the propositions presented (See Figure 8) are worthy of test and analysis.

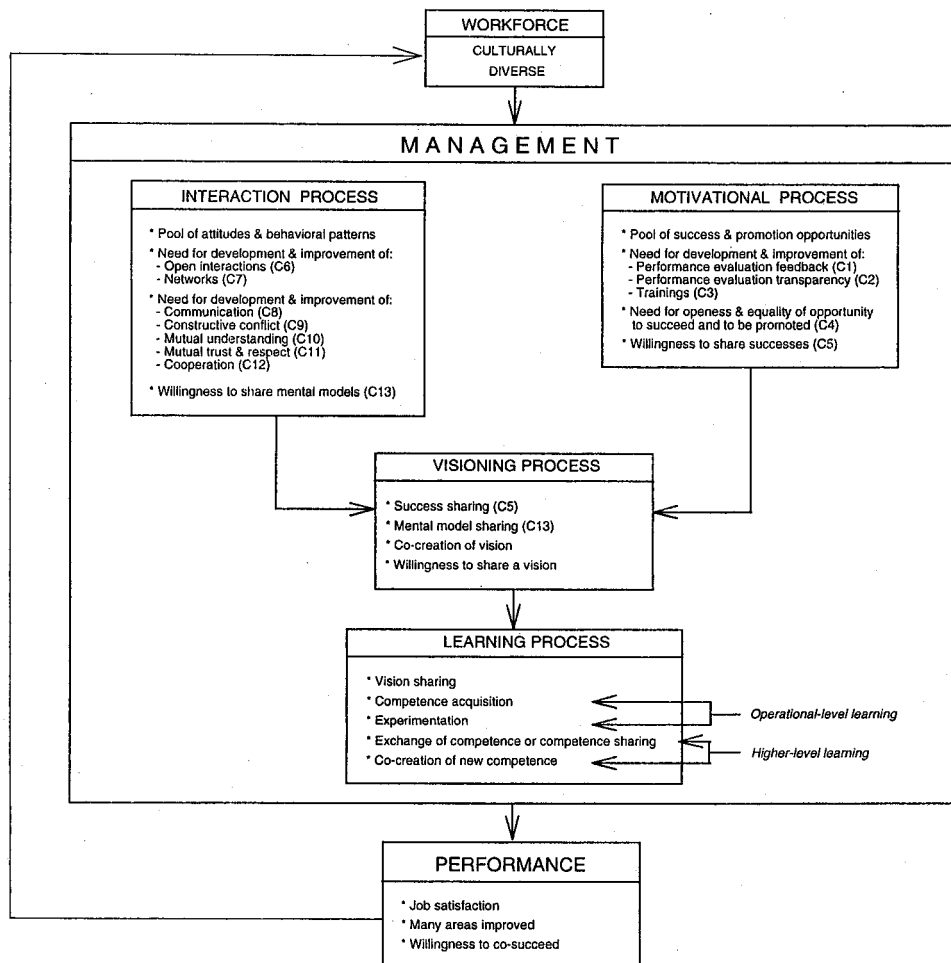


Figure 7: Conceptual framework for an effective multicultural management

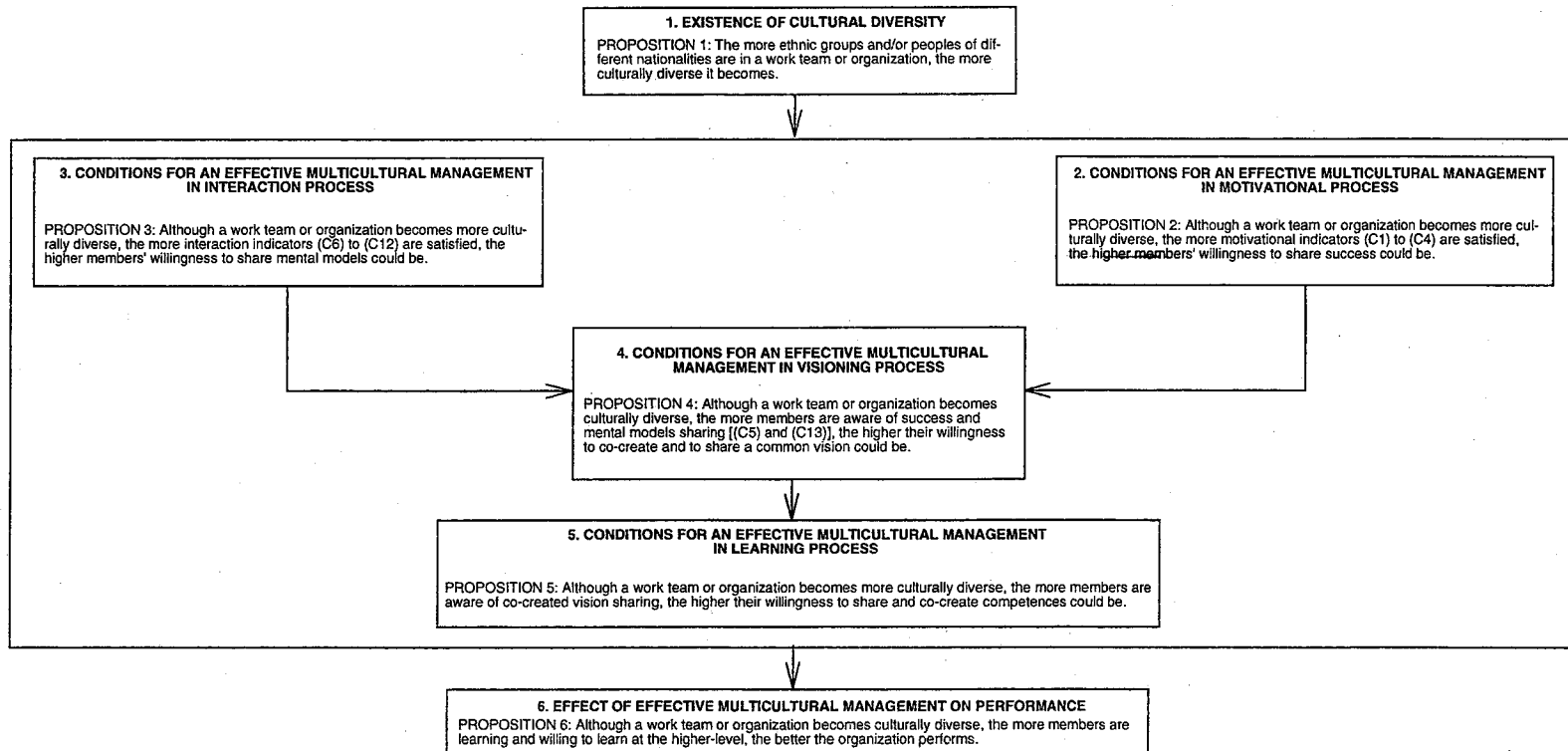


Figure 8: Chart of the Relationships Between the Propositions

5. Conclusion

Before multicultural workforce and multicultural companies can and keep improve, they first must learn at the higher-level.

		CULTURAL DIVERSITY	
		High	Low
LEARNING	Higher-level	Higher PERFORMANCE	High PERFORMANCE
	Operational-level	Lower PERFORMANCE	Low PERFORMANCE

Figure 9 : Relationships between cultural diversity, learning, and performance

Managing diversity means enabling a multicultural workforce to learn and to perform to its potential in an equitable work environment where one group has an advantage and disadvantage.

Throughout the article we have shown that sharing (as manifested in open communications and a quest for teamwork opportunities) is one of the keys to learning in multicultural organizations—sharing success, sharing mental models, sharing a co-created vision, and sharing competence. A real commitment to a sharing principle and learning is essential to effective management in multicultural organizations.

