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Leading Multicultural Teams: Case study of XYZ

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Declaration of Authenticity

I hereby declare that the Master's Thesis presented herein is my own work, or fully and specifically acknowledged wherever adapted from other sources. This work has not been published or submitted elsewhere for the requirement of a degree program.

In Prague, 1st of August 2016

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Signature

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Abstract:

The main objective of the thesis is to analyze the topic of leading multicultural teams, with a specific attention to the particular example of the company XYZ; and answer the research questions with the gathered data and construct recommendations. The theoretical part provides a comprehensive overview of the concepts of multinational corporations, teams, multicultural teams and leadership. The assumptions derived from the theory serve as a base for the following empirical part, where the theoretical research is completed with a qualitative study. The qualitative study was conducted in cooperation with the company XYZ and professionals working directly in the multicultural teams were interviewed. By combining the findings from both theoretical and empirical part, many of the assumed benefits, especially the increased creativity, of the multicultural teams were confirmed. However, the negative aspects were identified as well, with the more difficult communication above all.

Key words:

Team, Multicultural Team, Leadership, Leading multicultural team, Culture, Multinational corporations

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List of Abbreviations

FDI	Foreign Direct Investment
MNC	Multinational Corporation
GLOBE	Global Leadership and Organizational Behavior Effectiveness
SMART	Smart, Measurable, Agreed upon, Realistic, Time-based
MBTI	Myers-Briggs Type Indicator
II	Idealized Influence
IM	Inspirational Motivation
IC	Individualized Consideration
IS	Intellectual Stimulation
LVI	Leadership Versatility Index
CMDS	Contrast Media and Delivery Systems
R&D	Research and Development
EMEA	Europe, the Middle East and Africa
HR	Human Resources
MLQ	Multifactor Leadership Questionnaire

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1. Introduction

One of the most frequently mentioned expressions in the current business world is a "leadership" and everyone seems to be aware of the importance of having the good leaders on board. Only if you type the world "leadership" into the Google, more than 613,000,000 of results are found. The increasing attention to this issue is also reflected in the academic world examining and studying various leadership related aspects.

However, the fact that the world is becoming flatter due to the globalization making the world interconnected, causes the extremely high rate of changes globally, which results in the need for constantly evolving new theories and approaches. For that reasons, the leadership theories originating in the second half of the 20th centuries are often replaced with more modern models, although they still serve as the base or roots for the new approaches.

Furthermore, the globalization also influences other traditional concept – a team, by forming new ways of cooperation and communication alongside with the new types of team forms and arrangements. Such teams are often composed of people from various countries interacting together on the daily basis, making the team environment very multicultural and international, which brings the new challenges for the leader. By recognizing how such intercultural teams differ from the traditional teams, the team leader may adjust the leadership style in order to provide an effective guidance and drive the organization to better results and performance.

Adapting the leadership style in the multicultural teams has to take into account various aspects and expectations. First and foremost, the team members do not share the cultural background, which results in distinct patterns and behaviors in the workplace. The members coming from various environments also differ in their perceptions, ideas and understandings, which is often reflected in diverse views on the leadership itself. It is often suggested, that the roofing element is then a communication, which makes the multicultural team work very beneficial if handled well, or disastrous if managed poorly.

Even though the Czech Republic is not open economy as long as some other western countries, the post-revolution boom and European Union entry caused the increasing interest of foreign companies, often acquiring and establishing entities there due to many factors, such as cheap labor force, educated population and convenient location in the heart of Europe. Such companies offer many working opportunities for not only local people and attract employees from all around the world, making the issue of multicultural teams in the Czech Republic more and more relevant each year.

On that account, together with various personal experience from multicultural teams in Europe, United States of America and Asia, I decided to devote my thesis to the topic of multicultural teams, focusing on specifics of the team work in international environment and various aspects of leadership in such non-traditional teams, with the aim to identify the key issues arising with regards to intercultural team work.

1.1   Research objectives

The primary objective of the thesis is to review the literature and provide the summary of the concepts related to the multicultural teams and associated leadership issues, together with the practical implication studying the application of the theoretical frameworks in the real business team work example. By comparing the theoretical models with the actual opinions and experience of people familiar with the concept of multicultural teams, the aim is to come up to conclusion regarding several identified research questions.

Pharmaceutical industry is currently one of the biggest industries worldwide with the increasing rate of development, where companies are present on global markets and serving either directly or indirectly various geographical locations (EFPIA, 2014). Such complex operations call for highly skilled teams, which are very often composed of people with different cultural origins. For such reasons, the industry and multinational companies existing in it, serve as a business case study to analyze. The company XYZ is one of the leaders in their area of business and their structure is very diverse in terms of cultural background, which makes it very suitable for building the empirical study upon.

The thesis analyzes the concept of culture and especially the variations among national cultures, which may affect the other concept studied – the team. The international cooperation brings various advantages, but also several challenges that have to be taken into account. The main goal of the thesis is to examine the effect of the

cultural background on the effective cooperation and performance of the team, hence the dual objectives can be defined:

1) Research and sum up the concepts of the team with focus on the multicultural teams and their leadership.
2) Examine the multicultural team in the XYZ and its cooperation, and construct recommendations, based on both empirical findings and theoretical conclusions.

Through the analysis of theoretical part and assessment of the empirical study, the following research questions should be answered:

- What are the advantages of multicultural team work?
- What are the disadvantages of multicultural team work?
- Based on the research findings, is the transformational leadership convenient to effectively lead multicultural teams?
- Is the culture the main factor influencing the team work in the multicultural team?
- How effective is the multicultural team work in the XYZ compared to the theory?
- How to improve the multicultural team work in the real life situation?

The following subchapter defines how the research questions were achieved and confirmed/rejected.

1.2   Research methodology

In order to attain the defined objectives, answer the research questions, the synthesis of theory and empirical research was used.

During the first stage, the secondary data concerned with the topic were analyzed in order to gather the deep knowledge from a previously done research. In this phase, the in-depth literature review was conducted by examining various books, studies, scientific articles and other publications from the researchers and scholars across various countries, which provided the basic framework for the further field research.

Second, the practical case study was performed, and the research was divided into three main parts. Firstly, the preliminary research was done in the target company, examining the data published online and internal information provided by the company, which was completed with the personal observations gathered during the internship and visits in the organization. The second part of the empirical study involved the qualitative research, when 13 professionals within the organization were interviewed, which was followed by the survey distributed online among the same target group, where more specific questions were asked in order to verify the findings derived from the qualitative interviews. In addition, the team members completed the team role test developed by Belbin (Fraser & Neville, 1993), which helped to analyze the team composition regarding the team roles. In order to identify the leadership style of the team manager, the Multifactor Leadership Questionnaire created by Bass and Avolio (Bass & Avolio, 1995) was filled in by the team leader.

Interview participants

As mentioned above, the qualitative research was conducted in cooperation with 13 employees working for the XYZ. The respondents were selected due to their direct experience with the international team work and daily contact with colleagues from various countries. All interviewees cooperate together within the scope of one team providing customer support and hence should have comparable experience with the issue of multicultural teams. The respondents come from 11 different countries (Czech Republic, Belgium, Spain, Italy, Sweden, France, United Kingdom, Costa Rica, Poland, Russia and Turkey), which enables the provision of complex overview of experience, perspectives and opinions.

Interview questions and data analysis

The questions were developed according to the findings from the literature review. They have an open-ended character in order to let the interviewees talk and discuss without providing any directions, which allows to reveal information about the causalities and behaviors. The questions were as follows:

1. How would you briefly describe your nationality from the working perspective?
2. What kind of different characteristic can you see in different nationalities you are working with?
3. What are the advantages of working in multicultural teams?

4. What are the biggest challenges of working in multicultural team?
5. What kind of differences do you see when communicating with colleagues with different cultural background?
6. Could you describe your experience with any kind of misunderstanding caused by different cultural background?
7. Do you prefer to work in multicultural team or in homogenous team and why?
8. Have you received any training about multicultural teamwork, and if yes what type?
9. How would you describe a leadership style of your manager?

The research method used was personal interviews, which were transcribed in the next stage, analyzed all together and coded for the further interpretation, and presented in the research report.

The online survey was composed of seven questions with numerous subquestions. The majority of questions have a format of semantic differential scale, where the respondents indicate a level of agreement with the statement, multiple choice questions or nominal scale questions. The form of the questionnaire can be found in the Appendix I.

Taking into account both theoretical and empirical part, the recommendations were concluded from the analyzed data and revealed information, together with answering research questions. To conclude, the limitations of the survey are drawn and the recommendation for further research are given.

1.3   Structure of the thesis

The paper is formed by three key parts, which reflect the research objectives and methodology as described above. After the current chapter, which serves as an introduction to the topic and gives a base for the work as a whole, the theoretical background is provided by the literature review of three main pillars of the thesis: multinational corporations, including the part related to the culture, and teams, multinational teams and leadership. The chapter elaborates on the most important models and frameworks and sums up the essential conclusions.

The theoretical part is followed by chapter 3, where the theory is completed with the empirical study, which explains a practical application of the theoretical

concepts. The study was conducted in the company XYZ, and the chapter starts with the overview of the company and closer introduction of its Customer Service team, which is followed by both qualitative research and survey analysis.

Chapter 4 is formed by discussion and recommendations, encapsulating the most relevant findings from both theoretical and practical part leading to recommendations and answers of the research questions. Furthermore, the implications and limitations of the thesis are scrutinized and suggestions for further research are proposed.

Finally, the overall conclusions derived from all the chapters are presented in the chapter 5 giving the inherent closure of the paper. The conclusion is followed by the bibliography and the appendices. The thesis is structured for the easy and natural navigation through the text, facilitating the orientation in the topic and moving across the chapters and concepts.

2. Theoretical background: Literature review

This chapter of the thesis summarizes the findings from the literature, which was written by the researchers globally in relation to the topic of the thesis. The main objective of this part is to provide the theoretical base, which will be used in the following chapters during the empirical study as well as discussion and recommendation.

As the topic is leading multicultural teams, the first part of the chapter is devoted to the multinational corporations, which are the biggest source of the multicultural teams. After defining the concepts and types of the multinational corporations, the focus is given to the culture, firstly in the organizations and secondly from the national point of view, paying attention especially to various cultural dimension and its characteristics.

The second and most complex theoretical part discusses the concept of the team, explaining the most significant characteristics, development and forms, which is followed by factors making the team efficient and valuable for the organizations. This section is followed with the summary about multicultural teams focusing mainly on its specifics.

The final theoretical section describes the leadership issue, explaining the concept and the most relevant theories and models.

2.1   Multinational corporations

Over the last 30 years, there has been a growing trend of interconnecting the economic activities, which caused the companies to develop themselves from locally rooted organizations into globally present enterprises (Sethi, 2012). The phenomenon of globalization made a world extremely small and interdependent due to the technological and economic factors, whose significance has been increasing over millennia (Gabel & Bruner, 2003). Global foreign direct investments (FDI) have reached almost 1.5 trillion in 2013 with the increase in both developed and transition economies (UNCTAD, 2014). Since it is estimated that more than one third of the global trade has been made by multinational corporations (MNCs), the role of such organizations has been becoming more and more important in today's world economy (Jensen, 2006).

2.1.1   Concept of MNCs

The concept of MNCs emerged thanks to two main reasons: market failure and unequal distribution of resources among geographic regions, which caused that originally national companies became owners of assets unavailable for other companies in foreign markets. This phenomenon led to the exploitation of such assets rather within the firm, but across borders, than selling them to external parties (Gooderham & Nordhaug, 2003).

The MNCs are defined as a business enterprises having control over the activities in more than one country, that are also engaged in activities involving FDI (Spero & Hart, 1990). MNCs differ in the extent of their multinational activities, depending on the number of countries they are operating in, and also in the extent of the transfer and replication of organizational practices among countries (Lazarus, 2001). In general, the MNCs are formed at locations with the highest rewards together with smaller risks, when both are influenced not only by economic and financial factors, but also by conditions such as market potential, availability of resources, level of infrastructure or cultural proximity, which all together affect the mode of entry into foreign market (Mead, 1998

2.1.2 Forms of MNCs

While considering expanding the activities into the foreign markets, the MNCs have to choose an entry strategy, which might be either non-equity or equity, with possibility of overlapping individual modes or simultaneous use of more entry strategies at time. The forms of entry are divided as following (Gooderham & Nordhaug, 2003):

1. Non-equity modes:
    - Exporting
    - Licensing
    - Franchising
    - Contract manufacturing and service provision
2. Equity modes:
    - Joint ventures
    - Fully owned subsidiary

The selected mode of entry depends on the target country, and the organizations need to take into account market specifics, especially market risks and other environmental conditions related to the company's entry, as well as thoroughly thing out how the market can be best served. Each strategy involves particular risks and benefits, and suitable mode of entry must be chosen in order to comply with overall business mission and vision (Deresky, 2008).

Exporting presents the least risky option of an international expansion suitable for companies with limited capital resources since it requires little investment, however it is essential to access or develop reliable distribution channels (Gooderham & Nordhaug, 2003). Export strategy is typical for smaller and medium companies, whose objective is to extend the business while investing little resources (Machková, Král, & Lhotáková, 2010).

Licensing is a strategy of doing business in foreign markets without being the majority shareholder of the foreign subsidiary. Licensing is the process of providing the right for legally protected intellectual property in forms such as trademarks, patents or copyrights in exchange for licensing fees or royalty payments (Spero & Hart, 1990). Licensing is suitable business strategy for both mature companies facing intense competition, and small organizations with limited resources to invest abroad (Deresky, 2008).

While majority of people connects franchising only with restaurants and fast food chains, franchising strategy has developed into commonly used business format across countries and industries (Gandhi, 2014). Although the definition of franchising varies across disciplines, it can be defined as a business relationship based on contract agreement that allows the franchisee to exploit successful business model of another subject in exchange for some sort of payment (Spencer, 2013).

Contract manufacturing and service provision is a common tactic of producers seeking lower costs of production, and hence contracting out manufacturing activities to low-cost countries such as China or Thailand. Such business strategy is not beneficial only in terms of costs, but also in terms of low investment and no need for local ownership. However, organizations taking advantage of such strategies may be accused of abusing and exploiting local resources, especially local inhabitants (Gooderham & Nordhaug, 2003).

Creating a joint venture implies much higher investment and thus involves higher level of risk (Gooderham & Nordhaug, 2003). Generally, joint venture is a

separated legal entity created by investments from at least two companies, while neither of the companies is a majority owner (Shenkar & Zeira, 1987). Such a partnership is convenient for markets with higher uncertainty, businesses with large capital investments or for mature organizations seeking for new entrepreneurial spirit (Bamford, Ernst, & G, 2004).

The highest risk is involved in a strategy of setting up a fully owned subsidiary, when company possesses the total control over all operations of the foreign firm. The parental organization can either start a business from scratch, in form of Greenfield investment, or acquire already existing business (Deresky, 2008).

No matter whether the expanding company decides to follow low risky options or develops strategies involving great level of uncertainty, they have to consider the impact the expansion would have. Such business extension may bring new cultural elements influencing the way how business is done and how the firm is managed. It is critical for companies to understand the effect of various cultural differences on organizational culture in order to create a true competitive advantage over its rivals.

Figure 1: Complex hierarchical model of choice of entry modes
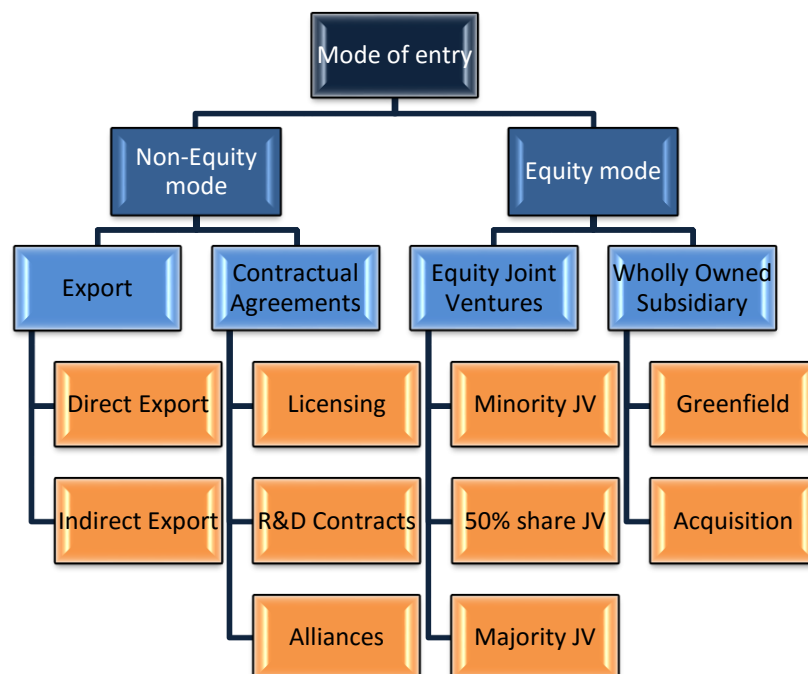
Source: Compiled by the author, based on: Deresky, H. (2008). *International Management: Managing Across Borders and Cultures* (6th ed.). New Jersey: Pearson Education.

