The Effects of Cultural Diversity on Team Performance: A Comparison between the Performance of Monocultural Teams and the Performance of Multicultural Teams in Tourism Organizations

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Abstract
One can notice in nowadays organizations it is a common fact to find teams composed of members of different nationalities. It was the author’s curiosity to find out why do managers prefer to work with people of different nationalities and which are the advantages that a multicultural team has to offer. Many studies focused on finding out what effect has the cultural diversity on team outcomes. After analyzing the previous studies, one can conclude that the cultural diversity plays also a positive and a negative role on team performance. A case study was conducted in the romanian tourism organizations to find out if multicultural teams obtain better performances than monocultural teams. The sample was composed of 30 teams similar in terms of work processes and tasks, size, percentage of males and females (15 monocultural teams and 15 multicultural teams) and the method used to collect the data was the structured survey. The instrument used to interpretate the data was the five Likert scale. The results showed that multicultural teams obtain higher scores, are more innovative and offer new ideas and perspectives, but their members are more individualist when it comes to help others. Although the communication is more intense inside the multicultural teams, it hasn’t been demonstrated it is related to work issues. This research could be a starting point for future studies on the relationship between cultural diversity and team performance.

Key words: cultural diversity, team performance, multicultural team, monocultural team, survey

1. INTRODUCTION
The society is in a continuous process of changing and this process affects different aspects of daily life, such as the way in which the work is structured in multinational organizations. Due to the fact that many people have decided to leave their home countries for searching a better life overseas, nowadays, in multinational corporations, it’s a common fact to find teams that are composed of people of different nationalities, the so called "multicultural teams".

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The tendency is to have multicultural teams inside organizations, and out of curiosity, the author of this paper wanted to find out which are the advantages a multicultural team has to offer.

The first part of this study focuses on the concept of multicultural teams and on the most important researches that studied the relationship between cultural diversity and team outcomes. While some researchers think there is a negative impact of cultural diversity on team outcomes (Jehn & Mannix, 2001; Kirkman et al., 2004; Thomas, 1999; Watson, Kumar, & Michaelson, 1993), others have found a positive correlation between the two variables (Earley & Mosakowski, 2000; McLeod, Lobel, & Cox, 1996; Thomas, Ravlin & Wallace, 1996). There is also a third category, that found no correlation between the two variables (Bowers, Pharmer, & Salas, 2000; Webber & Donahue, 2001). One will see in this article, how cultural diversity impacts team outcomes.

In the second part of the present paper, a case study was conducted on the Romanian tourism organizations, to find out if the team performance is higher in teams composed of members of different nationalities compared with the performances of monocultural teams. The teams share similar characteristics in terms of work processes and tasks, the number of members, the percentage of males and females, the level of studies. The results and conclusions will be presented in this article.

There are few studies which focus on the impact of cultural diversity on team performance in the tourism sector. This research could be considered a starting point for the ones who want to study the relationship between the two concepts in tourism organizations in detail.

It was presumed that monocultural teams obtain better performances compared to multicultural teams because the communication is better inside the monocultural teams (there are no language barriers and people share the same cultural set of values and beliefs). Another supposition was that the team members of multicultural teams will rather help their colleagues than the team members of monocultural teams. Last but not least, it was presumed that in multicultural teams people are more creative and come up with innovative ideas.

2. LITERATURE REVIEW

Multiculturalism in organizations refers to the organizational phenomenon that occurs when people of different cultural backgrounds, with many different values, life experiences, and ways of expressing themselves, work together. In a multicultural organization, "emphasis is on appreciating differences and creating an environment in which everyone feels valued and accepted"; "progress is monitored by organizational surveys focused on attitudes and perceptions (Rice, 2004). A multicultural workforce is one in which a wide range of cultural differences exist among the employees in the organization. Multicultural teams are defined as task-oriented groups consisting of people of different nationalities and cultures (Marquardt and Horvath, 2001).

