Managers’ and Diversity Experts’ Perceptions of Multiculturalism and Internationalism in Organizations

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Abstract

Multiculturalism and internationalism are not consistently defined in the academic and professional fields. In today’s global environment, multicultural and international challenges within organizations are likely to be broader and more complex than previously described in the diversity literature. Lack of understanding of how these constructs apply within a specific organization can be detrimental to the development of relevant strategies and initiatives. Managers and diversity experts were interviewed about their perceptions of how multiculturalism and internationalism apply to organizations; associated issues and challenges; and thoughts and suggestions about programs and initiatives for enhancing multiculturalism and internationalism. Managers’ perceptions varied depending on their organization’s strategic orientation, as well as their own work roles and national backgrounds. It was also noted that though multiculturalism is typically associated with domestic/US issues, it can be applied internationally. However, multiculturalism must be carefully adapted to fit the context in which it is practiced.

Keywords: multiculturalism, internationalism, diversity, organizations, culture

Introduction

The construct of multiculturalism in organizations is still somewhat confusing in the academic and professional fields. Is it “diversity of multiple cultures”? Or is it the organizational version of the American melting pot paradigm? Among managers, multiculturalism is often associated with diversity efforts within their organization. In the United States, organizational definitions of diversity vary. Although many definitions
today incorporate a wide variety of dimensions such as gender, race/ethnicity, age, and sexual orientation, the notions of diversity and multiculturalism have historically been defined along gender and race lines. In today’s global economy, the challenges of diversity and multiculturalism are broader, and need to encompass cultural issues such as class or religion which have previously not been significantly considered within domestic (US) organizations (Connerley & Pederson, 2005).

The construct of multiculturalism becomes more complex within the context of multinational organizations with employees, headquarters, customers, suppliers and partners around the world. Multiculturalism as viewed by a Midwestern bank catering mainly to the US market is likely to be different from how multiculturalism might be viewed by a global car manufacturing company with numerous subsidiaries outside the US. Multiculturalism as viewed by global organizations with headquarters outside the United States will likely be different from how it is perceived by global companies with historical roots in the United States. These diverse scenarios suggest that while there may be some generic commonalities, managerial notions of multiculturalism and internationalism will differ depending on various factors. Furthermore, the issues and opportunities related to multiculturalism in these different scenarios will be distinct. A lack of understanding of how multiculturalism applies within one’s specific organization can negatively impact the design and implementation of managerial strategies for enhancing multiculturalism (Haq, 2004). This lack of understanding may lead to perceptions that such initiatives are irrelevant or unimportant.

The objective of this paper is to clarify and expand the constructs of multiculturalism and internationalism in organizations. This paper summarizes interviews with managers and diversity experts on: a) their perceptions of the constructs of multiculturalism and internationalism; b) their experiences and challenges working in international and/or culturally diverse workplaces; and c) their thoughts regarding how and where organizations should focus their efforts for enhancing multiculturalism and internationalism. We hope this paper will contribute to the current literature by clarifying the definition of these constructs from a professional perspective, describing real-life challenges and solutions to cultural issues, and discussing implications for today’s organizations.

We begin by briefly describing a conceptual model that illustrates the complexities of working in multicultural and/or international organizations. We constructed our interviews using this model as a starting point.

A Conceptual Multidimensional Model

There are many definitions of multiculturalism and internationalism in the academic literature. The former has been used to refer to the local, domestic issues such as racism in US, as opposed to internationalism referring to international issues outside of
US (Cokley, Dreher, & Stockdale, 2004). Thus, multiculturalism was defined as a set of values and goals focusing primarily US-based issues, and internationalism was defined as a set of values and goals focusing inter- and across-national issues (Cokley et al., 2004). Another conceptualization of multiculturalism was inclusive of all social groups and categories, including nationality, merging it with internationalism (Berry, Poortinga, Segall, & Dasen, 2002). While others defined multiculturalism as sensitivity to, and awareness and appreciation of other cultures (Baker, 1983), internationalism was associated more as a political and business agenda to gain competitive advantage in the marketplace (Gooderham & Nordhaug, 2003). Additionally, the term globalization seems to be replacing internationalism as organizations interact and work with multiple countries around the world. Although these three constructs are conceptually separate, depending on employees’ social identities and work roles, they may overlap or converge. In fact, one can argue that in today’s complex work environments, it is almost impossible to envision a purely domestic or purely international work context.