2.1.3 Corporate Culture

Defining corporate culture is a difficult task, as many researchers have focused on specifics subjective to particular organization, while others highlight the scientific approach and compares various organizations. Moreover, corporate culture involves a variety of intangible elements, which differ a lot from industry to industry and across organizations, companies, institutions and groups (Deresky, 2008). However, most of the definitions stress out the sum of perceptions that evolved in the specific organization (Mead, 1998).

Such perceptions include organizational beliefs, attitudes and values, which are shared by the members of the firm and help them to understand their role within it (Hodgetts, Luthans, & Doh, 2006). Organizational beliefs include certain security that something exists in the company. Organizational attitudes are explicitly communicated through mission, vision or rituals, and give the idea about how things should be. Finally, organizational values also state how things ought to be, however they are assumed by the members of an organization and are not communicated clearly. As values are unconscious, they create the deepest layer of the organizational culture, and as such are stable over the time and very difficult to change. (Mead, 1998). Corporate culture connects members of an organization, strengthens cohesion and hence is a strong contributor to the company success (Woolliams, 2012).

All of the above mentioned implies various characteristics related to the organizational culture that can be observed by the external parties. Members of an organization often evince similar behavior expressed by a common language or rituals. Organizational culture also creates firm's norms, including distribution of work and level of employees' collaboration, as well as rules stating what behavior is desired and what is not. Additionally, organizational culture is reflected in corporate philosophy and thus affects also corporate atmosphere and climate (Hodgetts, Luthans, & Doh, 2006).

In addition, corporate culture influences the structure of the firm, especially three main elements: relationships between company employees, hierarchical structure defining who possess the power in the organization, and the general perception of the firm's future and purpose (Trompenaars, 1993). The first two points relate to the managers' influence through the relationships between management and employees and by controlling the structures and systems. Nevertheless, the third point cannot be manipulated by managers since the perception of employees cannot be controlled and

may not be in accordance to what the company's management tries to evolve (Mead 1998).

Organizational culture is formed by many factors, and it is important to take into consideration that not only institutional factors play a role in the process. One of the biggest elements affecting corporate culture is the national culture, more specifically differences among various cultural societies. Although it is often assumed, that corporate culture may decrease the effect of national culture, the contrary may be true and employees bringing their own cultural values into the organization may impact the corporate culture significantly, which results in different corporate cultures of a single organization across the countries (Hodgetts, Luthans, & Doh, 2006). In fact, since the corporate culture evolves together with the national culture over the time, it is difficult to keep them separated (Schneider & Jean-Louis, 2003).

2.1.4 National Culture

Defining culture is difficult due to the complexity of the issue. In the broadest sense, culture relates to the outcome of human interaction, however more specific definition describes culture as: "*acquired knowledge that people use to interpret experience and generate social behavior.*" (Hodgetts, Luthans, & Doh, 2006). People within the same culture share the same assumptions and understanding about the world, values, beliefs and patterns of behaviors towards others (Deresky, 2008). Culture is always connected with only one human group, which implies that different human groups have different cultures and hence reacts to a similar situation in a different way (Mead, 1998). Also, culture is learned, usually unconsciously, and one generation passes it to another, which causes that culture is deeply rooted in all individuals (Deresky, 2008).

Since the world comprises of variety of cultures, it is essential for organizations to understand the effect of the culture on the corporate culture. As culture impacts the way people behave and think, it can be mirrored in the managerial attitudes, employee ideology, technology transfer, and generally in relationships both within and outside of the company (Hodgetts, Luthans, & Doh, 2006).

Cultural diversity – comparing cultures

Managers in the multinational corporations have to be aware of the cultural composition of their teams and work with it accordingly, as the cultural background of team members affects how individuals work, communicate, deal with problems or

resolve conflicts. However, analyzing the culture individually is not sufficient since it does not project the differences among cultures. Rather, they should use comparative models including analysis of how employees with different cultural backgrounds interact with each other (Mead & Andrews, 2009). Nevertheless, it is important to take into account that our observations cannot be generalized automatically over the whole pool of employees from the same culture, as not all individuals behave strictly according to their cultural profile (Dumetz, 2012).

Several researchers have already studied a topic of comparing cultures. Among the most popular frameworks analyzing cultural subparts (i.e. dimensions) can be found models of Kluckhohn and Strodtbeck (1961), Hall (1976), Hofstede (1980), Trompenaars (1993), Schwartz (1994, 1999) or the most recent study called GLOBE (2004). Since the scope of this thesis does not allow me to go into a big detail, I will analyze only the work of Geert Hofstede and the GLOBE project.

Hofstede's Cultural Dimensions

Dutch researcher Geert Hofstede has examined the topic of cultural dimension during the study conducted in cooperation with IBM[1]. He gathered the data from more than 116,000 respondents from 70 countries (Hodgetts, Luthans, & Doh, 2006). As a result, he identified five work-related dimensions: power distance, uncertainty avoidance, individualism-collectivism, masculinity-femininity and time orientation - long-term vs. short-term (Migliore, 2011).

Power distance examines, how unequal distribution of power is accepted by the members of society (Deresky, 2008). Power distance analyses the inequality among humans and is mirrored in areas such as wealth and prestige (Huettinger, 2008). In societies with low power distance index, inequality is not accepted and an effort to minimize it is produced, which results in flatter organizations with flexible structures and collective decision making (Cassell & Blake, 2012). On the contrary, high power distance countries value autocracy and less consultative style of work (Rinne, Steel, & Fairweather, 2013).

Uncertainty avoidance refers to the level at which the members of society feel uncomfortable with the ambiguity of the situation and uncertainty about the future (Hofstede & Minkov, 2010). Low index of uncertainty avoidance expresses tolerating ambiguous and thus fearsome situations, willingness to take risk and less effort to "beat

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[1] www.ibm.com

the culture", which leads to lower anxiety and stress (Mead, 1998). By contrast, high uncertainty values formal rules, loyalty and strong control over the environment, while avoiding conflicts and risky situations (Huettinger, 2008).

Dimension describing individualism and collectivism examines the social interaction between the group and individual, and analyses whether the culture is built on actions of individuals or groups (Cramer, 2015). Individualistic culture is centralized around individual units and focuses on their uniqueness, objectives and personal control over their actions (Bryant, 2003). In individualistic cultures, individuals have to depend on their own resources while achieving objectives and satisfying needs (Mead & Andrews, 2009). On the other hand, collectivism values the feeling of belonging into a group and dependence on each other, and the primary motivation of individuals is rooted in group objectives (Yu, 2014).

Masculinity/femininity dimension indicates the extent to which members of society appreciate either masculine or feminine values (Schneider & Jean-Louis, 2003). High level of masculinity implies that society esteems traditional values, such as assertiveness, materialism, ambitions and competition, with focus on performance and growth (Cross-Cultural Management and Emerging Markets Center , 2012). A society with feminine values, on the other hand highlights relationships, general welfare and quality of life (Deresky, 2008).

The last dimension, long-term/short-term orientation, was developed later during a research in 23 countries (Deresky, 2008). It observes the orientation towards life in terms of time (Mead & Andrews, 2009). Moreover, it describes how societies connect their own past while handling todays and future challenges (Hofstede & Minkov, 2010). Long-term preference is reflected by lower urgency, long-term view on life, leading to the stress on building relationships (Steenkamp & Geyskens, 2012). Contrarily, short-term orientation focuses on present and points out quick results and openness to changes (Cassell & Blake, 2012).

Even though Hofstede's model is considered to be a corner stone of recent cross-cultural research, with the significance lying especially in its size and structure, it has had to face some critics as well. As the major disadvantage is often mentioned the collection of data from a single and specific working group (IBM) operating in only one industry, which reduces the referral value. For the reason of lacking the ability to reference, together with increasing world interconnection, authors decided to conduct

another study with focus on possibility of global application (Cross-Cultural Management and Emerging Markets Center , 2012).

The Globe Project

The increasing globalization has stressed out the importance of cultural studies, and therefore scholars around the world have developed a unique project called GLOBE (Global Leadership and Organizational Behavior Effectiveness), which additionally analyses cultural differences and extends the research previously done by scholars. The GLOBE research was done in 852 organizations within 62 countries with more than 17.000 of managers. Moreover, the organizations participating in the study operated in three industries: telecommunications, financial services and food processing. The number of participants together with the variety of companies and industries distinguish the study from Hofstede's research, which was often criticized for its limited value due to single organization and industry analysis (Hodgetts, Luthans, & Doh, 2006).

The main goal of the project was to identify and analyze the effect of cultural attributes on organizational processes and leadership, which includes following essential questions (Cross-Cultural Management and Emerging Markets Center , 2012):

- Are there universally accepted attributes leading to more effective leadership?
- Are there any specific attributes accepted in one culture while not in another one?
- How is the leadership style affected by cultural differences?
- How each nation stands among other countries in relative comparison of cultural dimensions?

The study has developed nine core cultural dimensions to examine the cultural difference among countries: uncertainty avoidance, power distance, collectivism I - societal collectivism, collectivism II - in-group collectivism, gender egalitarianism, assertiveness, future orientation, performance orientation and finally humane orientation (Javidan, Dorfman, Sully de Luque, & House, 2006).

When compared with previous sub-chapter of Hofstede's dimensions, we can conclude that first six cultural dimensions are based on his research. More specifically, uncertainty avoidance and power distance exactly reflect Hofstede's dimension, while

collectivism I refers to individualism/collectivism dimension (low score means individualistic approach, whereas high score implies collectivistic emphasis). Collectivism II then refers to in-group relations with focus on loyalty and cohesiveness within a family or an organization. (House, Javidan, Hanges, & Dorfman, 2002).

The Hofstede's masculinity/femininity dimension is reflected in two dimensions in the GLOBE study – gender egalitarianism and assertiveness. Gender egalitarianism looks at the level at which the difference between genders are minimized (House, et al., 1999). Assertiveness analyses the extent to which the society emphasizes values such as competition, toughness and strength, or on the other hand in case of low score values such as cooperation, warm relations, solidarity or modesty (Hodgetts, Luthans, & Doh, 2006).

Future orientation is also derived from another famous researchers – Kluckholm and Strodtbeck (1961), who distinguish among orientation on past, present and future (House, Javidan, Hanges, & Dorfman, 2002). It explains the extent to which individual units perform within the groups with orientation on future through behaviors such as planning or investing in future (Deresky, 2008).

Performance orientation measures a degree to which the society boost the performance and high standards and reward innovation and development (Nikandrou, Apospori, Panayotopoulou, T, & Papalexandris, 2008). This dimension was based on the McClelland's study emphasizing a need for achievement (House, Javidan, Hanges, & Dorfman, 2002).

Finally, the humane orientation indicates the level of emphasis on human values such as being kind, generous, honest, mindful, tolerant and sympathetic. Countries scoring high support such values, however low scoring countries support in contrary power and materialism (Deresky, 2008). This dimension has its roots in several scientific work including Kluckholm and Strodtbeck (1961), Putnam (1993) or McClelland (1985).

All of the above mentioned dimensions of national cultures are nowadays essential for every organization acting on various geographical markets as the complexity of functions and tasks calls for performing the work in groups, which are often composed of members with different cultural background. Such groups have to find a way how to cooperate and work with the differences in order to contribute to the success of the organization.

2.2   Teams

In today's world, the concept of the team is one of the trendiest terms within the organizations of all types. The more and more complex environment, processes, structures and goals call for collective solutions of problems. It is not the monetary resources or technological progress, but the human capital that plays a key role in being competitive, and the companies recognize the positive effects of grouping individual components of human capital together to increase the ability to deal with the fast moving and evolving environment.

The process of forming the teams begun a few decades ago and speeded up the pace during the 80's, since when the trend continues manifesting that it is not just a temporary or modern phenomenon. The whole development of the team concept reflects the basic change in human thinking resulting from outdated organizational models and the frequent, almost constant changes of settings. (Bay, 2000).

However, the cooperation within the team is not natural for most of the people. It is a skill, a competence, and as such can be learned and developed with experience (Horváthová, 2008). The fact, that team work is not rooted in basic competencies of people often leads to a difficulties and tension, which may result in inefficiency and even disability to solve the problem. Hence, it is very important to understand the theory about the teams in order to create effective and long-lasting teams adding the value to the organization.

2.2.1 Concept of the team

There are many concepts defining team, which may differ in numerous aspects. However, it is possible to list several characteristics appearing in the most of the definitions.

Team is defined as a group of cooperating individuals, which has common objectives and while achieving those objectives, team members are dependent on each other (Horváthová, 2008). According to Bay (2000), team is a small group segmented according to a function, with collectively set goals, intense mutual relations, collective spirit and strong cohesion among the team members. The word team can be perceived as an abbreviation of four key words: Together, Everybody, Achieves, More, which clearly sends the message of positive effect yielded from the team cooperation in contrast to individual work (Kolajová, 2006).

To sum it up, there are several characteristics determining the team (Westcott & Duffy, 2014):

- A team is composed by two or more people, who work together on a common goal and who are equally accountable for the achievement of the objective,
- team members possess complementary skills, knowledge and attitudes,
- team members are committed to the team's goal,
- cooperation of the team members yields synergic effect.

Many researchers have pointed out the importance of differentiation between working groups and teams. This differences might be only slight, sometimes not even visible at the first sight and very difficult to determine in the practice. In general, not all working groups can become teams, nevertheless, some of the working groups might have certain elements of the team work.

Team vs. working group

Many authors have stressed out especially the importance of commonly shared inner motivation to achieve set goals, and the spirit of cohesion and collectivism when defining the team. This demarcation enables us to differentiate between the teams and working groups.

The main difference between the team and working group lies in the ability of the members to solve tasks that demand certain level of interconnected knowledge, skills and creativity (Kovács, 2007). As the working groups miss mainly the intense interaction, the pleasure of jointly overcoming the obstacles and the feeling of "we", we may conclude that the working group lacks mainly the social identity (Bay, 2000).

Although all groups have some formal rules, the members of a team clearly understand their role within the team and are selected according to their skills that complement each other (Zeff & Higby, 2002). Each individual recognizes the goal of their presence, their place in the social relations and meets the expectations about their social behavior related to the particular team role (Pauknerová, Hubinková, Králová, & Lorencová, 2012). Many scholars have devoted their research to the question of the team roles, which led to creation of many globally used theories. The most common is a Team Inventory Theory of Meredith Belbin (1981), FIRO theory of William Schutz (1958) or Honey's Five team roles theory by Peter Honey. Each team also develops an informal systems of roles, based on the formal roles and internal interactions, which

distinguish the team members according to their informal power, popularity or personal characteristics (Pauknerová, Hubinková, Králová, & Lorencová, 2012).

The main differences between working group and the team defined by Krüger (2004) are summed up in the Figure 2.

Figure 2: Difference between Working Group and Effective Team

Characteristics	Working Group	Effective Team
Interests of the members	Members follow individual interests.	Members follow common interests.
Objectives	Members follow different goals.	Members strike to achieve the same goal, which was set collectively.
Priorities	Individual interests have higher priority than membership.	Membership and affiliation have the highest priority.
Organization	Organization is informal and presents no obligation.	Organization is determined, clear and binding.
Motivation	Motivation is external (We have to…).	Motivation is internal (We want to…)
Competition	Member compete with each other.	Competition is aimed to external world, members do not compete with each other.
Communication	Part of the communication occur openly, part in a hidden manner.	Communication together with feedback occur openly.
Mutual Trust	Members lacks the trust towards the group.	There is a strong trust among members and also towards the group as a whole.

Source: compiled by author, based on Krüger, W. (2004). *Vedení týmů.* Prague: Grada Publishing.

Another research also highlighted the role of the leader and accountability in the team. While working groups have one strong leader, the leadership in the teams is often shared among members. The working group shows solely individual accountability, however members of the team take both individual and mutual accountabilities. The working group's aims are set according to organizational purpose, therefore the effectiveness of its functions is directly measured by the influence on others. In contrast, teams often have specific objectives to deliver, that are not always derived from the main goal of the organization, and the performance is then evaluated according to special measures (Katzenbach & Douglas, 2005).

Nonetheless, all teams start as undeveloped groups on basic level of interaction and the transformation towards the team depends mainly on its inner dynamics (Bay, 2000). On the way from working group to highly effective team, the two main aspects should be followed. Firstly, the members should cooperate with the focus on determined objectives, taking into account the set rules of work organization. Second, all team members should have in mind the importance of building the trust and the team loyalty (Krüger, 2004).

Once the working group is developed into the properly functioning team, it starts to evolve as a team and define its organization, structure and processes. The form of the team depends on many factors, both internal and external, and no form is final as the team can be constantly evolving.

2.2.2 Team development

It is very unlikely that a team performs flawlessly from the beginning. Each team is evolving and going through various stages. The theory of Bruce Tuckman (1965) suggests the developing process through which the team has to go through. Tuckman's theory initially presented four stages and after further research, one more stage was added.

The first stage, also called forming stage, represents the opening and welcoming process, where team members are introduced and get to know each other. The members attempt to get familiar with other people, as well as with tasks, culture and organization, while following the directions given by the leader (Florida State University, 2016).