Cultural diversity, in particular, may affect teams differently from other diversity sources (Lane, Maznevski, DiStefano, & Dietz, 2009; Lane, Maznevski, Mendenhall, & McNutt, 2004); culture is a source of strong categorization and stereotyping, so the effects of cultural diversity may be stronger than other sources. A multicultural team is a team composed of people of different cultural backgrounds who come together to achieve a common goal.
cultural backgrounds, who use their skills and abilities to communicate between them, to share their talents in order to achieve common goals.

Researchers have focused their attention on finding out what effect does cultural diversity has on team performances and the findings were quite different. While specialists such as Earley & Mosakowski, 2000; McLeod, Lobel, & Cox, 1996; Thomas, Ravlin & Wallace, 1996 found a strong positive relationship between the two variables, others have found a negative correlation (Jehn & Mannix, 2001; Kirkman et al, 2004; Thomas, 1999; Watson, Kumar, & Michaelsen, 1993). There is a third part which considers that between the two variables there is no significant correlation (Bowers, Pharmer, & Salas, 2000; Webber & Donahue, 2001), or a small negative effect (Stewart, 2006). The different conclusions could be explained by the influence of some specific variables on the team outcomes. In other words, variables such as the team size, team tenure, the complexity of the tasks, the influence of team members who come from the collectivistic culture/individualistic culture, the influence of personal relationship, influence the impact of cultural diversity on team performance.

As Mannix and Neale discovered, cultural diversity influences teams in three potentially opposing ways (Mannix & Neale, 2005). Firstly, according to similarity-attraction theory, people are attracted to working with and cooperating with those they find similar in terms of values, beliefs, and attitudes (Williams & O'Reilly, 1998). Secondly, according to social identity and social categorization theory (Tajfel, 1982), people tend to categorize themselves into specific groups, and categorize others as outsiders or part of other groups. People treat members of their own group with favoritism, and may judge "others" according to group traits (e.g., stereotyping). These two perspectives suggest that diversity's effect on teams is negative, because it makes social processes more difficult. On the contrary, demographic research in team composition showed that team similarity is positively associated with team effectiveness and interpersonal attraction (Hambrick & Mason, 1984; Tsui et al., 1992). Thirdly, according to information-processing theory, diversity brings different contributions to teams. A diverse team thus covers a broader territory of information, taps into a broader range of networks and perspectives, and can have enhanced problem-solving, creativity, innovation, and adaptability (Ancona & Caldwell, 1992; Blau, 1977; Cox, 1994; Cox & Blake, 1991; Jackson, 1992; Katz, 1982; Pfeffer, 1983; Watson et al., 1993; Weick, 1969). From the statements above, one can say that cultural diversity has both a negative and positive impact on team performance. It has a negative impact on team performance, because people tend to agree and easily communicate with colleagues who share the same beliefs and who are believed to be part of the same group. In other words, the communication and the share of ideas will be more difficult in multicultural teams compared to monocultural teams. The different values and norms among people from different cultures make difficult to find a shared platform or a common approach (Maznevski, 1994). This could affect and alter the process of communication, the team members should put an extra effort in order to explain their point of view or to understand different points of view, and in many cases, in these situations, the conflicts arise. It has been demonstrated that conflicts (no matter their type) affect the performance negatively (De Dreu & Weingart, 2003). In addition, the difference in perception of people coming from different culture also affects the way in which the tasks are prioritized, interpreted and dealt with (e.g., Walsh, 1988;
Wiersema & Bantel, 1992. On the other hand, a team who gathers individuals from many countries has a larger range of connections, dispose of a wider perspective, which will help the team to solve urgent issues quickly. One of the advantages of a team composed of people with multiple cultural backgrounds is the disposal of different talents and perspectives.

