

Culturally Diverse Teams that Work

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Globalization of the economy and increasing reliance on teams in the workplace has led to a dramatic increase in the number of culturally diverse work teams in companies worldwide. Such teams – with multiple perspectives – can boost firm performance, but that potential comes with some risk.

Research on the performance of culturally diverse teams is divided on whether such diversity is helpful or harmful for teams. Diverse teams often suffer because individuals struggle to understand, trust, or relate to people with different backgrounds or perspectives. This distrust or lack of understanding can lead to tension, hostility, lack of cooperation and poor communication that undermine team performance. Yet, diverse teams can also be a great benefit because team members possess different perspectives and a wider variety of information. The process of reconciling these differences leads to deeper consideration of issues, more sophisticated understanding, and broader exploration of ideas, all of which boost performance.

The important question for managers is how to make use of culturally diverse teams to their best advantage. A diverse team is especially well-suited for tasks that require considering an issue from many angles or that depend upon out-of-the-box thinking. Deploying a diverse team can help ensure consideration of a wide variety of non-obvious issues in enough detail to produce innovative answers or to avoid missing critical problems.

Where such factors are not important, it may be better to use a more homogenous team because such teams benefit from higher cohesion, more rapid communication, and quicker, less problematic implementation. Conversely, when dealing with a complex issue, the homogenous teams tend to converge on solutions and come to agreements perhaps prematurely without considering the many factors that bear upon an issue because they often share assumptions that can be incorrect, have a narrower pool of knowledge or experience than diverse teams, or are willing to ignore discrepant information in order to preserve the cohesiveness of the team.

Where a diverse team is desirable, it is important that team members be given time to adjust and to work out the inevitable kinks that come from working together in the face of major differences (projects with short deadlines may be poorly suited to newly formed diverse teams). Research demonstrates that in the early stages of a team's life, diverse teams perform poorly relative to homogenous teams, which are usually quicker to establish effective operating procedures. However, the performance of diverse teams improves over time – often outperforming homogenous teams – as team members learn to cope with their differences, understand them, and figure out how to benefit from them. They establish more effective work processes and produce better outcomes.

Finally, the research showed the more successful diverse teams were better at integrating their diverse knowledge, perspectives and beliefs, rather than suppressing or ignoring them. This required first identifying and communicating differences, then finding ways to resolve the different perspectives without simply papering over them or favoring one point of view over the others. In poorly performing teams, differences were either suppressed in order to maintain surface agreement or became the source of personal conflict that undermined cooperation or cohesion within the team.

A key element in managing this integration and avoiding personal conflict based on differences is the quality of communication within the team. Where team members are able to communicate across the boundaries that divide them, personal conflicts can be avoided, team members come to know and understand the different perspectives within the team, and teams can integrate these diverse perspectives into their tasks and solutions.

There are a number of actions managers can take to ensure communication quality within diverse teams. The first is to create a psychologically safe communication climate within the organization and the team. Encourage an environment characterized by open and supportive communication, where team members are able to say what they think, where vocal individuals do not dominate, and where members use language that is considerate of others' feelings. Such an environment allows differences of perspective and opinion to become known and fosters creative problem solving as group members work collectively to resolve the differences among them.

It's therefore critical to choose team members who are sensitive to differences and who are good at communicating (both understanding and conveying ideas and information) across cultural boundaries. When team members lack such skills, it is worth investing in cross cultural communication training so they at least have a minimum level of competence.

In many areas of human psychology, negative influences outweigh positive influences, and research shows that this is usually the case with teams. Therefore, it is particularly important to avoid placing individuals who are especially bad at cross cultural communication in culturally diverse teams. By following these practices, firms can reap the benefits of diverse teams while minimizing the challenges they can pose.

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