The critical factor for the meta-industrial organization is to recruit people of competence, regardless of their backgrounds and origins; then “*to manage them effectively*” so they may productively apply that competence to their job responsibilities; and finally to evaluate them for career assessment and development on the basis of their performance. The organization’s task is to capitalize on human assets by developing human potential (Simons et al., 1993). The same may be said of nations who cannot afford to waste their human resources. This is evident in the growing “underclass” who lack adequate education and skills to earn and compete in the new work culture. To avoid greater social disruptions, political and social leaders might devise innovative programs that ensure that *all* citizens be afforded equal opportunity in a post-industrial society.

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Notes

- 1) According to Kotter & Heskett (1992), at the deeper and less visible, culture refers to

values that are shared by the people in a group and that tend to persist over time even when group membership changes. At the more visible level, culture represents the group's behavior patterns or style. At this level, culture is touch to change, not nearly as difficult as at the level of basic values.

- 2) In any given culture, some values are regarded as more important than others, and in different cultures the relative importance attributed to particular values may differ (e.g., Kluckhohn & Strodtbeck, 1961 ; Rokeach, 1973). Within a culture, values are organized in a hierarchy or a relative order of priority. The terms "CORE" and "PERIPHERY" may be used to represent, respectively, the relatively high and the relatively low positioning of values in the values hierarchy and the extent to which they are involved in social control (Lachman et al., 1994).
- 3) CULTURAL DISTANCE, a correlative term, refers to the amount of difference in average scores on specific dimensions of culture content (Cox, 1993).
- 4) Since the article concerns with cultural diversity, it is obvious that the existence of more than one cultural group is fundamental.
- 5) Though relationships may also exist between motivational and interaction processes and that upward relationships are imaginable, in this article, since my main objective is to show how to manage multicultural workforce toward competence sharing, I am more interested in *downward* arrows.
- 6) CONFUCIAN PHILOSOPHY regards the ideal society as one in which relationships, largely based on family and hierarchy, are maintained over time in perfect harmony (Keys et al., 1994).
- 7) The requirements for an interface administrator are (Hayashi, 1985 ; 1989) :
 - Master of the first and second cultures' languages ;
 - Personal knowledge of the first and second cultures' knowledge, values, and meanings ;
 - Being trusted and/or legitimately a member of at least one of the two groups.

According to Brown (1983), almost any member of a cultural party may become a representative or interface administrator since potential cross-cultural contacts and conflicts are dispersed through the organization along with cultural differences. However, personal characteristics of interface administrators may be important to their ability to work at cross-cultural interface.

- 8) Motivation is easy to define: getting people to want to perform (Simons et al., 1993).
- 9) TRAINING is "*a planned process to modify [and/or improve] attitude, knowledge or skill behavior through learning experience to achieve effective performance in an activity or range of activities. Its purpose, in the work situation, is to develop the abilities of the individual and to satisfy the current and future manpower needs of the organization* (Fox, 1994)."
- 10) One may notice here that repeated interactions are just a precondition for a social network but they are still not a social network.
- 11) INTERCULTURAL COMMUNICATION is the ability to eliminate communication barriers such as insufficient exchange of information, semantic difficulties, different perceptions among senders and receivers, non-verbal cues that are ignored or misinterpreted, and so on.
- 12) CONSTRUCTIVE CONFLICT has not to be confused with COMPETITIVE CONFLICT which discourages both information sharing and exploration and can be characterized by win-lose struggles (Tjosvold & Deemer, 1980).
- 13) Cross-cultural understanding encompasses knowledge about how and why culturally different team members act the way they do, and respect for differing cultural operating style.
- 14) Co-creation of vision supposes that the vision will be based on employees' common needs, aspirations, and goals, disregarding their cultural backgrounds. It will enhance goal acceptance (Matsui et al., 1987 ; Pearson, 1987) and may increase congruence between individual and team goals (Erez, 1986 ; Mackie & Goethals, 1987). It may also lead to better quality goals, and greater satisfaction with the process (Levine & Moreland, 1990).

- 15) Here I argue that *Information* becomes *Tacit Knowledge* when it is understood and is likely to be used for a given purpose.
- 16) In this article, I define SKILL as “a talent that can be transferred to other persons.”

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