To clarify cultural diversity's effects on team performance, a model had been proposed, that categorizes these variables by whether they are associated with divergence or convergence (Earley & Gibson, 2002), and whether they lead to process losses or process gains (Steiner, 1972). Cultural diversity tends to increase divergent processes. Divergent processes are those that bring different values and ideas into the team and juxtapose them with each other (Canney Davison & Ekelund, 2004). Through the similarity-attraction and social categorization mechanisms, the differences are likely to be recognized, rather than going unnoticed or ignored. Some divergent processes contribute to the group performance positively - that is, they create process gains. They are important in enabling the team to achieve more than individual members could, working on their own. Examples include brainstorming and creativity (Adler, 2002; Cox, 1994). Divergent processes can also decrease the group’s performances, if the differences are seen as detracting from the team’s purpose or progress. A divergent process which creates a process loss is conflict. Cultural diversity tends to decrease convergent processes. Some convergent processes contribute positively to group performance, and help the group achieve a single group outcome. These positive processes include communication, or the sharing of common meaning, and social integration, or the development of group cohesion, commitment, and identity. Other convergent processes contribute negatively to group performance because they make the group closed to dissent from within or new information from without, when the new information is important to achieving a high-quality decision. One example is groupthink (Janis, 1972), or the premature concurrence-seeking tendency that interferes with effective group decision-making.

Creativity is an important component of innovation (e.g., O'Reilly, Williams, & Barsade, 1998), and can increase performance. Creativity is clearly a divergent process, and the creative benefits of heterogeneous team compositions have been supported by numerous studies (e.g., Cox & Blake, 1991; Doz, Santos, & Williamson, 2004; O'Reilly et al., 1998). Because cultural differences are associated with differences in mental models, modes of perception, and approaches to problems, they are likely to provide strong inputs for creativity. The creative benefits of heterogeneous team composition come from the new ideas, multiple perspectives, and different problem-solving styles that members bring to the team (Adler, 2002; Cox & Blake, 1991; O'Reilly et al., 1998).

To sum up, the effects of cultural diversity on team performance are complex and also have a positive and a negative impact. The negative impact includes conflicts, communication problems due to the divergent opinions and ways in which the work processes are perceived in different cultures, reticence in accepting an idea from someone who belongs to a different group. These disadvantages are balanced by the benefits brought by cultural diversity, such as: multiple perspectives, a wide area of connections and a multitude of skills and competences, which will bring to new ideas and better results. Also, inside a team composed of members with
different cultural backgrounds, every idea is usually discussed and analyzed. This process of brainstorming has a positive role in adopting the best solution.

Next, a case study will be presented, in order to point out whether the monocultural teams or the multicultural teams which operate in the tourism field are better in terms of performance.

3. METHODOLOGY

The method used for collecting the data was the survey method, and the instrument used was the structured questionnaire. The questionnaire was addressed to the direct managers of the employees, and was composed of 7 items used for measuring the performances of the 30 teams for a month. The questions were chosen by the researcher based on the discussion with the managers, and the main aspects taken into consideration were the items on which the managers based their evaluations: To what extent did the employees of your team achieve the monthly target?, To what extent did the employees of your team respect the allocated time for each task?, To what extent did the employees answer the customers’ complaints in the current month?, Appreciate the extent to which the employees of your team contribute with new ideas to the improvement of the activity/process in order to obtain better performances in the current month?, Appreciate the extent to which the employees of your team communicate with other team members in order to solve work issues (from a scale from 1 to 5) ?, Appreciate how well your employees communicated with other team members?, Appreciate to what extent each employee of the team contributed to the global performance in the current month? (scale from 1 to 5). For interpreting the results, a Likert scale with 5 degrees was used, where 1 corresponds to the lowest level and 5 to the highest level. The questionnaire also contained identification questions, in which the respondents had to complete data about their employees: the average age, the level of studies, the percentage of male and females.