The following storming period stands for the growing confidence and also increasing conflicts among the members. Team members incline to avoid the tasks and while still uncertain, they start to question the authority and manifest their identity (Nestor, 2013).

The third stage, called norming, demonstrates the resolution of inconsistency of the individual expectations and the actual team experience, which may cause more comfortable atmosphere and increased individual formulation and acceptance of others (Stein, 2016). The team cohesion starts to be developed and team members accept the agreed team goals, rules, norms and roles (Mitchell & Arnold, 2009).

The fourth phase named performing represents the highest productivity reflecting positive relationships, well managed decision-making and problem solving

processes and professional development caused by delegating (Tuckman & Jensen, 1977). The team is highly committed and competent to achieve its goals, which leads to the increasing satisfaction among team members (Stein, 2016).

The last stage, adjourning, is a closing stage of the team work. The tasks are completed and the team members proceed to new tasks and challenges. During this phase, team members evaluate the performance, give feedback and reflect their work (Oxford Learning Institute, 2016).

As the team develops, the form of the team changes as well. Nonetheless, the type of the team does not depend only on the growth process, but also on many other internal as well as externals factors, and may change in time or according to the circumstances.

2.2.3 Types of the team

In the literature, we can find numerous forms of teams. The team typology strongly depends on the ambient situation, type of the organization and task specifics, as well as on the purpose for which the team is created. In the real life, all teams go beyond one single definition and often can be categorized among several forms of teams as they manifest elements from various team categories. In this section, I will outline the most common types of the teams.

Basic classification

In order to understand the complexity of the team formats and structures, let's briefly introduce some of the common frameworks and team's concepts that can be found in organizations of all types.

1. **Physical versus Intellectual teams**

The very basic and broad distinction assumes two types of the teams, based on characteristics of industry and tasks: physical and intellectual. While physical teams work together on the execution of a specific task, the intellectual teams concentrate on processing and interpreting information with focus on making decisions. Intellectual teams are typically executive teams, advisory teams or coordinating teams, whereas typical examples of physical teams are sport teams, military teams or service teams (Devine, 2002).

2. Homogenous versus Heterogeneous teams

Taking into account the extent of differences among the group members, we can distinguish between homogenous team, where team members come from identical background, and heterogeneous teams, where members are different in many aspects (Gibson & Vermeulen, 2003). Homogenous teams might make the strategic decisions more rapidly as a result of similar values, and cooperate with less conflicts, however the team dynamics can be slowed down thanks to the comfort atmosphere resulting in lack of innovativeness (Boyacigiller, Goodman, & Phillips, 2003). Higher heterogeneity within the group brings more sources of information and hence higher data variety, which may result in better decisions, although with more likely divergence of preferences, slowing down the decision making process (Mello & Ruckes, 2006).

3. Consultative versus Substantive teams

Consultative teams, called also parallel teams, can be differentiated from substantive teams according to the authority to implement proposed solutions possessed by the team members. Consultative teams suggest the solutions to the management in order to get an approval for the proposed implementation. In contrast, substantive teams have the authority to directly execute the elaborated solution, which results in greater discretion of the team members (Abbot, 2006).

4. Self-directed teams

Self-managed teams are created for handling a specific task with responsibility for the whole process, from planning, goal setting, resources allocation, controlling, execution itself and conflict resolution, and hence the team members are trained in cross-functional areas (Barker, 1993). The teams deal with all the issues autonomously as they have a high level of authorization and decision making power, which gives them higher feeling of ownership. These so called high-performance teams usually choose its team leader or share the leadership role among the members in rotating manner (Westcott & Duffy, 2014). Implementing self-directed teams is very common approach for organizations that aim to become more flexible and responsive to the fast-changing environment (LaFollete, 1996).

5. Virtual Teams

Although a few decades ago virtual teams were very rare, thanks to the technology progress in the field of telecommunication, such form of the team has become essential for organizations in order to meet the global needs and handle the challenges of interconnected world (Olson, Appunn, A, Walters, & Grinnell, 2014). Virtual teams can be defined as teams composed of individuals working together on the project, although they never or very rarely meet in person as they are spread across various geographic locations (Brandt, England, & Ward, 2011). Virtual teams are often considered to be hybrids, as they may be or may not be partly or entirely self-directed and cross-functional (Westcott & Duffy, 2014). Since the virtual teams are often diverse in terms of culture, and communicate almost solely electronically, managing virtual teams often brings many challenges, such as communication and trust problems, social problems among members and organization or effectiveness problems (Brandt, England, & Ward, 2011).

Bay's classification

Since the approaches categorizing teams are very unsystematic and sometimes even chaotic, Ralf H. Bay evolved a methodical approach based on two assumptions in order to classify the team forms. These two assumptions are: duration of the team and the organizational identity. From the duration of the team perspective, the team performance can be either time limited or long-term focused. From the point of view of the organizational perspective, the teams might belong to the organizational structure or might be designed outside of the formal organizational structure. (Horváthová, 2008).

Figure 3: R.H. Bay's classification of teams

	Duration of the team	
Organizational Identity	Long-term functioning	Limited functioning
Belong to organizational structure	Autonomous teams Process teams Entrepreneurial Units	"Quality Circles" Innovative teams Kaizen Teams
Outside of the organizational structure	Project teams	"Hot Groups" "Task Force"

Source: Bay, R. H. (2000). *Úspěšné vedení týmů.* Prague: Grada Publishing.

1. **Team belonging to the organizational structure with long-term functioning**

Such a team is often called autonomous team, even though in majority of cases, the team is only partly autonomous. The goals of autonomous teams are especially economic, with the main focus on improving the competitiveness and constant development (Bay, 2000). The team is structured into smaller functional areas, which enables it to perform complex tasks, from leadership functions to controlling and performing, and independent functioning with high level of responsibility (Horváthová, 2008). Such teams are usually big and can consist up from 20 members, which leads to the need of strong leader with clearly defined competences and strong couching skills (Bay, 2000). The team has a freedom to be innovative and perform in entrepreneurial way, which is the reason why autonomous team are often engaged in new product development (Patanakul, Chen, & Lynn, 2012).

2. **Team belonging to the organizational structure with limited functioning**

The most common team belonging to this category is called a quality circle. The quality circles are homogenous groups created from current employees, who meet on a regular basis to discuss and eventually solve the organizational problems related to the work area. Employees work within the same area and meet up on formal meetings led by trained supervisors. Such teams are usually created in manufacturing plants with objectives of quality improvement, increased productivity or employees' engagement (Lawler & Mohrman, 1985).

3. **Team outside of the organizational structure with long-term functioning**

Team members of such teams are excluded from the organization in order to participate in a particular project or even in various projects with specifically assigned goals. These projects might be repetitive or with one-time duration (Bay, 2000). The team usually has a project leader or manager, however, such teams might be also self-managed. A specific type of the project teams is a functional team, which consists of organizational members from various levels of hierarchy with different responsibilities, but all working within one functional department. Functional teams are very common for corporate world, where the workers are

organized according to the functions, such as for example finance or marketing, with no regards to the size of the company (Hartzell, 2016). After the termination of the project, the members are often assigned to another project task (Horváthová, 2008).

4. **Team outside of the organization with limited functioning**

These teams are composed of employees with cross-functional background from various organizational department, who cooperate together with a goal to fulfil a special task (Bay, 2000). Such teams, often smaller, are usually called "Hot Groups" for its livid character, intense dedication and ability to quickly solve the problem, no matter how challenging the problem is (Lipman-Blumen & Leavitt, 1999). Hot groups are very common in smaller or recently established companies and start-ups, however they often struggle to survive the transformation to mature organization with over planned management (Zich, 1995).

Regardless the team type and its structure and purpose, teams should always bring added value to the organization. Several benefits of the team have been recognized, nevertheless it is important to keep in mind the negative aspects, which may in contrast subtract the value from the organization.

2.2.4 Value of a team

People have always collaborated in cooperating units, no matter whether the original purpose was a social integration, feeling of belonging, or more practical reasons, such as a need of diverse perspective, skills and knowledge. In the recent years, the development of teams within the organizations has increased significantly, with the highlighted importance of quality teams as a key indicator of business success (Savelsbergh, van der Heijden, & Poell, 2010). However, it is critical to keep in mind the purpose of the team, and no team should be created unless its objectives are contributory to the main organization's mission, plans and strategies (Westcott & Duffy, 2014). In order to analyze the value of the team work, we should understand not only the benefits, but also the negative aspects of the teams.

One of the biggest advantages of the team work is increased productivity, resulting from the general assumption that people are more able to accomplish things in groups rather than as individual units (Hartwig & Bird, 2015). During the team work,

the perspective is broader thanks to the various points of view, and individual knowledge and skills are merged together, meaning that people in groups are more likely to solve problems and perform better, which is moreover supported by better information processing (Horváthová, 2008).

The team cooperation and interaction leads to higher creativity within the group and mutual inspiration of the team members, which may result in more innovative ways of doing things (Hartwig & Bird, 2015). It also reduces the frequency of mistakes, creates safer environment and improves the quality of products (Glassop, 2002). The interaction in the group enhances the common knowledge, as the participants learn from each other and grow professionally as well as personally, which can generate increased motivation both of the team members and team leaders (Horváthová, 2008).

Moreover, social interaction of individuals has beneficiary effects on the team members as they experience a feeling of approval, which results in improvement of their status and also reduces the doubts and fear from the failure. Team work may reduce the pressure put on individuals, leading to lower stress and lower likelihood of "burnout syndrome" (Horváthová, 2008). The above mentioned enhanced quality of work life that contributes to higher job satisfaction resulting in lower absenteeism and employee turnover (Glassop, 2002).

Despite the indisputable benefits of working in the team, not all tasks are suitable for the cooperation of various units. Tasks including routine, non-creative and unconnected solutions for problems, are better to be solved on individual basis. Additionally, although teams can generate magic, we cannot count on it, as the team work also implies several drawbacks and the transformation to the team has to be thoroughly considered (Hackman, 2009).

Additionally, some individuals are not suitable for the team work and prefer to solve the problems individually, which may lead to lower motivation of such employees. Moreover, interaction within the team might bring conflicts to the workplace and the problem of "free-riding" is also quite common. Team work can be also very time-consuming, as the appropriate members with convenient skill, knowledge and personality have to be chosen, as well as making decision may take much more time in a group (Salvendy, 2012).

2.2.5 Effective team

As it is outlined in the above chapters, design an accomplishing team is very complex and challenging task for each organization, and finding out what makes one team effective and another one not, is a question analyzed by many researchers. Despite the intricacy of the topic, there are several characteristics that the teams should possess in order to achieve the objectives effectively.

Team goals

Since one of the most critical characteristics of the team concept is a common goal, goal setting plays a key role in the team effectiveness. Such team goals should be specified explicitly and all of the team members should realize the purposed of their membership (Lee G. V., 2009). Moreover, team objectives should be aligned with the purpose and mission of the organization, and be naturally involved in the hierarchical structure of the organizational goals (Horváthová, 2008). As it is already implied in the Locke's goal-setting theory (1968), participation of all team members in defining the objectives serves as a motivational tool giving the members the feeling of ownership, which leads to better performance (Wei & Lee, 2011).

The very well-known S.M.A.R.T. framework suggests, how the goals should be set in order to increase the likelihood of the goal achievement. The definitions may vary, however the main idea behind the theory is to set specific, measurable and attainable goal within a time frame (Rubin, 2002). In other words, the goal is supposed to be vital for the organization, concrete and tangible with specific ways how to be measured and with specific ways how to be reached, and finally with a specific time bound that assures the continuous commitment (Conzemius & O'Neill, 2006)

Team Composition

A significant determinant of the team effectiveness is also a composition and structure of the team, including the size of the team, knowledge, skills and personality of the members as well as roles of individuals and team leader.

The size of the team is determined mainly from the goal of the team, but also from other factors such as the type of the task or organization. It affects not only the effectiveness, but also the team cohesiveness, performance and individual requirements on both team members and leader (Horváthová, 2008). The research hasn't shown any conclusion about the particular size of the team, as the larger groups may be more successful in achieving more complex tasks, while smaller teams are more beneficial

for tasks demanding higher involvement of the members (Kwak, 2004). Nevertheless, some scholars suggest the optimal size of the team between 5-11 team members, as less than five members show decreased creativity and diversity in approaching the problem, while more than eleven members is difficult to manage and coordinate thanks to complicated communication (Horváthová, 2008).

Also, while composing the team, characteristics of individual members have to be taken into account in order to achieve the team purpose effectively. The members have to be educated according to the role of the team as well as the role of the individual units, and the qualification should be related to the specific tasks. Team members should also fit to each other and be able to get on well. In order to analyze the personality type of individuals, many typology research methods, such as Myers-Briggs[2] framework (MBTI), can be used (Krüger, 2004).

Additionally, it has been suggested that the performance of the team is influenced by the team member's roles, and many academics has devoted their studies to this topic, including Meredith Belbin, who created nine roles fostering the cooperation within the team and creating balanced environment (Chong, 2007). For the summary of the team roles by Belbin, please see the table below.

Figure 4: Belbin's team roles

Social Roles	Coordinator	Mature, democratic, clarifies goals, delegates well
	Team Worker	Helpful, diplomatic, can avoid conflicts, cooperative, good listener
	Resource Investigator	Dynamic, vivid, communicative, explores opportunities
Action Roles	Shaper	Direct, authoritative, energetic, driven, creates rules, sets goals
	Implementer	Practical, disciplined, organized, responsible, obeys rules, practical
	Completer-Finisher	Detail oriented, perfectionist, individualist, diligent, delivers on time
Mental Roles	Specialist	Oriented on quality, professional, goal-oriented,

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[2] http://www.myersbriggs.org/my-mbti-personality-type/mbti-basics/

		dedicated, provides knowledge
	Plant	Creative, untraditional, imaginative, overcomes obstacles
	Monitor Evaluator	Sober, serious, impersonal, critical, objective

Source: compiled by author, based on Belbin, M. R. (2010). *Management Teams. Why teams succeed or fail.* Oxford: Elsevier.

Significant effect on the team performance has undoubtedly the leader of the team, who should possess various personal characteristics to follow set directions and achieve goals as well as deal with the requirements of the team as a whole and of the individual members (Krüger, 2004). Leader should be self-aware and realistic, trustworthy, open to change, driven by achievement, optimistic, emphatic, persuasive and cross-culturally sensitive (Goleman, 2003).

Figure 5: Profile of a good team leader

Competence	Activities
Social competence	Identify needs, interests and tensions in the team
Contact competence	Identify the best approach to all team member and represent the team outside
Cooperation competence	Ensure effective cooperation of the team both inside and outside of the team
Integration competence	Develop the team and ensure its running
Communication competence	Absorb the information and spread it around in the adequate manner
Self-control competence	Ensure positive atmosphere in the team
Communication competence	Moderate, present and negotiate persuasively

Source: compiled by author, based on Krüger, W. (2004). Vedení týmů. Prague: Grada Publishing.

Communication in the team

Another factor influencing the team functioning in a great manner is communication and related fields, such as good listening, effective feedback or possibility to express the opinions. Communication can be perceived as a tool enabling the team to achieve the common goal, which serves as the base for the team cooperation (Horváthová, 2008). Communication is the process of conveying data, ideas and thoughts from one person to another, which can be done verbally (face-to-

face communication, written communication or computer communication) or nonverbally through facial expression, kinesics behavior (body movements) and gestures (Phatak, Bhagta, & Kashlak, 2009).

It is important to take into account that more communication does not mean better communication. The sender of the message has to focus on the relevancy of the content and the addressee of the message as well as on timing and location (Mead & Andrews, 2009). While communicating in the team, it is important to watch out for the communication noise[3], which may cause misunderstanding of the message by the receiver (Horváthová, 2008).

Usually, the team develops a communication network determining the flow of information and contact establishment. Such network depends on the channels involved in the communication together with the size and structure of both organization and team, and enables coordination, directing the activities, exchange of information within the group as well as with external environment (Hristodoulakis, 2016). There are several types of communication networks, including the Chain, the Wheel, the Y, the Circle, and the All-Channel. The Wheel network is the most centralized one, where the center is created by leaders and all communication flow through them, which is typical for autocratic organizations allowing them to make decision quickly (Slaughter, 2016). The Chain network is the second most centralized, representing communication only between two people, when each of them communicates with another one person, creating a relay communication flow (Lunenburg F. C., 2011). The Y pattern is characterized by separation into three groups, when the groups can communicate with each other only through team leader (Communication Theory, 2010). The Circle network stands for the equal communication opportunities for everyone and has no leader as all members have the same authority to impact others (Hristodoulakis, 2016). The All-Channel pattern symbolizes the network most common for teams, where each member can communicate with any other member, very typical for reciprocal tasks and interdependent activities (Sims, 2002).

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[3] Communication noise might be caused by various factors, including human element or technology. It can be produced both by sender of the message (inaccurate expressions, slow or fast speech, bad articulation and monotonous expressions) and the receiver of the message (weak focus and attention, lack of trust in sender).