The sample was composed of 30 teams: 15 teams composed of team members with the same nationality (Romanian), and 15 teams composed of teams members with different nationalities (people from Senegal, Spain, Poland, Portugal, France, Italy, Romania). From the point of view of work tasks, the 30 teams shared similar characteristics: the main characteristics consist in offering support via email/phone to the clients for purchase touristic packages. The related activities included: identifying the client, the client’s demand, the best offer, offering information about the payment and the cancelation policy. Concerning the number of members in each team, one can conclude that the teams have approximate the same number of members varying from 8 members (a monocultural team) to 14 members (a multicultural team). Inside the monocultural teams, the percentage of males and females was: 90% women, 10% men, and in multicultural teams, the percentage was 80% women, 20% men. The average age was 30 years for the monocultural teams, with women having ages between 21 and 39 years old, and men being 20 to 35 years old; in multicultural teams the average was 35 years, with women being between 20 and 45 years old, and men being between 21 and 43 years old.

Regarding the studies, in monocultural teams, the situation is: 50% of the respondents have bachelor degrees, 25% have master degrees and 25% have highschool degrees. In multicultural teams, 50% have highschool degrees, 35% bachelor degrees and 15% master degrees. In conclusion, one can say that people who offer support in tourism are especially women, aged
between 20 and 45 years old, having highschool and bachelor degrees. Men who work in this field are between 20 and 43 years old, and are less encountered. One of the reasons of the reduced number of men in this field is: men are less empathetic than women, so it is harder for them to identify the client’s needs, they speak less, so it would be difficult for them to present all the offers to the clients in order for him/her to choose the best offer. Another explanation of the reduced number of men could be that men in general decide to work in jobs which require logical and mathematical abilities such as engineering (technical fields). One can observe that people working in the field of tourism consultancy could be younger (starting with 20 years old), that explaining the big percentage of population with highschool degrees. The majority of young people are students.

The hypothesises of the present reasearch are mentioned below:

Hypothesis 1: The monocultural teams obtain better performances than the multicultural teams.
Hypothesis 2: The members of monocultural teams do not help each other when it comes to solving a problem and they are less ready to communicate with their colleagues in order to solve work issues.
Hypothesis 3: The multicultural teams register a higher contribution in creativity and inovation, which helps on improving the general activity
Hypothesis 4: The communication inside the monocultural teams is more efficient compared with the communication inside the multicultural teams (in multicultural teams could appear barriers related to the language, it’s possible that the foreign employees to misunderstand some words or phrases, depending on the cultural context, it’s possible to waste time to explain some meanings to the foregin employees).

4. RESULTS

Based on the results, the graph 1 was realized, in blue is the performance obtained by the 15 monocultural teams for each of the 7 items, in red is the performance of the multicultural teams:
Graph 1: The performances of monocultural and multicultural teams based on the 7 items

Source: Graph realized by the author based on the results obtained

Analizing this graph, one can notice that the monocultural teams are better when it comes to solving the clients' complaints, compared to multicultural teams, which obtained a lower score on this index (4,1, respectively 3,6). This happened because inside the monocultural teams exists a good communication and cooperation (score 4 obtained by the monocultural teams, compared with a 3,4 score obtained by the multicultural teams). From here, one can say that the teams composed of members of the same nationality communicate better and are ready to help each other when needed. In comparison, the members of multicultural teams are more individualist and they are not always in the mood to help their colleagues. An explanation could be that every employee wants to demonstrate that he/she is the best, in this way he/she will gain the respect and sympathy of the colleagues.

On the other hand, the multicultural teams obtained higher scores when it comes to new ideas that improve the activity and the process. Because the team members have different backgrounds, the way in which they pertain to workplace issues is different. Therefore, every employee could come with an innovative idea which will contribute to the improvement of the overall activity, whether it is about reducing the time allocated for solving a client's complaint, or for solving a problem that occurred. In comparison, the monocultural teams tend to be less creative and the tendency of follow the group thinking is higher (a unilateral approach of a certain issue). Besides, the multicultural teams possess a better communication among their employees. One of the possible explanations could be people's curiosity to find out and interact with other cultures, that is the reason why the communication process among team members is more emphasized (according to the managers' assessments). Even if the communication process inside the teams composed of people of different nationalities could be a challenge, due to the semantic and language barriers encountered, the results of this research, indicated

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the contrary. All the same, when it comes to helping each other for solving a work issue, the members of multicultural teams are more reluctant in asking their colleagues to help them, probably because they are afraid they could be rejected or they would be perceived in a negative way.