Figure 6: Common types of communication networks
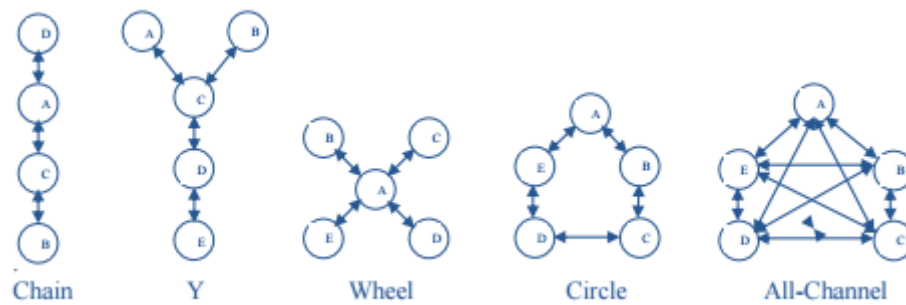
Source: Lunenburg, F. C. (2011). Network Patterns and Analysis: Underused Sources to Improve Communication Effectiveness. *National Forum of Education, Administartion and Supervision Journal, 28*(2), 1-7.

All of the above mentioned factors influencing effectiveness of the team are even more important when the team is multicultural. Often, teams with the members from various ethnic backgrounds are either the best performing or the worst performing (Adler & Gundersen, 2008). In order to take the advantage of multiculturalism brought by international team, organizations have to pay a close attention to the team development and interaction among members.

2.3 Multicultural teams

As the general trend of globalization indicates, organizations are part of constantly changing environment and hence have to deal with more complex conditions, which results in changes in approaches towards the teamwork, which becomes more and more multicultural (Ochieng & Price, 2009). Multicultural teams might be very beneficial source of numerous advantages, although it may also result in various difficulties and leading such teams is very challenging task (Horváthová, 2008).

Intercultural teams might have various forms, but they differ from homogenous teams in different backgrounds from which the team members come from, which means that the members vary in the perception and interpretation of the world. However, such teams might differ in the extent of the international element. The least intercultural team, also called token team, is composed of all but one member from the same ethnic background. In bicultural teams, international element is represented by two team members coming from different cultures. Multicultural team consists of three or more cultural background (Adler & Gundersen, 2008). Despite the extent of multiculturalism, it is critical to recognize, understand and integrate all represented

cultures in order to avoid conflicts and perform effectively (Scarlat, Zarzu, & Prodan, 2014).

Comparing to homogenous teams, intercultural teams might bring higher level of creativity resulting from the group diversity, however, such cooperation is usually much more intense in terms of resources consumption (Mello & Ruckes, 2006). As the team environment is more complex, the formal authority is weakened and the role of the leader is to handle the power of information emerged from joint cultures (Beer & Nohria, 2001). Multicultural challenges also require the team members to establish and maintain relationships, together with having behavioral competencies such as empathy (Scarlat, Zarzu, & Prodan, 2014).

2.3.1 Advantages and disadvantages of multicultural teams

As it was already described above, the effect of international teams can be both beneficial and negative, having various implications for the team performance and productivity (Adler & Gundersen, 2008).

Starting with positive effects, the undoubted benefit is a wider range of perspectives, alternatives and opinions, which positively affects the ability to generate innovative and creative solutions (Horváthová, 2008). Cultural diversity can enhance the personal enjoyment and professional engagement, which has positive effect on the project outcome (Deloitte, 2016). Moreover, multicultural teams are more able to avoid groupthink (i.e. problem causing ineffectiveness, that results from the desire for unanimity rather than team diversity) and hence to search for alternatives and objectives (Aycan, Kanungo, & Mendonca, 2013). Additionally, thanks to broader knowledge and experience, team usually act more flexibly and therefore is more likely to succeed in solving problems (Nipporica Associates, 2008).

Moreover, multicultural team works as uniting element for transnational companies operating across countries. Team members from various countries can erase the notional distance created by the country borders, and thus connect otherwise independent subsidiaries and improve the communication flow among them and their parental company (Schneider & Jean-Louis, 2003).

With regards to negative effects of the team work, the most essential problem is usually the communication, resulting from language barriers, such as lack of fluency, different vocabulary, interpretation and non-verbal communication, leading to inefficiency caused by misunderstanding and inaccuracy (Adler & Gundersen, 2008).

What is more, the cohesiveness of the group may be affected as well, resulting from attitudinal problems including dislike and mistrust, since people tend to get well on with people who are alike and who share their values and beliefs (Miller, 2000). Such cultural difference may also cause misunderstandings in salary policies, negotiating or leadership styles (Horváthová, 2008). Moreover, perceptual problems might play a key role, when the team members do not access the skills of their colleagues, but rather stereotype them without seeing the potential contribution, which then leads to the frustration of judged members (Adler & Gundersen, 2008). All of the above mentioned may lead to the higher level of stress of the team members.

To sum it up, multicultural teams may provide better solutions to complex situations by bringing various perspectives and diverse opinions, nevertheless they may face the problem of internal integration, which might be negatively affected by cultural differences and difficulties in communication (Schneider & Jean-Louis, 2003).

2.3.2 Specifics of communication in multicultural teams

Cultural difference may generate frustrating obstacles to effective team work, which may be tiny, but also significant, and communication is often perceived as a critical source of such obstacles. It is not only the different styles of communication, but also other communication aspects, such as direct versus indirect communication, which means either explicit or implicit expressing, with hidden meaning in the way of presentation (Brett, Behfar, & Kern, 2006). In addition, despite the fact that English is usually used for international cooperation, many misunderstandings can be caused thanks to the different accents and fluency of non-native speakers (Adler & Gundersen, 2008). Effective communication can be also disabled thanks to differences in cultural dimensions, such as social status, when the flat hierarchy of the team may cause a significant difficulty to the members coming from collectivistic countries, where hierarchy and authority are taken into consideration while communicating, whereas other cultures may focus rather on content than status (Phatak, Bhagta, & Kashlak, 2009).

The research has identified four dimensions, whose adoption may lead to increased effectiveness of communication in intercultural teams, including interpersonal skills, team effectiveness, cultural uncertainty and cultural empathy (Congden, Matveev, & Desplaces, 2009).

Figure 7: Cross-cultural communication competence model

Interpersonal Skills	Team Effectiveness	Cultural Uncertainty	Cultural Empathy
Ability to acknowledge differences in communication and interaction styles	Ability to understand and define team goals, roles, and norms	Ability to deal with cultural uncertainty	Ability to see and understand the world from others' cultural perspectives
Ability to deal with misunderstanding	Ability to give and receive constructive feedback	Ability to display patience	Exhibiting a spirit of inquiry about other cultures, values, beliefs, and communication patterns
Comfort when communicating with foreign nationals	Ability to discuss and solve problems	Tolerance of ambiguity and uncertainty due to cultural differences	Ability to appreciate dissimilar working styles
Awareness of your own cultural conditioning	Ability to deal with conflict situations	Openness to cultural differences	Ability to accept different ways of doing things
Basic knowledge about the country, culture, and the language of team members	Ability to display respect for other team members	Willingness to accept change and risk	Non-judgmental stance toward the ways things are done in other cultures
	Participatory leadership style	Ability to exercise flexibility	
	Ability to work cooperatively with others		

Source: Congden, S. W., Matveev, A. V., & Desplaces, D. E. (2009). Cross-cultural Communication and Multicultural Team Performance: A German and American Comparison. *Journal of Comparative International Management, 12*(2), 73-89.

It is then crucial to apply mindful communication for the team success, understand and respect different communication patterns and preferences, with customization for each involved culture, which helps to build stronger relations within the team (Morlan, 2016). As it is suggested in the literature, for effective cross-cultural communication, team members should try to learn the language of the country, develop cultural sensitivity and empathy, and thing about the tools, such as feedback mechanisms or appropriate choice of communication medium (Phatak, Bhagta, & Kashlak, 2009).

Regardless the level of multiculturalism within the team, it is obvious that the concept of multicultural team brings many challenges placing even higher demand on the leader role. He or she has to handle not only the arduous communication, but also intensified complexity of operations and the huge power generated by the team in order to ensure the desired performance and results. The next subchapter is therefore devoted to the leadership, with focus on various leadership styles convenient for leading multicultural teams.

2.4 Leading multicultural teams

The highlighted importance of teams brings also a lot of attention to the role of the team leader, however the scholars haven't agreed on any definition or qualities assuring success, which is caused mainly by the differences among industries, organizations, employees and last but not least by the cultural effects in today's highly interconnected world. The dynamic environment caused by globalization brings new challenges, which have never been so complex (HBS, 2016). Thus, having a global leader is one of the most valuable assets of each company (Deresky, 2008).

Defining leadership is often very subjective issue and each scholar can come up with his or her own definition. One of the earliest definition given by Stodgill (1950) says: *"Leadership is the act of influencing the activities of an organized group in its effort toward goal setting and goal achievement."* Other researcher defines leadership also as a process of influence, however stresses out the importance of followers (Hollander, 1978). Other scholar points out the communication as a tool of influencing the followers (Donelly, Ivancevich, & Gibson, 1985). Also, leadership is a process of identifying strengths of all organizational resources, while the crucial resource are people (Batten, 1989). Additionally, leadership involves ability to motivate others, provide directions, accept the responsibility, be initiative and spread the positive attitude (University of Kent, 2011).

It is important to realize, that leadership is not connected with the organizational hierarchy and that leaders are not only the top managers of the company. Likewise, leadership is not associated with any title (Kruse, 2013). Moreover, leadership is not innate, and as such can be learned through experience by all people, who do not have to be necessarily extroverted (Sims, 2002).

2.4.1 Management vs. leadership

Over the years there has been a debate over a distinction between management and leadership and importance of both in the organizational workflow. A great manager can be a poor leader and vice versa, an outstanding leader may lack in management skills. The famous quote by Peter Drucker states: "*Leadership is doing the right things; management is doing the things right.*" However, the whole problem is a little bit more complex and more characteristics define the difference.

First great distinction is the focus of managers and leaders. Leader's attention is paid to the vision and mission with stress on motivating people and teams, while managers are more likely to systematically run the daily operations (UNRWA, 2016). Thus, leaders promote new approaches and changes, in contrast to managers, who prefer constant and stable environment (Lunenburg F. C., 2011). As a result, leaders' main difficulty might be dealing with the new, while managers have to mainly cope with the complexity (Kotter, 1990).

Moreover, leaders are able to influence other people and motivate them to perform efficiently, hence are creating value for organizations through their followers. On the contrary, managers operate in their "circle of power" and only count on the value through managing, tracking and coordinating their subordinates (Nayar, 2013). Leaders can be characterized as charismatic persons with ability to take risks, orientated on people and appealing to heart, whereas managers are more risk-averse, rational problem solvers, who are oriented on tasks and take advantage of their formal authority (Diffen, 2016).

There is no answer to what is better, as both leadership and management are essential for organizations to run effectively. Companies can either employ both types of workers focusing on different goals or may encourage their employees to embrace both leadership and management skillsets and apply them accordingly to the context (Ricketts, 2009). Either way, organizations need to use both concepts and find the appropriate balance between them (Ratcliffe, 2013).

2.4.2 Leadership styles

As above described, leadership is a very complex issue and many qualities and characteristics are associated with the effective leaders. Nevertheless, there has not been any research resulting in confirming which characteristics are assuring successful leadership, resulting in a numerous styles of leading with a question, which leadership style is the best.

Over the decades, there has been a discussion introducing various leadership styles, including especially authoritarian, paternalistic and participative leadership. Authoritarian leadership style is task-oriented with direct one-way communication from leader to subordinate, which is effective especially during crisis (Hodgetts, Luthans, & Doh, 2006). Paternalistic leadership, as the name indicates, reminds a parent relationship, where the leader guides and navigates the subordinates both professionally and personally in exchange for loyalty and trust, which is very popular in Eastern cultures (Ötken & Cenkci, 2012). Finally, participative leadership style involves consultancy with subordinates and their participation in decision-making process, two-way discussions and ideas presentations, which may enhance the relationships on the workplace, but is not very convenient for crisis calling for quick solutions (Chen & Tjosvold, 2006).

The more recent studies came up with more present concepts for current environment and with discussions over the accuracy and applicability of the traditional leadership styles. Recently, there have been proposed new leadership theories including transformational, authentic and versatile leadership styles.

Transformational leadership

As the name indicates, transformational leadership style is a process of transforming people. Transformational leader is able to motivate people to change, develop and enhance, which positively contributes to the company's growth (Northouse, 2001). Transformational leaders encourage subordinates to think beyond their own self-interest and accept the higher mission and vision of the whole group (Bass B. , 1990).

Transformational leader acts according to five behaviors defined by Bass (1985), which are also called "5Is". The first of the dimensions is idealized influence (II) consisting of two subcategories, which relate to high moral standards and ethical behavior, resulting in higher loyalty and trust of subordinates (Bono & Judge, 2004). The second dimension called inspirational motivation (IM) refers to the ability to promote enthusiasm through setting challenging goals, which leads to higher cohesion of the group and confidence of individuals (Phipps & Prieto, 2011). Next component of transformational leadership, individualized consideration (IC), concerns empathetic skills and ability to understand needs and concerns of the followers, while focusing on every single follower individually (Riggio, 2009). The fourth element, intellectual

stimulation (IS), encourages creativity, inventions and discussion, which results in outside of the box thinking and problem solving (Hall, et al., 2015). The five behaviors are independent, however all of them must be performed in order to achieve expected results (Gellis, 2001).

The above mentioned can be summed up in several behavior patterns. Transformational leaders are charismatic, which enables them to gain respect from their followers. Such respect and trust helps them to pursue the common mission and vison. Transformational leader also stimulates his or her followers, while stressing out creativity during the problem solving process. Additionally, transformational leader clearly communicates and approaches each follower individually with personal attention (Cossin & Caballero, 2013). The following table sums up the traits that leader should possess according to the transformational theory.

Figure 8: Characteristics of transformational leaders

Trait	Activities
Internal motivation and self-management	Use inner motivation as a driving force, love what you do, identify yourself with the company's values
The ability to make decisions	Define vision, values, goals and be able to make difficult decisions
Control over the ego	Do what is best for the company, put the interest of the company first
Willingness to take risks	Trust the instinct and the team, make the research, take calculated risks
Adaptability	Ability to adjust to ongoing changes, be open-minded
Openness to new ideas	Listen to ideas, support the team effort
Inspiration	Do motivational speech, recognize the good job, understand the inner motivation of the team, lead by example
Proactivity	Be active in making decision, willing to take risks, be innovative
Visionary	Set realistic and appropriate mission, stress out the directions, get people on board

Source: Compiled by author, based on: Hogg, B. (2015, November 5). 10 Characteristics of Transformational Leaders. Retrieved July 9, 2016, from Bill Hogg & Associates: http://www.billhogg.ca/2015/11/10-characteristics-of-transformational-leaders/

Transformational leadership is often compared to transactional leadership style. However, transactional style is more responsive and works with the current organizational structure, rather than trying to change it with new ideas. Transactional

leaders motivate their followers with rewards and punishments by appealing on their own needs, instead of motivating with ideals and values, putting the group interests on the first place. Moreover, transactional leaders keep the status quo and undertake only corrective actions (Odumeru & Ogbonna, 2013).

Despite the many benefits of transformational leadership declared by the research, some of the drawbacks were identified as well. One of the biggest criticism is the initial inability to recognize the leaders acting unethically or immorally, sometimes called as a Hitler problem, which leads to the blind trust of supporters and autocratic performance of leaders (Lee M. , 2014). Furthermore, transformational leadership works with many traits, which are taken as inborn rather than a skill that can be learned (Northouse, 2013). Also, transformational theory focuses heavily on the leader's skill instead of active creation of organization-wide mechanisms, such as feedback tool enabling to learn from mistakes (Steward, 2006).

Authentic leadership

In the recent years, many scholars have been calling after research of authentic leadership, which is based on the fact, that the ideal leadership profile still has not been described. Authentic leadership emphasize the importance of being yourself, being genuine, instead of copying someone else (George, Sims, McLean, & Mayer, 2007).

Authentic leadership theory is based on findings of ancient Greek philosophers, who emphasized the connection with the core qualities including prudence (i.e. focus on wisdom and consider causes of our actions), temperance (i.e. find emotional balance), justice (i.e. be fair with others) and fortitude (i.e. be brave and courageous) (Riggio, 2014). More recently, the virtues of authentic leaders have been identified base on the ancient roots, stating that leaders should understand their purpose, lead with their heart, focus on building relationships, show self-discipline and demonstrate good values (George W. W., 2015).

The core is not to copy anybody, but rather understand yourself and realize that leadership style superficially manifests our character. Authentic leaders should not have a stiff view on themselves, but rather be flexible and grow with each experience (George W. W., 2015). The key is to learn from the life stories and find the passion, which is the way how to be authentic and get the full trust of your subordinates (George W. W., 2007).

<u>Versatile leadership</u>

The idea of versatile leadership builds on the leadership theories assuming various qualities leaders should possess. However, authors criticize the limitations of such theories lying in contradictory qualities, which results in taking some of the strengths to extreme while omitting other ones (Kaplan & Kaiser, 2003). This leads to over-using the leadership style that best fits to the leaders and which makes them the most comfortable, while under-using qualities perceived as not that effective and natural for the leader (Widener University, 2016).

Such an extreme performance causes an imbalance leading to ineffective leadership. The key to success is the absence of such disequilibrium, which is by authors called versatility. Versatile leaders are able to evaluate each situation individually and adapt the behavior accordingly when switching leadership styles based on the circumstances. It is important to understand, that the theory does not recommend any moderation between the two extremes, but rather adopting the approach and leadership style according to concrete situation (Kaiser & Kaplan, 2009).

Researchers have come up with four leadership styles including strategic, operational, forceful and enabling leadership. Strategic leadership involves a long-term planning and strong focus on future with the stress on organizational growth and alignment of vison and people. On the other hand, an operational leadership focuses more on short-term directions and inclusion in operations, processes and details. Forceful leaders are strong, decisive and demanding and are likely to set challenging goals. In contrast, enabling leadership stresses out the empowering environment, responsiveness, sharing and understanding. Effective leadership should combine forceful and enabling style as they complement each other, as well as balance between strategic and operational approach (Kaplan & Kaiser, 2003).

The Versatile leadership theory was supported by the empirical research using the LVI tool (Leadership Versatility Index), which is a method of using 360° feedback identifying the trade-offs causing the imbalance and strengths that became a weakness (Kaiser Leadership Solutions, 2016).

2.5 Conclusion of the theoretical part

The aim of the theoretical part is to summarize the findings from the literature related to the topic of leading multicultural teams and gain the insight into the theories, models and frameworks, which are then used in the empirical part.

To sum it up, from the first part of the chapter can be concluded that increasing world interconnection caused by globalization make an ongoing pressure on firms to be international, which significantly influences the organizational culture thanks to the increasing number of elements from various national cultures. As many researchers state, the national cultures differ in many components causing variations in world perception, values and beliefs as well as behavior.

Second effect of globalization can be reflected in growing need for work in teams to capture the complexity of the environment. No matter which form the team has, it can be very beneficial for the organizations, if well composed and handled effectively. However, there are some challenges related to work in groups and attention has to be paid especially to proper communication. This is even more significant in the case of a multicultural team, where all the specifics of team work are intensified due to the effects of cultural differences.

The last part of the chapter is devoted to the leadership of such multicultural teams and concerns several leadership styles, with attention to modern theories such as transformational, versatile and authentic theory, focusing on their characteristics, benefits and drawbacks.

In the following section of the thesis, the author will apply the findings in the real life situation when examining a multicultural team working within a global organization acting in a pharmaceutical industry, in order to see the applicability of the concepts in a complex real work environment.

3. Empirical Study: "Leading multicultural teams in XYZ"

This chapter of the thesis is devoted to the empirical research and analysis of the problem in a real life example. The chapter begins with the general introduction of the company used as a case study, which is followed by more detailed part focused on the issue of multicultural teamwork directly within the company. The third part of the chapter contains summary of the findings from both qualitative research and online survey concluded among the target group.

3.1 Company overview

XYZ is a pharmaceutical company established in France in 1926[4]. From its beginning, XYZ aims to support healthcare professionals in the field of diagnostic and interventional medical imagining, and as a leader in contrast media, provides more than 90 years of experience. XYZ is present in almost 80 countries through network of subsidiaries and distributors. Since its establishment by André Guerbet, the company benefits from regular innovations and complex and extensive product portfolio causing continuous growth and expansion. The key financial data from the fiscal year 2015 are following (in millions of euros):

- Sales: 488.7 (more than 70% of revenue comes from the European market)

- EBITDA: 84.4

- Net income: 39.9

- Net debt: 287.8

- Capital Expenditures: 35.5

3.1.1 XYZ development

One of the most significant discovery enabling XYZ to be established was the invention of x-rays in 1895, which caused a revolution in the science, as it was possible for the first time in the medical history to view the interior of the body. However, even though scientist were able to see skeleton, some of the body parts (i.e. organs) still remained hidden. Marcel Guerbet invented a cardio-vascular treatment called Lipidiol in 1901, and later in 1918 proved that Lipidiol enables visualize internal organs and

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[4] All information about the company are gathered from the company website

other soft tissues when injected into human body, which made it first contrast agent in world.

In 1926, the first XYZ laboratory was established by Marcel and his son André, focusing on innovations and research. Later in the 60's, the company was led by André's son, Michel Guerbet, who added to the product portfolio several crucial products.

The 70's was an era of expansion for XYZ. The company started its internationalization by opening its first affiliate in Brazil, reinforced its production by constructing the second plant in France and strengthened its position by acquiring a fine chemical company. The company growth continued by opening markets in Japan and USA and introducing XYZ on Paris Bourse.

As the expansion continued, XYZ opened affiliates in Germany (1992), Turkey and UK (both 1994). After the three more affiliate opening in Europe in 90's (Spain, Switzerland and Austria), the process of internationalization continued also to Asia (Japan, South Korea, Hong-Kong, Taiwan) and USA.

In 2015, XYZ acquired EFG's division of contrast media (CMDS). With this acquisition, XYZ became a global leader in contrast media and imagining solutions, creating a business with a pro forma turnover of €800M. The acquisition enhanced both product portfolio and geographical position and brought together about 2,500 employees.

3.1.2 Overview of XYZ's activities

One of the XYZ activities is medical imagining, an activity with objective to check diagnosis and help with the treatment by examining the inside of the human body. Medical imagining takes advantage of several technology methods, such as ultrasound, nuclear medicine, x-ray and magnetic resonance.

Other field of the XYZ's activities are contrast agents, drugs existing in several forms and differing according to the method of usage, which enables to see what is otherwise invisible, often used by clinicians and radiologist. Contrast agents provide accurate data about the organs, their anatomy and functions, which allows better treatment and thus better quality of patients' lives.

XYZ is also active in interventional radiology, which is an activity connected with imagining, helping to diagnose and treat disease in a non-invasive and fast way.

Moreover, XYZ continues in development of medical devices that are used during a medical diagnosis process.

XYZ's products cover most of the techniques mentioned above and its portfolio currently contains numerous products in each category. However, the growth is mainly driven by three flagship products: Dotarem®, Xenetic® and Lipidiol®.

Figure 9: XYZ's product portfolio

MRI	X-ray	IRT
Dotarem	Xenetix	Lipidiol
Artirem	Optiray	Patent Blue V
	Optiject	
	Oxilan	
	Hexabrix	
	Telebrix	
	Micropaque	

Source: Compiled by author (2016)

In order to ensure the continuous growth by innovation, XYZ group dedicate significant resources into the new product development and research (approximately 9% of revenues, which is equal to €38M in 2015). The research is devoted mainly to contrast agents in magnetic resonance imagining and interventional radiology, and to improving and developing medical equipment. The research is very important element of XYZ's strategy and as such employs more than 200 people and creates more than 100 R&D strategic scientific partners.

3.2 Organization of XYZ

Group XYZ is an international company based on several world's markets. In most of the locations, XYZ is present directly, controlling the whole value chain from development to distribution.

The company's headquarters is situated in French city called Villepinte (12 km from Paris), where the majority of support activities are located (Marketing, Finance, Strategy, Human Resources, etc.). XYZ serves most of the markets through its affiliates, which enables the direct presence and being close to the markets. XYZ

counts with thirteen affiliates in EMEA region, nine affiliates in America and six affiliates in Asia-Pacific region. The network also contains two research centers in France and nine manufacturing plants in France, Ireland, Brazil, USA and Canada. In order to serve clients fast, the group also operates number of logistic centers in most of the markets.

Figure 10: XYZ Worldwide
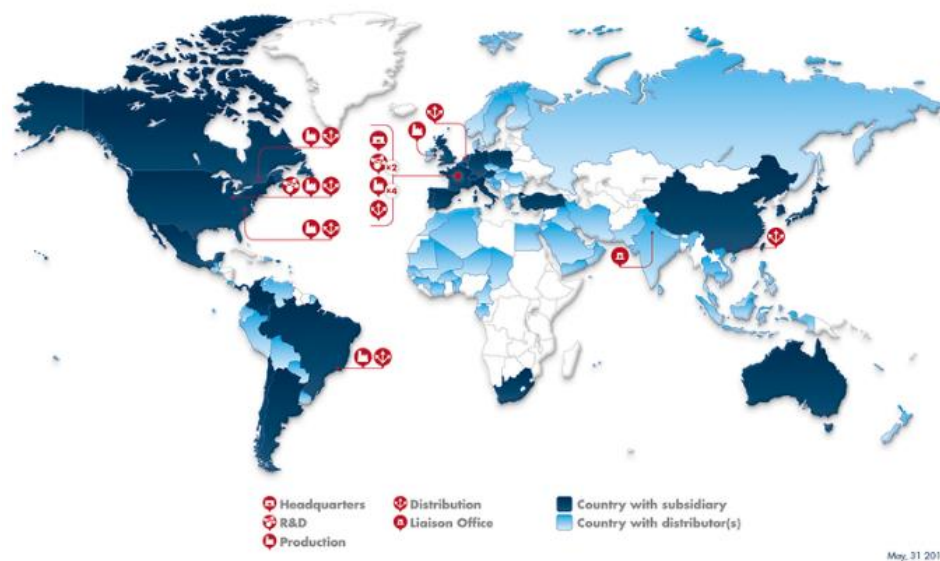
Source: Company website (2016)

Globally, XYZ counts with more than 2.500 employees. The major pillars of their employee policy are: Diversity, Prevention, Recognition, Commitment and Responsibility. Most of the employees is located in Europe (up to 85%), while America represents only around 13% of the headcount and Asian region less than 4%. In terms of gender diversity, there are slightly more men than women representing approximately 58% of the employees. The average age of employees is around 43 years.

Apart from the big teams based according to the location, XYZ's employees are divided into five main functional divisions. These areas are Quality, Research and Development, Support Functions, Production and Sales and Marketing. Quality division assures the quality of products, controls of products, compliance with standards and ensuring environmental protection and safety. R&D area focuses on all types of development (clinical, pharmaceutical, industrial) and as a key element of XYZ's strategy ensures that the products are in line with organizational goals. Support functions involves various functions such as Finance, Human Resources, Information

Systems, Purchasing, Legal and Communications. The production area includes production both in Chemistry and Pharmacy together with the Supply Chain and Maintenance. The Sales and Marketing division defines commercial strategy, increase the number of customers and maintains the current customer base.

3.2.1 XYZ in the Czech Republic

The Group XYZ started its story in the Czech Republic when acquiring the part of the contrast media and delivery systems business from the company Mallickrodt in 2015. The company chose the riskiest form of entry, acquisition, in order to achieve strategic objectives and become a leader in medical imagining. XYZ pursued the acquisition namely because of a strategic fit, strong position of EFG's product in areas related to XYZ's activities, technological synergies and possibility to grow externally when acquiring affiliates in new geographical locations and enhancing the position on current markets. The acquisition also significantly contributes to the costs saving, as the group will benefit from economies of scale caused by joint R&D and logistics.

Figure 11: A change in size of the XYZ after the acquisition
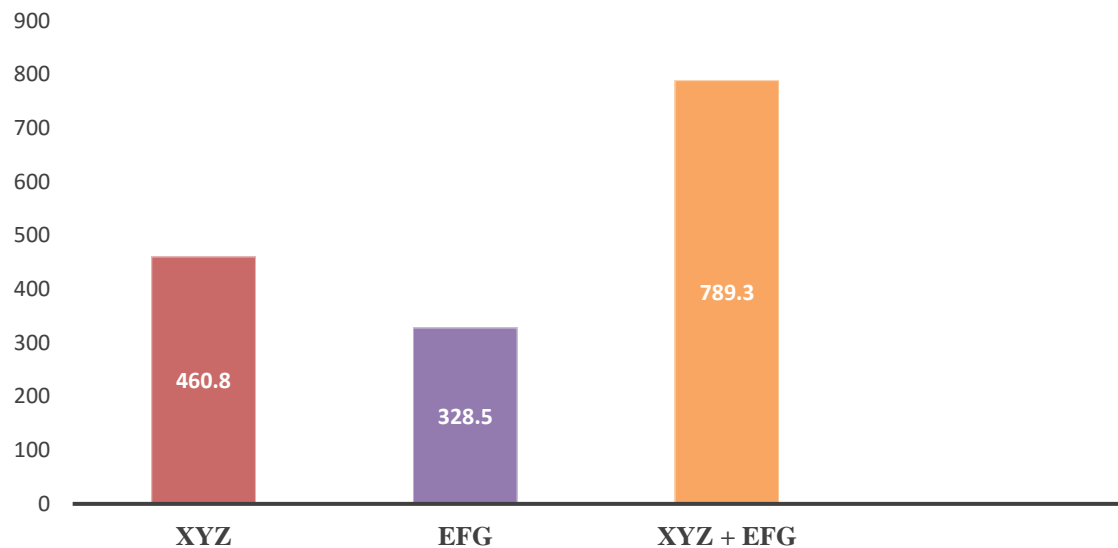
Source: Compiled by author (2016)

By acquiring the CMDS business from EFG, there was established a new Shared-Service Center in 2015 in Prague, on which the author focuses in the empirical part of the thesis. The majority of employees were transferred from EFG, however many new employment opportunities emerged as the team had to be completed. The Prague team is responsible for the supporting functions for the entities based in EMEA

region in areas such as Customer Service, Finance, HR and IT. Since the center provides precise services to various countries, there is a demand for employees not only from the Czech Republic, which creates very intercultural environment.

The Prague office currently comprises of 64 employees with 6 more colleagues joining the team soon. The team consists of a little bit more women to men (41 to 23) with average age of 34 years. The majority of employees works in the Finance team and Supply Chain.
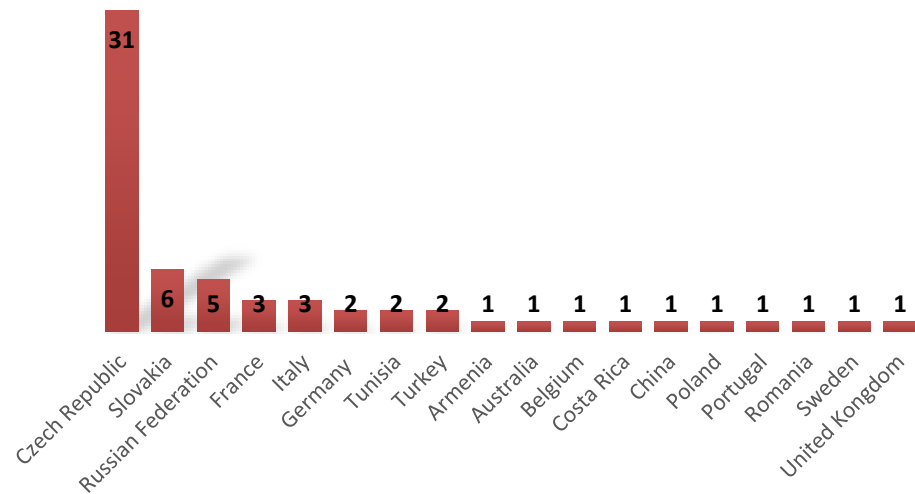
Figure 12: XYZ's Prague Shared-Service Center Team Layout
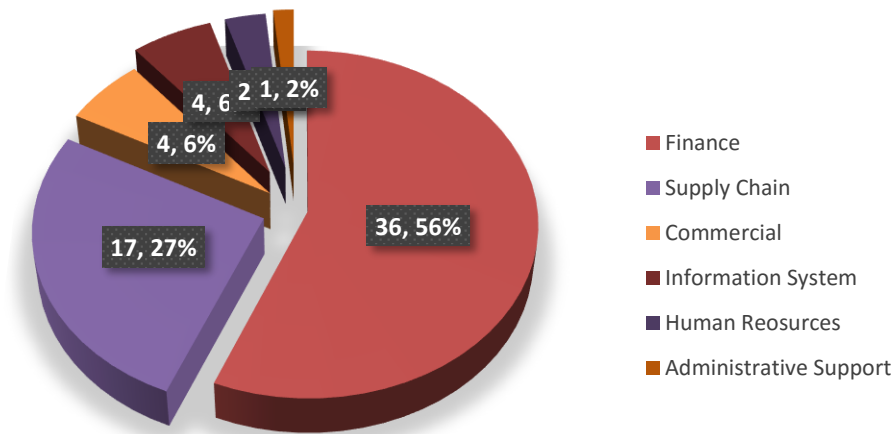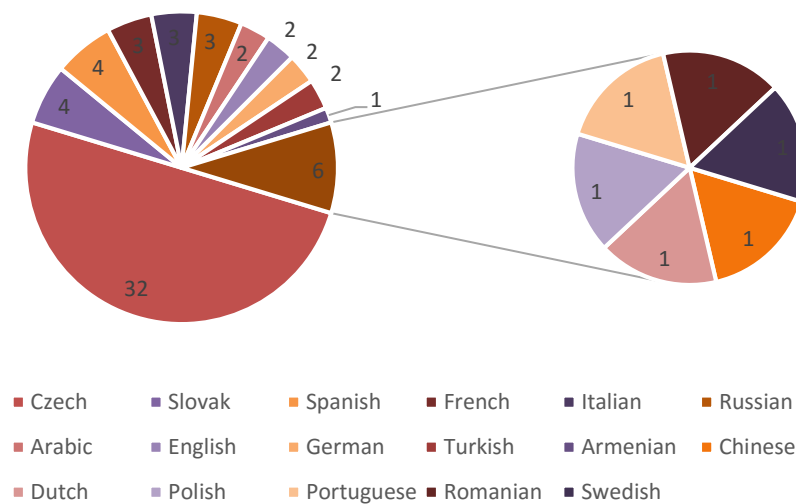

Source: Compiled by author (2016)

The increase in the number of employees also brought a higher variety in cultural environment, and currently the team has 18 different nationalities, such as for example Australia, Costa Rica or Tunisia, which speak 17 different languages, including Turkish, Portuguese or Swedish.