As for the productivity, the employees of the multicultural teams obtained higher scores, when it comes to reaching the monthly targets (4 points for the multicultural teams, and 3.5 points for the monocultural teams). One can appreciate that the members of multicultural teams are more focused on achieving the targets, compared to the team members of monocultural teams. The managers should think the management strategy in order to motivate the romanian employees to be more implicated in the work tasks.

As for the allocated time for solving the work tasks, both the monocultural and the multicultural teams obtained equal scores 3.7 points, which means that on average, the teams respected the time designated for each task.

Globally, the performance of the multicultural teams is higher compared with the performance of monocultural teams, as one can observe from the graph 2, presented above. There is a small difference between the average performance obtained by the multicultural teams and the average performance of monocultural teams:

**Graph no. 2: The Monthly Performances of Monocultural and Multicultural Teams**

![Graph](image)

*Source: Graph realized by the author based on the results obtained*

As for the initial hypothesis, one can say that:

1. The hypothesis 1 is false, the multicultural teams obtained a higher performance score than the monocultural teams
2. The hypothesis 2 is false, the members of monocultural teams are rather prepared to help each other on work tasks than the team members of multicultural teams, which are more reluctant when it comes to offering their help
3. The hypothesis 3 is true, the multicultural teams are more creative than the monocultural teams.
4. The hypothesis 4 is false, it was demonstrated that the communication process is more intense inside the multicultural teams, because people are curious to know and interact with other cultures; one can not state the communication process is strictly related to work (taking
into account the way in which the team members of multicultural teams help their coworkers, the conclusion is that the communication among them is not related to work.

Analysing the average of both the performance of multicultural and monocultural teams, one can say that the performance of the monocultural teams is less higher than the performance of multicultural teams ($x_{monocultural\ teams} = 3.51$ compared with $x_{multicultural\ teams} = 3.6$ points).

Inside the monocultural teams, 50% of the 15 teams obtained performances below the value of 3.7, and 50% obtain performances above the value of 3.7 (the median value $\tilde{x}$ is 3.7). In multicultural teams, the median value $\tilde{x}$ is 3.6, that means that 50% obtained performances under this value, and 50% obtained performances above this value.

The statistical dispersion in monocultural teams is $\sigma^2_{monocultural\ teams} = 0.467$ and in multicultural teams is $\sigma^2_{multicultural\ teams} = 0.084$. It was calculated the standard deviation for both type of teams. Hereby, the performance of each monocultural team deviates from the average with 0.684 points/team ($\sigma_{monocultural\ teams} = 0.684$), while the performance of the multicultural team deviates with 0.291 points/team ($\sigma_{multicultural\ teams} = 0.291$). A variance coefficient of 19.48% ($Cv_{monocultural\ teams} = 19.48\%$) in the monocultural teams, signifies that the chosen sample is homogeneous from the point of view of the performance variable, and also, the average of the sample is representative from statistical point of view ($Cv\leq35\%$). The variance coefficient for the multicultural teams is 8.08% ($Cv_{multicultural\ teams} = 8.08\%$), which means that the average is representative and the sample chosen is homogeneous. The average error of representativity has lower values for both monocultural teams ($\mu_{monocultural\ teams} = 0.033$), and also for multicultural teams ($\mu_{multicultural\ teams} = 0.006$). Both values are <5%, which means that the samples are representatives and represent a copy of the reality.