Figure 13: Nationalities represented in XYZ's Prague Shared-Service Center

Source: Compiled by author (2016)

Figure 14: Primary languages represented in XYZ's Prague Shared-Service Center

Source: Compiled by author (2016)

Customer Support Team

In the XYZ's Prague Shared-Services Center, there are represented all types of the teams from the intercultural point of view. There are solely homogenous teams, composed from Czech members only (Procurement and Logistics or Administration), token teams (Information System team with one member from Slovakia) and also

bicultural teams (Sales team consisting of two members from Russian Federation and the Czech Republic, or HR team composed from Czech and German member). However, the two biggest teams, Finance and Customer Service, are very multicultural as these functions need a perfect, or even native knowledge of languages.

In the empirical part of the thesis, I will use as a case study the Customer Service team, as the level of multiculturalism is far the highest. The team has currently 15 members, with one more member on the parental leave and two more colleagues to join soon.

Customer Service team is a physical type of the team, as they are mainly responsible for providing excellent customer services aligned to the company's guidelines. The job is very demanding and requires perfect organizational skills, ability to work under pressure and excellent communication abilities. The members of the team are handling the orders, telephone requests, invoice queries, various reports and database administration. The main goal of the team is to ensure the highest level of customer services and to meet the customers' needs.

According to the Bay's classification, the team has a long-term focus and belongs to the organizational structure, therefore can be classified as an autonomous team. The team covers various processes related to the complex functions of the customer support, with the aim to maximize customers' satisfaction and hence enhance the company position and competitiveness. The team consists of one team leader and 14 Customer Service Representatives, who are responsible for various markets, handling the tasks from end-to-end. Such a big size of a team is very challenging for only one team leader, who apart from the operational controlling and delegating is in charge of determining the team's goals and strategy, as well as leading, mentoring and coaching.

As found out during the interviews and personal experience with the team and its functioning, the communication within the team follows the All-Channel pattern, where the team leader is in the center since the most of the communication goes through him, however all team members have the same position in the communication flow and talk freely with each other without any intermediaries or barriers. Since all the members sit in the same office, which is laid out according to the functional areas, the most of the communication occurs verbally on the ad-hoc basis or during the team meetings, which is completed by the communication via emails and other online tools.

Figure 14: Communication network in the Customer Service team
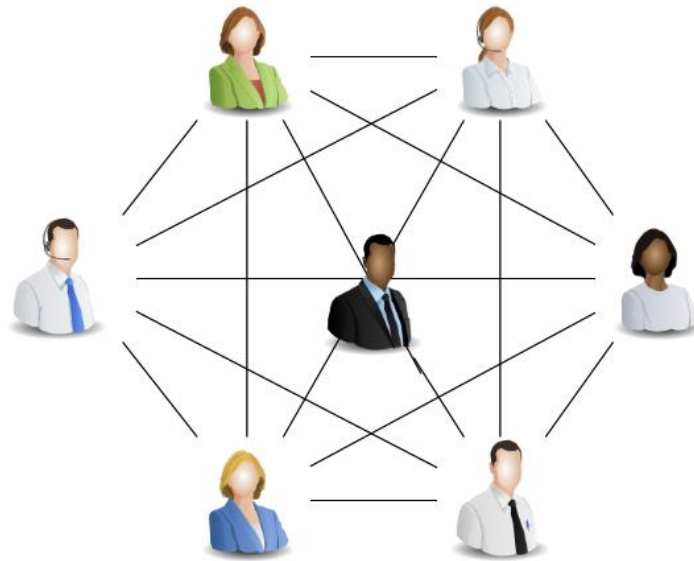
Source: Compiled by author, based on interviews and observations (2016)

Furthermore, the communication is a significant part of the team function, however not only internally, but also externally. The internal communication involves the team members, the team leader, HR representatives and other superiors. The external communication includes especially customers, but also suppliers.

As it was already mentioned, the team is very heterogeneous, especially from the multicultural point of view. Out of the 15 members, only four members have Czech origins and the rest comes from all around the world. In total, there is 11 nationalities speaking in 10 languages.

Not only a cultural variety is typical for the team, but also gender and age diversity. The team is composed of 6 women to 9 men with the average age of 38, 73 years. The team is also balanced according to the level of education, as the 53% of members do not possess a university degree, whereas 47% do.

Figure 15: The nationalities represented in the Customer Support Team

Source: Compiled by author (2016)

Figure 16: The languages represented in the Customer Support Team

Source: Compiled by author (2016)

<u>**Composition of the team according to Belbin**</u>

As already described in the methodology section, the team members filled in the Meredith Belbin's team roles test in order to identify their role preference and to see, whether the team is balanced from this point of view. Out of the 15 team members, 12 people took part in the test, giving us quite information sample.

In order to define the most preferred behavior and way of interaction with others within the team, the two most favorable roles were recognized together with one least preferred role, which the participant wish to avoid if possible.

As defined during the survey, the half of the team can be identified with the role of the team worker, willing to help the team while cooperating together. Apart from that, almost all roles are represented within the team at least with one inclination to the specific role. However, it is suggested that a team should comprise of all the roles in order to perform successfully. As we can see from the table below, the two team roles, resources investigator and specialist, are not represented at all. This may lead to the lack of optimism and opportunities discovered and followed, due to the absence of resources investigator, as well as to the shortage of deep knowledge and specialized technical skills, thanks to the absence of specialist. Moreover, the high occurrence of the team worker role may result in less challenging atmosphere, where unpopular decisions are avoided in order to preserve the positive team climate.

Figure 17: Customer Service Team Roles overview

Role	# of 1st preferences	# of 2nd preference	# of least preferred preferences
Coordinator	1	3	1
Team Worker	6	1	1
Resources Investigator	0	0	3
Shaper	1	1	0
Implementer	1	4	1
Completer-Finisher	1	2	1
Specialist	0	0	1
Plant	2	0	2
Monitor Evaluator	0	1	2

Source: Compiled by author (2016)

3.3 Qualitative research analysis

As already mentioned in the first chapter of the thesis, the qualitative interviews were conducted among the Customer Service team, when 13 people were answering the questions. The main purpose of this research was to find out the opinions of members about their own culture, multicultural teamwork and leadership issues. The interviews were held in the open discussion form, following the core questions in order to have comparable results, however with no strict structure, wording or timing.

The research questions aim to follow the objectives and methodology defined in the first chapter and the results are presented by questions as follows.

How would you briefly describe your nationality from the working perspective?

The first question was designed to be very broad and open in order to begin the discussion and let people talk about what they know the best – their own culture. After the first open question, interviewees were asked few subquestions related to the Hofstede's five dimension to understand how they see their culture in this structured form with the aim to analyze it together with the Hofstede's research and findings later.

Such a broad question, which is moreover specific to the particular culture, brought a great spectrum of answers. However, the respondents had a difficulty to define the culture and its specifics in their own words and came up only with very few characteristics:

"It is always hard to tell. It does not depend only on the country." *(Respondent no.1)*

"Such things are changing a lot. It may be very individual, depending on age, gender, mood..." (Respondent no.13)

"To be honest, I am not sure how our culture should be described. There are of course some characteristics, but I am not sure if they are true." (Respondent no.7)

From that I concluded, that not many of the team members think about human characteristics from the cultural point of view. Furthermore, the respondents were quite reluctant to give specific characteristics of their culture, stressing out the difference among regions:

"We cannot state a characteristic for the whole country, it depends on country parts. You have to know the part characteristics, respect it and behave according to it." (Respondent no.2)

"It depends on the region. People in the north are friendlier and warmer, whereas people in the south are cold." (Respondent no.3)

Apart from the importance of the region, the other factor preventing the general conclusions about culture is a personality:

"Most of my compatriots prefer to be a part of the big group, of the gang. But not me, I prefer to be more individual Personality is a big player as well." *(Respondent no.9)*

"This may be very individual – someone is materialistic, someone not. Some people are willing to take risks, some values stability over everything." *(Respondent no.3)*

In this study, the stereotypes do not affect the perceptions about other cultures and generalization do not take place. This is not only due to the above mentioned factors of personality and regional differences, but also thanks to advanced cultural awareness, or maybe even cultural intelligence, since the respondents are in the daily contact with highly international environment already for a few years:

"Generalizations are sometimes needed, but it may be tricky, we cannot use them freely." *(Respondent no.11)*

"We cannot generalize. I do not want to use stereotypes. I prefer to see individuals, treat them individually, and approach them as a person, not as the country." *(Respondent no.10)*

"I am not sure if we can use our experience for generalization for the whole country. Here we have only one person from each country and that does not give a clear evidence." *(Respondent no.4)*

"Even though where there is a smoke has to be a fire, meaning that stereotypes exist for some reason, we should not take them very seriously. It is always better to make your own opinion." *(Respondent no.9)*

Answering the subquestions related to the cultural dimensions, many responses differ in a great extent from the findings from Hofstede's research, as it is analyzed in the Appendix II. The reasons may be various, including influence of the specific social groups, meeting predominantly with the expatriates in a foreign country, who has different patterns and behavior, unconscious generalization or even idealized image of how the society should behave. The difference among the answers and Hofstede's research may also originate in the incomprehensiveness of the questions caused by the

limited time scope, nevertheless it also points out the significance of individual approach to each person regardless the cultural origin and not relying solely on the theory, as the behavior of particular individuals is affected by many factors, including, but not limited to the culture.

What kind of different characteristic can you see in different nationalities you are working with?

The aim of the question is to see whether co-workers notice differences caused by the different cultural background and whether it influences the cooperation on the workplace. Several differences were identified, usually connected to distinct working style and attitudes at the workplace.

"Some countries are resistant to change, they are not flexible. They are always negative, questioning everything and do not look into the future at all. On the other hand, there are countries with positive attitude to everything." (Respondent no.12)

"The Mediterranean countries are more direct and open. They focus on many things at one time and multitask a lot. Here in Central Europe, we tend to be more focused, quiet and organized. The Eastern countries seem quite chaotic to me, which make it more difficult to communicate with them for me." (Respondent no.10)

Despite the differing characteristics of various cultures, geographically closed countries seems to be more alike and evince similar behavior. Clustering the countries into geographical regions facilitate the cooperation in the group as the members from the same cluster find it easier to collaborate together, and the observers may find out more common attributes helping them to decode the behavior.

"Colleagues from Spain and Italy are very talkative, they speak all the time, you can hear them in the office." (Respondent no.13)

"I feel more comfortable with the colleagues coming from neighboring countries. The contact is easier, the language is similar, the culture is alike, which causes that we are closer to each other." (Respondent no.5)

"If I see Spanish or Italian people moving and waving their hands, I know they are not suffocating, but talking." (Respondent no.12)

However, the specific type of the work in the customer support involves particularly a conversation with the customers rather than with the co-workers, causing the team conversation to be somewhat superficial. For this reason, team members do not know about each other that much and also do not have to deal with cultural differences so often:

"I know only very basic information about the countries in general, but we do not interact that often to discover any significant differences." (Respondent no.1)

"The lack of interactions causes more shallow relations and formal conversations, so the cultural differences do not emerge frequently." (Respondent no.10)

Moreover, the study suggests that people from different backgrounds experience different problems, which is enhanced in such a team, where each member serves specific geographical market and address the problems related to the markets rather than to the team:

"I am focused on my work. And my work involves dealing with specific markets. So the most important cultural element is the one behind the customer rather than behind the colleagues. The only problems I have to solve are the ones of customers, not the ones in the workplace." (Respondent no.2)

What are the advantages of working in multicultural teams?

The benefits of working in multicultural teams are evident for majority of respondents. People in the team have diverse experience and perspectives, therefore perceived tasks and problems in a different way. This is particularly beneficial taking into account the fact, that all the members execute the same tasks with the same objectives as well as limits and boundaries, but all of them have a specific way how to approach it.

"Examining the colleagues' working styles, thoughts and attitudes towards problems educates me and helps me to optimize the performance." (Respondent no. 6)

"I always solve the things in the same way. One day I was stuck with a problem, and an Italian colleague came and explained his way. I never thought about it, but it worked!" (Respondent no.3)

"The team members have a lot to contribute, and in case of a positive attitude, they may learn a lot. However, I wish them to be more sensitive to the styles of others and absorb the qualities more naturally." (Respondent no.12)

Being a part of multicultural environment increases a qualification of the workers, who then feel more confident, which is also mirrored in other aspects of working life. This is certainly very beneficial also for the organization, since the workers become more skilled and effective, which leads to the development of the business.

"I am learning and developing professionally much faster. I feel more confident, more myself, which also affects in a positive way the way how I communicate with customers." (Respondent no.5)

Furthermore, multicultural team work provides the team members with the opportunity to educate them not only in things related directly to work. They can get the knowledge about different countries, life-styles, cultures and traditions, which helps them not only to get valuable tips for vacation, but also to get through the day faster and in a more enjoyable way. Additionally, they learn from the variations and become more open-minded both in professional and personal life. In addition, team members value the opportunity to improve their language skills, either in active or passive form.

"My English is significantly improving. I have to use the language actively, but I also catch many phrases passively." (Respondent no.5)

"Listening to various experience help you to get faster through the day. You can see how others work and take something out of it." (Respondent no. 13)

You can learn interesting stuff about other countries, about how people live and what they do in their free time." (Respondent no. 4)

Also, the respondents believe that multicultural team also provides the workplace with more pleasant atmosphere than the homogenous team and people feel more

comfortable and satisfied, which has a beneficial effect on their performance and also on employee retention:

"Before I used to work in a team, where I was the only foreigner. I think that in a multicultural team, others take me as a person, not as a country. People here do not use stereotypes, do not generalize me according to my country of origin." (Respondent no.1)

"I think that the fact, that majority of the team comes from different countries and are hosts here, positively influences the team climate. They are trying to find ways how to exist in a foreign country and behave kinder in order to be part of some mini-community, or mini-family." (Respondent no. 7)

"When compared with my experience in homogenous teams, I feel much happier here. There are no gossips, no intrigues, which often caused a lot of trouble both for the team and for the company." (Respondent no.10)

From the company point of view, many advantages coming from international team were identified by the respondents:

"We have wider perspective, greater pool of experiences and ideas, enabling us to approach problems effectively and in more innovative way. We also went through different education, not only from the field perspective, but also using various styles and methods, which brings the greater possibility to come up with new solutions." (Respondent no.5)

Even though this opinion is not shared by the majority, the idea about zero effect of multicultural team both on personal and organizational levels was expressed:

"My only concern is to deliver the assigned job. I do not cooperate directly with my co-workers so they cannot influence me. If something affects me, it is the environment in which the organization operates and its organizational culture. The only important international factor is then the origin country of the multinational company." (Respondent no.2)

What are the biggest challenges of working in multicultural team?

The most frequently cited challenge during the research was the language, which is described in the following question. Apart from that, the other most common difficulty of working in a multicultural environment is differing working style, which may affect the work place in a positive way, but may also cause a tension:

"I know that we have different working habits, so I try to be open-minded towards them, but sometimes I feel uncertain whether the task will be done and what the results will be." (Respondent no.8)

"I like my working style, which is very organized, and having to cooperate with hot-blooded Mediterraneans makes me feel uncomfortable, as they seem to me chaotic and sometimes too much relaxed." (Respondent no.10)

One of the challenges may be also the motivation, which varies according to the culture. Such a different level of contribution increases tension among not only team members, but also among leader and members, and reduces the efficiency and productivity:

"The Czech nature seem to be to expect a benefit for every extra work, which makes the cooperation quite taught sometimes. They do not seem to be motivated to take the ownership and walk the extra mile, comparing to some other cultures, such as Sweden, Spain or UK". (Respondent no.12)

"I think this is a stigma rooted in our history. We want to have better lives, to always have more than we have now. That is why we always ask: For how much?" (Respondent no.10)

Other challenge described was different thinking – both in a sense of positive/negative view on the world and in a sense of thinking about work and problems. The different thinking can bring various benefits, which are already described above, however may also make mutual understanding more difficult resulting in a lack of cohesiveness. Moreover, such different beliefs, which usually originates in completely different life experience, may influence the level of collaboration within the team or level of proactivity:

"Turkish nature is more negative and resistant to changes than for example Spain, France or UK. Sometimes it is very difficult to explain something to them." *(Respondent no.3)*

"I can see that some of my team members think in a completely different way. I do not only have a difficulty to understand their reasoning and logic, but it also may discourage me from direct involvement. I prefer to have some distance in case of uncertainty." *(Respondent no.4)*

"Everything consumes much more resources – both time and effort. Not everyone understands the rules, policies, tasks…It always takes more time to understand the reasons behind the behavior and act accordingly." *(Respondent no.12)*

The very common answer to the question was, that problems and challenges are not caused by the cultural differences but rather by the personality of individual employees. However, the cultural background affects not only the personality, but also the perception of how the team members see each other. What is considered to be normal in one culture, may seem to be completely extreme or inappropriate in another one, which may lead to invisible distance among members:

"I guess they perceive us as too direct, spontaneous and disorganized. But there are two sides of everything. We may consider them too reserved, mysterious and closed. I cannot read in them at all." *(Respondent no.9)*

In contrary to the cited theory, the study did not show any sign of cultural barrier causing a problem of building the trust within the team:

"This is not a matter of culture, but rather of personal characteristics, values and attitudes. The language may slow down the process of the trust building, due to the communication on the shallower level, but the trust then may be even deeper." *(Respondent no.6)*

"I do not see how the trust could be affected. It is not related to the culture at all. Someone is responsible and you can rely on them, someone is not. You can make a friend form completely different culture and never trust someone who lives the next door the whole life." *(Respondent no.13)*

What kind of differences do you see when communicating with colleagues with different cultural background?

The study identified that language and communication are the most significant challenges of multicultural teamwork. The majority of the team members have other native language than English, which makes it hard for them to express themselves and clearly state the point. Furthermore, the lack of proficiency often leads to direct translations from native language, which may result in confusing or meaningless message.

"The language barrier is the most challenging thing we have to overcome. I always look for appropriate vocabulary, I use different wording, and sometimes I do not really understand the vocabulary of others." (Respondent no.10)

"I can see that mutual understanding is more difficult. Some people tend to translate the whole sentences, word by word, from their native language to English. It may sound really inappropriate, sometimes even brutal." (Respondent no.9)

"You have to be really cautious, which words you choose. The sarcasm and irony really do not work here. The same goes with metaphors and jokes, nobody understands them. I feel like part of my personality is gone, as it is very common for me to use them."(Respondent no. 7)

English language means a barrier even for native speakers, as the colleagues sometimes use incorrect words and expression making it difficult to understand. Moreover, even the great speakers may have accents, hindering the smooth understanding.

"English is my native language, but even though we communicate in it, I still do not understand. Sometimes they just say something I am completely lost, it makes no sense to me." (Respondent no.3)

Apart from the language barrier, different cultural background may also cause other issues with communication. Speaking in a foreign language often affects the behavior of the person, changing their spoken expression or verbal language, causing that person do not feel naturally. This results in difficulties also among audience, making it extremely hard to understand voice color or body language.

"People in a multicultural team are more careful, how they express themselves. They are not that spontaneous, the communication has slower pace, so they have more time to think about the way of presenting themselves" (Respondent no.1)

What is more, team members from different countries have different communication style, which may cause a tension, resulting from unfamiliar behavior. Some cultures are more high-context than others, generating a feeling of incomprehension, which may lead even to frustration.

"The communication style of some colleagues of mine is very direct, sometimes even aggressive. I prefer to be more diplomatic. This causes a discomfort as I barely know how to react." (Respondent no. 11)

"Some of my co-workers speaks a lot and it takes more time to get to the point. They need their time to explain and absorb information. I need less information, which make me feel like I am wasting my time." (Respondent no.10)

However, it is important to realize that such communication barrier might result in an advantage as well. It was described that colleagues are more tolerant, they give more space to each other to express themselves and they do not rush into any conclusion, making a special effort to understand the message and see the point from the new view and perspective.

Could you describe your experience with any kind of misunderstanding caused by different cultural background?

Quite surprisingly, the majority of interviewees do not recall any misunderstanding caused by the cultural diversity within the team and do not perceive it as very common problem at the workplace. The only issue mentioned in relation to misunderstandings was again the language and communication barrier, which results in uncomfortable situations if the proper time for clarification is not taken.

Such misunderstanding may be comical if they do not give rise to more serious conflicts, but also may lead to much more significant problems, such as separation of the team into groups, unwillingness to cooperate or even total ignorance of colleagues:

"You know, there are some misunderstandings from time to time, but nothing really serious. Usually it is caused by language and inappropriate words, but it all can be worked out. It is more funny than troubling." (Respondent no.4)

"Once it happened to me, that I did not fully understand the query of my colleague. I thought I gave him a sufficient answer and did not deal with it anymore. However, he thought that I did not care about his question and took it very personally. He did not speak with me for weeks." (Respondent no.8)

It was again reminded that usage of sarcasm does not always work, as the counterparts often oversee it and take every word too seriously. Furthermore, the vocabulary and choice of words creates situations, where others have problems to understand, which may be critical in case they start to make assumptions instead of asking for more information to clarify. This may be especially a case for colleagues speaking languages from the same language family, where the understanding seems to be easy, but may be exactly the opposite:

"Moving to the Czech Republic caused many funny situations. Most of the words are same, which give you an impression that you understand everything. But some words are completely different, even opposite!" (Respondent no.5)

"I need to pay attention to using the sarcasm, which is so typical for my country. It is not always understood and people may take it too seriously. They analyze word by word, which doesn't make a sense to them." (Respondent no.3)

As the communication style varies as well, misunderstandings originate also in the lack of specificity when expressing the ideas and thoughts. The same word might have different perception in each culture and if not specified, can cause a different valuation of situation or different understanding of the message:

"I told him to do it soon. For me, the soon means now. But for him, soon means at some point tomorrow, or even the day after tomorrow." (Respondent no.7)

Additionally, the nations characterized by more temperament and expressive communication tend to be involved in such misunderstandings more:

"I feel like they always rush to the conclusion. It seems to me that they do not think about what I say and already have their opinion even before I finish."(Respondent no. 10)

Nevertheless, the most of the interviewees do not see such misunderstanding as the end of the world and take it as a common part of the work. They understand the importance of the communication, and believe that every misunderstanding can be worked out if all parties involved are open-minded and willing to make extra effort when dealing with the team members from all around the world.

Do you prefer to work in a multicultural team or in a homogenous team and why?

The most of the respondents appraise more positively the cooperation within the team with a multicultural element. The reasons mentioned are already described in detail in question 3 in the section above. The most frequently communicated reasons were more pleasant atmosphere and enriching environment.

"I feel more welcome in the team and I enjoy my work more."(Respondent no.4)

"I am very satisfied, I do not think about changing the job at all." (Respondent no.10)

"I am happy to work here and I would not change for a homogenous team. This one challenges me and develops me, which is then reflected in my performance." (Respondent no.3)

"People here make an extra effort to make the relations work. The arguments are not very frequent, people tend to explain everything in more detail, which often prevent fires." (Respondent no.6)

"It is much easier for me to make friends in such multicultural team, then when I used to work in homogenous team." (Respondent no.1)

"The work in such environment may be more demanding, but it worth it. I learn a lot from my colleagues – how to communicate, negotiate or deal with stressful situations. I try to copy the positives, but avoid the negatives." (Respondent no.5)

"Due to the fact, that the most of us are not local, we try to be friendlier. This is our family here and we take care of it." (Respondent no.7)

In contrast, some of the team members prefer to work in homogenous team. The main reasoning were shallower relations and lack of knowledge about other team members:

"The conversation here is very formal, maybe because we do not share the background." (Respondent no.11)

"I prefer homogenous teams, because the atmosphere is more relaxed. We are able to talk to each other, even about the non-work stuff. I think that friendship is much easier to be developed in homogenous teams." (Respondent no.8)

Have you received any training about multicultural teamwork, and if yes what type?

All of the respondents confirmed that they never participated in any training or workshop related to the multicultural environment and how to deal with it, despite the employment in various global corporations. The majority's opinion is that it is not necessary, however some of the interviewees would be interested in getting to know more about the other cultures represented in the team:

"I never thought about it. I guess it may be useful. I would like to know about the culture of others in order to understand them better." (Respondent no.5)

"It would be nice to find out about their nationalities, about how they are used to work, what are their habits." (Respondent no.1)

"Actually, I would be interested in the reverse form of the training – how others see our culture. It might be interesting to know, how we are perceived, because sometimes we do something without even thinking about it. The change may be easy, but we have to know what to change." (Respondent no.10)

"I do not think that the training would be needed, but for sure the English lessons could make our work much easier. And English lessons are some sort of training." (Respondent no.8)

However, more than a training the participants would appreciate more natural form of getting familiar with the other cultures, such as informal meetings and simple conversation.

The contra argument was presented as well, denying the importance of such intercultural training:

"The training is not needed. It is just a common sense."(Respondent no.4)

"I do not think you can be trained for this issues. Humans are not dogs or cats to be trained. They need to experience it. The training may give you subject, but not the results." (Respondent no.2)

"What is really important here is the on-job experience. It is much more beneficial than the training, because only the experience gives you the understanding." (Respondent no.6)

"The training would not help me to deal with challenges of multicultural team work. Certainly, you need to have an awareness about the countries in your team, know the background a little bit, and know the landmarks, foods and history, in order to engage in the conversation with them. But all that can be learned by the self-study." (Respondent no.12)

"The only thing important in an international team is to be open-minded. And you cannot be trained to be so. It is more about your attitude." (Respondent no.7)

How would you describe a leadership style of your manager?

The question aimed to analyze the perception of the leadership style of the team manager in order to compare it with the results of the leadership style test completed by the leader. Although the answers were sometimes a little bit indirect and not very comprehensive, the statements were as follows:

"He is very flexible, which I like. He is open to any discussion, there are no barriers between me and him." (Respondent no.12)

"He leads us in a good way. Everyone does mistakes, but I haven't seen him to do many. He is objective, he listens to us." (Respondent no.11)

"He trust us – and I feel like I do not want to disappoint his trust. He is free, friendly and social. I am very satisfied." (Respondent no.1)

"I like his hands-on approach. He is a good tactic. You can talk with him about any problem, he is willing to make changes. However, right now, he is doing a lot. I think he is under a lot of stress." (Respondent no.3)

"He is experienced, he knows what he does. He is goal-oriented. He has some flaws, but that is normal, everyone does." (Respondent no.10)

"He seems under the stress. He was more relaxed before. Now he uses the pseudo-authoritarian style. But we are old enough, we are not kids anymore." (Respondent no.9)

"He is demanding and he knows what he wants. He is very helpful if needed, we can count on him. He is very supporting and always have a time for you." (Respondent no.5)

"His style is not very autocratic, which I appreciate. He shows us the right direction and communicates a lot. He has very good sense how to communicate with people."(Respondent no.7)

"He is easy to talk with. I am learning a lot from him He is very good organizer. I think that I understand his point of view." (Respondent no.4)

The leader described his leadership style as following:

"I prefer to lead instead of manage. I like people who take ownership and accountability, think in a positive way and are willing to sacrifice things without always expecting something in exchange for the job done. I am able to develop the independent ones, but not the ones who have to be micromanaged. I appreciate if my members know what they want and what motivates them, why they do the job at all."

The findings obtained during a qualitative research were applied during a construction of an online survey among the team as well as to support the research objectives of the thesis and provide the recommendations in the following chapter.

3.4   Leadership test

In order to analyze the leadership style of the leader of the team in the study, the leader completed the Multifactor Leadership Questionnaire (MLQ), developed by Bernard Bass and Bruce Avolio. The test is intended to serve as a tool helping to understand behavioral and attitudinal characteristics and preferences of the leader, and provides the explanation of the leadership style by using the "full range" leadership model (Bass & Avolio, 2004). The results of the MLQ were compared with the norm in order to determine the leadership style of the team manager.

By breaking down the leadership profile into several categories and subcategories, the score in each section indicate the leadership preferences. The first category, transformational leadership, describes the leaders with power and influence resulting from their confidence, inspirational behavior and trust among the followers. The high score in the subsection called idealized influence - idealized attributes, indicate that leader is an inspiration for the followers, focus on the interests of the whole group and acts as a role model for the team. Score in the second subsection, named idealized influence – idealized behaviors, identifies leader with the high integrity, self-control, optimism and ethics, which facilitates the development of common goals, mission and vision. The above norm score in the third subsection, inspirational motivation, implies the understanding of stated vision and belief about its attainability. The results from the fourth subcategory, also called intellectual stimulation, describes the leader as helpful, innovative and creative. The score in the last subsection, individual consideration, is similar with the norm and signify the average concern about the individual development and maximization of individual potential.

Second category, transactional leadership, is descried as recognizing the tasks needed in order to achieve the goals, identifying the needs of the followers and establishing rewards and clear requirements to meet them. Scoring below the norm in the first subcategory, called contingent reward, means that the leader does not always clearly clarify the responsibilities, goals, rewards or punishments. The second subsection, management by achievement – active, noted an above norm result, which indicates careful monitoring of mistakes and focusing on quick corrective measures, together with clear definition of poor performance of its followers.

The last part is devoted to passive/avoidant leadership style, which is described as not active in reaction to emerging problems, lacking in clarity of explaining objectives and expectations, which may cause serious problems for the team and the organization as a whole. The subsection called management by exception – passive, depicts reactive waiting for things to go wrong instead of proactively taking a stand on the problems. The second subsection, laissez-faire leadership, identifies passive leaders, who do not provide their followers with sufficient information and feedback, do not recognize the well done job, and avoid making the decisions or solving the problems. However, the results show the score much smaller than the norm, meaning that such characteristics are not typical for the leader in question.

The test also includes the part devoted to the outcomes of leadership, where the achieved score was above the norm in all subsections – extra effort, effectiveness and satisfaction with leadership.

To conclude, the analyzed leadership style is described as building the trust, acting with integrity, inspiring others, encouraging innovations and monitoring mistakes. The leader lacks coaching people in the team and rewarding achievement. He does not fight fires but actively prevent them and also actively involve himself in the team work. Summing it up, the results determine that the dominant leadership style is transformational leadership with a little influence of transactional leadership.

The results from the MLQ were used for developing the survey, where the respondents express their opinions about all categories mentioned above in relation to their team leader performance. The results of the test are also reflected in the research objectives, which focus on this exact concept of transformational leadership.

3.5   Survey analysis

The data analysis is completed with the survey distributed online among the team members of the Customer Service team. The purpose of the survey is to verify the assumptions derived from the personal interviews and to understand how the team members perceived the leadership style of their manager. The data are presented in a form of a report, however the results can be found in the Appendix III, analyzed in charts for easier understanding and better visualization.

The first section of the questionnaire focuses on the multicultural team and its benefits or disadvantages, concentrating on the perception of the team members. As the results incline, the majority of respondents prefer the work within a team with multicultural elements, as it was already apparent from the interviews. The work within such a team appears to be more stressful to almost half of the respondents, however the same amount of respondents feel neutral about it. The results are mixed about the topics of relations, cohesion and team spirit in the multicultural team, showing no strong inclination to any of the sides. The communication is perceived to be more complicated in such a multicultural team reflecting the stated difficulties during the qualitative part, and is identified as the most significant difficulty of multicultural team work, followed by different cultural background. With regards to the advantages, multicultural team is perceived to be more creative, nevertheless the team members feel rather neutral in relation to other benefits cited in the literature.

The significant majority agrees with the fact, that the team leader has a key role in the performance of multicultural teams, and that a good team leader is able to manage and reduce the cultural difference as well as problems resulting from such differences. Moreover, the same majority is satisfied with the leadership style of their manager. Combining this information together and completing them with the results of the MLQ test done by the leader, we can conclude that the transformational leadership style is convenient for leading multicultural teams.

Furthermore, the questions aimed to reveal the compliance of individual characteristics of transformational leader with the actual behavior of the team leader of the Customer Service team, were asked to see whether the team members perceive him as a transformational leader or not. With regards to the five categories representing transformational leader, the manager scores very high among the members, especially in the categories of idealized behaviors and inspirational motivation, but from the answers the space for improvement was identified in idealized attributes, intellectual stimulation and individual consideration. However, the survey verifies that the prevailing style is the transformational one. Concerning the categories identifying the transactional leader, there is a high level of agreement with contingent reward section and neutral feeling about management by exception: active, indicating small influence of transactional leadership. The respondents also clearly stated the discrepancy between passive/avoidant leadership and actual style of the leader. Additionally, the team members do not feel encouraged to make an extra effort, but perceive the leader to be efficient and making them satisfied.

The findings from the empirical part are used in the following chapter, focusing on the discussion and recommendations, together with answering the research questions. The discussion chapter is concluded with the implication and limitation analysis and suggestions for further research.

4. Discussion and recommendations

The literature review revealed the connection between the culture and teams and also analyzed the concept of leadership, with attention paid especially to the modern leadership theories. These theoretical concepts were used in the empirical part, where they were confronted with the real life experience and opinions of employees working in a multicultural team. By combining the acquired knowledge both from the theory and practical case study, the discussion and recommendations are given. After summing up the recommendations, the research objectives from the first chapter are answered, which is followed by the implication and limitations of the thesis with the suggestion for further research at the end of the chapter.