5. LIMITATIONS AND FUTURE ACTIONS

The managers were reluctant in answering the questionnaires, because they were busy and also they wanted to keep a confidentiality of the data referring to the employees.

It was not easy to find the tourism companies with a medium number of employees, because the majority of the tourism companies on the Romanian market are small companies with maximum 3 employees, and it was also difficult to find multicultural teams.

As future actions, the study should be extended for a longer period of time: it would be indicated to measure the performances at 6 months/ a year (then to measure the performances once a year for 5 years in a row), to see the evolution of team performances in time, and to establish a forecast.

A study should be conducted on the influence of some specific variables such as the team size, team tenure, the complexity of the tasks, the influence of team members who come from the collectivist culture/individualistic culture, the influence of personal relationship on cultural diversity, which will influence the team performance.

6. CONCLUSIONS

The conclusions of the previous studies on the relationship of cultural diversity on team performance are contradictory. They showed that cultural diversity plays also a positive and a negative role on team performance. The teams composed of members of different nationalities
will benefit of a wide area of connections, ways of finding diverse solutions, gains in creativity, which on long term, are going to help the companies to remain competitive on the market. In today’s economy, where the companies struggle to remain on the market and the resources are limited, finding innovative solutions could be the key to any business success.

On the other hand, people seem to communicate easier with people who are categorized as being part of the same group, with whom they share similar ideas and values. It is more probable that an idea that comes from a team member of the same cultural group to be accepted, than the idea of someone who is part of another cultural group. People tend to easier agree with other team members who they perceived as being part of the same group rather than of another group. An explanation for this is the common language—the words and sentences play the same meaning for people who share the same cultural background. Also, the context they are talking about is similar or identic. In other words, from this point of view, the cultural diversity makes the communication process inside the team more difficult, extra time will be spent to give further explanations, one can say the the cultural diversity has a negative impact on team performance.

Despite of that, some dangerous processes could happen inside teams that share a common cultural base and that are strongly cohesive. Researchers demonstrated that the monocultural teams are more efficient, because their members communicate better and they are more disposed to help one another. Nevertheless, an imminent danger that could appear is the process of group thinking: one person presents an idea, and the others will tend to agree with him/her without critically analysing it. A bad idea could cost the company money and on long term, will reduce the company’s profit. That is the reason why, when an idea is presented, it is better to analyze it in brainstorming sessions. The process of group thinking appears more often in teams that share similar values and beliefs, so one could conclude that there is an example of how cultural diversity has a positive impact on team performances: an idea which is presented inside a multicultural team, will probably pass a brainstorming session to conclude whether is a good or a bad solution on a certain circumstance.

Concerning the case study, the conclusion was that the multicultural teams register higher scores in terms of performances, but the differences are small. Also, the study suggested that the members of monocultural teams are ready to offer their help to their colleagues on work tasks, compared to the team members of multicultural teams that are more focused on solving their work tasks than helping their colleagues.

The communication is more intense inside the multicultural teams, but it is not sure that team members do neccesarily communicate on work issues.

The multicultural teams are more creative and innovative, they come up with new ideas and perspectives that in time will help the companies to gain advantages on the market.

It was demonstrated that both samples of monocultural and multicultural teams represent an accurate image of the reality. People who are working in the toursim companies and who offer support are in general women, aged between 20-45 years old, having bachelor and highschool degrees.

This research could represent a starting point for future studies on this topic. Future researches could focus on the impact of different variables such as team size, team tenure, the complexity.
of the tasks, team members who come from the collectivistic culture/individualistic culture, personal relationship, on cultural diversity and team performance. Also, it will be indicated to extend the study to a longer period of time such as: 6 month/a year/5 years and to keep the same teams for observation. The researcher could see if the team performances will change in time, and if yes, he/she could notice which are the variables that contributed to this variation. The study could be also extended to other fields, and the results could be then compared to see if the cultural diversity has the same impact in other fields of activity.

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