4.1 Recommendations

Combining the cited theory with the findings from the empirical part, the recommendations regarding the effective team work in multicultural teams are inferred. These recommendations can be taken directly by the examined team in the Group XYZ, but also generally by global organizations and leaders handling international teams.

1. Recognize and foster the cultural differences among your organizations.

If the organization comprises of several nationalities working together, the multicultural teams should not be taken automatically as the homogenous teams. Such teams bring various challenges, which have to be addressed, but also cause beneficial effects, such as higher creativity. Instead of focusing on the negatives and trying to reduce the differences, the variances should be identified in order to leverage them and build a competitive advantage out of them. Balancing such opposites, managing and embracing the contraries, leads to the broader coverage of the tasks and problems, which is beneficial for the team as well as for the company.

Multicultural teams should be often brought together, or confronted with homogenous teams, in order to participate in activities such as brainstorming. The smaller teams with special assignments should be created, existing off the official structure and performing on the short-term basis, whose objective is to solve actual problems of the organization by using out-of-the-box thinking.

Moreover, the open-discussion among the team members should be supported. They may share the best practices from their country, show the different perspectives and apply the experience from abroad, which will lead to innovative approaches and employment of the best solutions, which is then passed also on new employees and become rooted as a common practice, or eventually even as a part of the corporate culture.

2. Develop a sense of a team.

Even though there is a functioning team, the team members may still act individually. This is enforced by the special type of the team in the study, where all employees carry out the same tasks, but only for different markets. Therefore, the team members are not forced to the frequent cooperation or interaction and are concentrated especially on reaching the goals individually, rather than with collective effort of the whole group. It is suggested to create a feeling of one team where there are no individuals.

In such a team, the members cooperate and work together, trust each other and support each other, which naturally leads to better performance. The attention should be paid to reducing the subgroups within a team, which usually consists of the members from geographically or historically closed countries, and encouraging them to create a new whole team group. Moreover, the languages shared by more members, e.g. Czech or Spanish, should be eliminated and only one language, in our case English, should be established as a formal language.

3. Learn other cultures.

The research has shown, that not many people think about the cultural characteristics of their peers. Even though the stereotypes and generalizations should be avoided, it is beneficial to understand the cultural effects on the workplace behavior.

As it was suggested, the formal training is not the appropriate form how to get such knowledge, hence the more informal forms are recommended. Such informal meetings serve as a space for discussing the cultural background in order to understand other cultures and also share own culture. Such informal gatherings may be various, with preference of face-to-face meetings, as the direct contact enables faster understanding and immediate learning, for example from the body language of the counterparts.

Such meetings should be differentiated from normal teambuildings as the focus is understand other cultures rather than strengthen the team spirit. The meetings should take a place once or twice a month and each of them would be organized in rotation by different team member with attention to his/her culture. These get-togethers could be in a form of international breakfast (serving croissant, baguettes and coffee while discussing French culture), informal on-job break (English team served at five with focus on British culture) or after work activities, such as going out for pizza while talking about Italian culture.

4. Use formal training.

In spite of the belief, that formal training is not convenient for cultural issues, it may be beneficial in a certain form. This should be organized as a workshop or a case study, where the groups consisting of individuals from various cultures look for a solution of a problem related to the customer support, or any other applicable functional area.

During the session, the participants demonstrate their solutions, which is followed by the discussion with others. Such a form of training helps to identify critical parts, best approaches and also the biggest pitfalls and mistakes. Participants learn from each other and thanks to the discussion discover the space for improvement. The direct involvement results in faster embracement of the best techniques and active endeavor to improve the own performance.

5. Incorporate perceptive evaluation system.

First of all, it is really important for the leader to understand the motivation of each subordinate. Motivation is often affected by the culture, which is also reflected in diverse expectations. In order to understand expectations of all members, it is crucial to plan a one-to-one meeting to recognize what the individuals value with regards to work.

Both personal and team goals should be defined. Furthermore, various sensitive evaluation approaches and tools should be implemented, in order to keep all team members motivated. The evaluation methods should be clearly explained to the whole team so the members understand their purpose, which helps to comprehend the values of the co-workers and the work environment as a whole. Moreover, the long-term

collective objectives should be set to reinforce the cooperation within the team and the feeling of "one".

6. Employ leadership skills relevant for multicultural teams.

As already stated above, it is essential to develop a strong sense of unity leveraging the full potential of the team as well as maximizing the team cohesion. On that account, it is important to clearly formulate the mission and vision of the team and related team objectives. Moreover, the team leader should be able to inspire their followers and lead by example, which increases the engagement of the subordinates.

Additionally, related to the maximization of the team potential, the team leader should incorporate methods encouraging to solve the problems in innovative way. In addition, even the less independent employees should be stimulated to take the accountability and act more self-sufficiently without constant directions from the leader. This will boost the performance of the team and force the members to leverage the benefit of diverse thinking caused by the cultural differences. In order to nourish this even more, the team members should be emboldened to be fully in charge of smaller projects, which will discover their full potential, make them feel accountable and increase their involvement and motivation.

4.2   Answers to the research questions

After analyzing the gathered data, the research questions projected in the first chapter can be answered without any difficulty. The following text contains the short summary of the findings covered in more detail in the previous chapters.

- What are the advantages of multicultural team work?

The most beneficial element of the multicultural team work seems to be the wider pool of perspectives, opinions and approaches, resulting in the higher creativity and more innovative solutions, which is reflected in a better problem solving as well. The multicultural environment is enriching for the team members, who develops faster and their learning curve is steeper than in homogenous teams, which makes them more qualified for the job performed. The atmosphere in the workplace is more pleasant and friendly, which makes the team members to appreciate the cooperation more, leading to the higher job satisfaction and indirectly in higher individual outcome caused by the higher personal job enjoyment.

- What are the disadvantages of multicultural team work?

The most significant challenge is certainly the communication, which is complicated due to the limited knowledge of languages and diverse communication styles. This results in the number of misunderstandings aggravating the smooth cooperation within the team. Moreover, the cultural differences also bring dissimilar level of motivation and contribution to the team, which leads to the tension among the team members and difficult coordination by the team leader. Also, the culture influences the way of thinking and positive/negative attitude towards problems. All of the mentioned places higher demands on the team members, making the work more stressful.

- Based on the research findings, is the transformational leadership convenient to effectively lead multicultural teams?

Taking into account the results of the leadership test done by the leader, which indicates the transformational leadership style, together with the positive perception of the leader's style among his subordinates, we can conclude that transformational leadership is very convenient for leading multicultural teams. Transformational leader is able to build trust, which is very important for multicultural teams. Moreover, he/she shares optimism and is capable of establishing the commonly shared vision and mission, which unifies the team. By encouraging innovative thinking, transformational leader nourishes the diverse environment and leads it to more inventive task handling. Furthermore, by treating each member individually, he/she focuses not only on personality differences, but also on cultural predispositions, and is able to either take advantage of them or eliminate them by working well with them. In addition, subordinates of transformational leader believe that he/she is capable of mitigating such differences and handle well the problems and conflicts resulting from them.

- Is culture the main factor influencing the team work in multicultural teams?

The culture influences the behavior of the team members in a great extent, however is not perceived as the most significant factor. What influences the multicultural team work the most is the personality of individuals and it is assumed, that cultural background does not affect it substantially. Personality is mirrored in the attitudes of individuals, and attitudes are often observed to be very important part of the

team work. Other factor affecting the team work in multicultural team is corporate culture. To conclude, the main factor influencing the team work are the same in both culturally heterogeneous and homogenous teams.

- How effective is multicultural team work in Group XYZ compared to the theory?

Despite the fact that multicultural teams do not have any special attention in the Group XYZ, the examined team of Customer Service deals with the cultural factors very effectively. This relates specially to handling the negative aspects of multiculturalism, which are often diminished or even not present at all. This is attributed especially to broad experience of the team members as well as to higher average age, as the team members are more mature and hence able to deal with various complex situations caused by cultural differences. However, with regards to the positive aspects of having international team, the potential is not fully recognized and therefore not maximized.

- How to improve the multicultural team work in the real life situation?

As found out during the empirical case study, the theory often leads to misleading assumptions about multicultural team work. Therefore, it is suggested to take time with the team members and talk about issues related to cultural differences. Once the potential problems and tensions are recognized, the actions can be taken.

However, in general it is recommended to encourage the team members to get to know each other from the cultural perspective and discuss and discover the similarities and differences, which may lead both to preventing potential problems and augmenting the level of performance due to the better understanding of working patterns and learning from each other. Nevertheless, all stakeholders should not focus only on decreasing differences, but rather on taking full advantages of them.

4.3 Implications and limitations

The following subchapter provides the analysis of implications and potential users of the study, together with the conclusions about the limitations of the thesis.

4.3.1 Implications

Starting with the implications, there is a dual implication identified. Firstly, the significant importance of the thesis lies in the gathering and summing up the theoretical concepts related to the topic of multicultural teams. Many academic works (Mead & Andrews, 2009; Hodgetts, Luthans, & Doh, 2006; Deresky, 2008) are devoted to the topic of managing and leading across cultures and many other focus directly on multicultural teams (Miller, 2000; Ochieng & Price, 2009; Northouse P. G., 2013). However, only a few academics have concentrated on the complex issue of the leadership in relation to its application in multicultural teams. Additionally, not many articles or studies published concerns the concept of the transformational leadership and its effects on leading multicultural teams. The detailed literature review is aimed to the corporate managers and leaders of global start-ups and other companies, who have to deal with multicultural elements in their teams, in order to understand and take the full advatage of the benefits of the multicultural teams and be aware of disadvatages and challenges in order to prevent them or manage them in the best possible way. Moreover, they can fully understand the modern concepts of the leadership and apply them in a business life.

Secondly, the empirical part of the thesis serves as a source of valuable information not only to the managers and leaders, but also to various HR representatives across companies. The practical part provides the opinions of the employees about multicultural team work, investigate their preferences and concerns, and adresses the issues of how the teams should be composed, what should be the managers aware of and how to deal with potential problems resulting from the intercultural cooperation.

To conclude, the thesis has four potential groups profiting from the comprehensive study: academics and scholars, employees cooperating with different nationalities within their team, managers and leaders and finally the HR speacilists of international companies. Furthermore, the study is beneficial especially for the Group XYZ and its Customer Service team, as they can utilize it as an objective and impartial review of their colaboration and analysis of potential benefits and threads.

4.3.2 Limitations

As it is common for the majority of researches, the study involves a number of limitations. First and foremost, the study is limited in the number of interviews conducted, due to the high time consumption and other expenses related to the

organization of the interviews. Hence, the collection of qualitative data is limited to only 13 interviews. Moreover, the online survey was distributed among the same team, however such research cannot be perceived as a quantiative study thanks to the limited number of respondents, and serves more for proving the assumptions derived from interviews.

Moreover, the qualitative research was conducted not only within one organization, but also only within one team. The results therefore cannot be generalized as many internal factors play a significant role. Thanks to the limited presence of multicultural teams within the Group XYZ, the results cannot be compared with other teams within the organization. Besides, the limited time made imposible to gather the data across various organizations.

Furthermore, despite the anonymity of the respondents, the narrow sample of interviewees may influence some of the responses, as the social desirability bias occurred. The social desirability bias involves adapting the answers to the format favorably perceived among others, making the respondents look in the best light.

In addition, the online survey recorded many neutral answers, when the respondents inclined to select the "neither agree or disagree" option, resulting in mild responses, which made the data interpretation difficult, as the clear conclusions cannot be always given.

Finally, the minor limitation was imposed by using English as the research language. Since the respondents speak English, but not natively, the question misundertanding may have occurred due to the limited knowledge of used vocabulary.

4.4   Suggestions for further research

Resulting from the above stated limitations, with the limited number of respondents above all, there is certainly a space for the further research.

First of all, the study should be extended to multiple teams and various organizations, preferably across industries, to see the perception of the multicultural team work in other organizations and have vaster data to analyze, which would ease to make the conclusions. Furthermore, it is suggested to apply the study on the other types of organizations, such as start-ups or institutional organizations to construe a comparison of various organizational environments.

Additionally, it is advised to construct a study focused on comparing various leadership styles and its effectiveness in leading multicultural teams, as this study

focuses only on the transformational leadership with no possibility to compare with other leadership styles. Since the leader examined in this study and his style is evaluated positively, the further research should focus on identifying also poor leaders, which may cause other problems and challenges to emerge.

Finally, after conducting the interviews in greater extend, it is proposed to design a quantitative study as well and distribute it among the target group, which would help to build and verify more detailed hypothesizes. Also, the qualitative part should be completed with the focus groups, which would reveal more insights due to the interaction and dynamic character.

5. Conclusion

Since the world economy opened already a few decades ago, the multicultural team work is not exactly a new concept. However, due to the increasing volume of the international trade, the multicultural team work has been developing a lot and become crucial especially for the organizations present on global markets, but also for local companies due to the human migrations. On that account, the term multicultural team turned into a buzz word in a corporate world, which is also reflected by the increasing interest among academics.

Intercultural teams bring various aspects distinguishing them from the culturally homogenous teams. Such aspects may be both positive and negative, and many advantages as well as challenges were defined. These special characteristics of the team affect other element so important for organizations nowadays – the leadership. The increasing level of cultural diversity places higher demand on the leader role, who does not have to only handle running a team, but also have to manage the further challenges brought by the multicultural elements.

The in-depth literature overview pays attention to the theoretical knowledge related to the concept analyzed in order to provide a base for further practical application. This paper reviews the concept of multicultural team and analyzes the implication in the real business world. At the beginning, the introduction to the theory was given by presenting the multinational corporations. Within the chapter, the idea of corporate culture was described, leading to the further analysis of the term national culture and seizing the difference among various national cultures. The following part focuses on the concept of a team. The literature review ranges from the basic definitions to the various team types, team values and finally the effectiveness, including the communication within the team. This is completed with the concept of multicultural team, combining the terms of the team and culture. Finally, the conception of the leadership is mapped providing the information about modern leadership theories and models.

Within the empirical part, the research was conducted in order to apply the theoretical frameworks. The study was divided into two main parts – personal interviews with the employees of the company XYZ and online survey distributed among the same group. The data are completed with the information gathered during the secondary online research.

Hence, the thesis draws from three main perspectives – academics, team leader of a multicultural team and the team members of such a team. The information obtained enable the author to compare these perspectives and reach the objectives of the thesis, which were two-fold: a) research and sum up the concepts of the team with focus on the multicultural teams and their leadership, and b) examine the multicultural team in the company XYZ and its cooperation and construct recommendations.

By the synthesis of the theory and practice, several implications were revealed. The research clearly identified several advantages of the working in the multicultural teams, both on the personal and organizational level. From personal point of view, the most significant benefits are faster learning process and personal development together with the higher job satisfaction. These indirectly enrich the company as well thanks to the better qualification of employees and their engagement, but the most essential benefit perceived is increased creativity within the team. However, such creativity should be fostered by the company as well, as not giving a proper space to it to emerge leads to just limited leverage of such advantage. In contrary, the disadvantages were identified as well, highlighting the more difficult communication, which makes the cooperation less smooth and results in many misunderstandings, possibly even conflicts. Nevertheless, all of this can be solved with the effort of the team members to be open and discuss possible issues.

Furthermore, the transformational leadership was ascertained to be very convenient for leading multicultural teams. Leaders identified with this leadership have very high chances to success with their team, as they are able to establish innovative environment and hence benefit from the biggest advantage of the multicultural team. Moreover, he/she also reduces the chance of possible problems resulting from multiculturalism, as he treats everyone individually, taking into account all factors special to particular culture, and creates the sense of unity by establishing the commonly shared vision.

Yet, the practical case study revealed that many of the disadvantages cited in the theory do not take a place. For instance, the trust issue is not linked with the level of multiculturalism at all, and it was suggested that it may be even easier to reach the trust in the international team thanks to the open-mindness of the members. The study showed up, that multicultural teams are certainly beneficiary, but does not have to necessarily bring many disadvantages. If handled well with proper communication, the drawbacks are limited and do not outstand in comparison with homogenous team.

Despite the revealed special characteristics of multicultural teams, they are in the most significant way affected by the individual personality and attitude of the team members, equally as the culturally homogenous teams. Therefore, many of the challenges for the leader are similar, no matter the level of multiculturalism. However, there is no doubt that handling various cultures at one workplace requires special leadership traits, such as effective communication, ability to stimulate followers and work with the cultural differences in favor of the whole team as well as the organization. Therefore, it can be stated that leading multicultural teams requires the above average leadership skills in order to take the full advantage of the team at the same time as ensuring the harmony and performance.

Taking into account derived conclusions, some assumptions were confirmed, but some assumptions were disapproved. This distinctly indicates the liveliness and energy within the teams, causing that no two teams are alike. Hence, the individual approach is necessary not only with regards to the team members, but also with regards to the teams as a whole. On that account, the organizations are encouraged to support multicultural team work and focus on gaining the positives, rather than worry about the negatives.

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