Baker (1983) conceptualized multiculturalism as a process of growth, and presented a model for multicultural education where three levels represented by multiethnic, multicultural and international education were distinguished. In Baker’s model (see Baker, 1979; 1983, p. 10), the process of growth started during the Civil Rights Act of 1964 that primarily defined cultural diversity as various ethnic groups. This stage laid the foundation for the multicultural approach which accepted cultural pluralism and acknowledged the diversity of all kinds of larger, cross-cutting and interactive cultural dimensions such as age, gender, disability and religion. Multiculturalism, according to Baker’s model, entails that cultural pluralism in organizations is not merely tolerated. Rather organizations should be oriented toward “the cultural enrichment” of all employees, and that cultural diversity should be used as a valuable resource to be preserved, enhanced and celebrated (Baker, 1983, p.12). The next circle in this model represents internationalization in which the focus is operations in and relationships with other countries. Employees at this stage are exposed to the unfamiliar characteristics of other countries (either first hand or second), and thereby begin to understand diversity from a broader international perspective.

For this paper, we updated Baker’s model for today’s organizational context (see Figure 1). We made two adjustments. First, we replaced the term “internationalization” with “internationalism.” In English, typically a word ending in “ization” refers to a process while a word ending in “ism” refers to an ideology or belief system (Aspinali, 2003). The term “internationalization” refers to a process of making or strengthening connections between international domains, while “internationalism” connotes beliefs, principles and attitudes favoring cooperation between nations or international parties (Aspinali, 2003; Merriam-Webster, n.d.). Our interest in this paper was to compare and contrast multiculturalism and internationalism from managerial and psychological perspectives; hence “internationalism” seemed more appropriate.
Second, we added an additional circle to represent globalization. This term goes beyond the relationship between two international entities to represent an extended process of interaction among people, groups, and organizations of different nations leading toward global unification. It is likely that perceptions of multiculturalism within a global context undergo some shifts. An analogous approach is offered by Gaertner and Dovidio’s (2000) Common In-group Identity Model which argues that the recategorization of out-groups into a broader superordinate common in-group results in less intergroup conflict. Accordingly, when members of culturally diverse groups share a common global identity such as “world citizenship”, the focus may shift from intergroup conflict within the society to superordinate identities at the global level. A recent study by Buchan, Brewer, Grimalda, Wilson, Fatas & Foddy (2011) associated global social identity with a desire to maximize collective outcomes. Individuals are motivated “to contribute to collective goods regardless of whether they expect a return on their investment” (p.7). Thus, world citizenship, or identification with “the world as a whole”, transforms the social self to a broader, global self (Buchan et al., 2011).

Factors that shape perceptions of multiculturalism and internationalism

Employees’ perceptions of multiculturalism and internationalism are shaped by different factors. In this paper, we mainly focus on three factors: organizational strategic orientation, individual identity, and work roles.
Organizational Strategic Orientation: Cummings and Worley (2009) discuss four worldwide strategic orientations that organizations employ as they become increasingly global. Initially, domestic organizations making their initial foray outside the US adopt an “international” orientation, which basically involves selling or distributing existing products or services in other countries. Eventually, these companies assume a “global” strategic orientation, manufacturing and marketing standardized products/services in different countries while maintaining control from headquarters, and filling key managerial positions with expatriates from the home country. In the third strategic orientation, “multinational” organizations decentralize their operations and tailor products and services to maximize local responsiveness. Local units are treated as autonomous profit centers while corporate headquarters retains centralized planning and coordination of technologies and resource allocations. Finally, in the most sophisticated strategic orientation, “transnational” organizations maximize local responsiveness and global integration through tailored products, matrix structures, and sophisticated technology and communication systems. “Transnational organizations” optimize resources on a truly global basis, conducting research and development, manufacturing and other functions by leveraging skills, resources and knowledge wherever these can be obtained and utilized optimally (Bartlett, Ghoshal & Birkinshaw, 2004; Cummings & Worley, 2009).

There are other frameworks of globalizations such as that of Adler & Bartholomew (1992) which categorizes organizations as domestic, international, multinational, and global or transnational. In reality, most companies are in transition and do not fall neatly into these stages. Purely domestic companies are becoming rare while true transnational companies such as Procter & Gamble, General Electric and PricewaterhouseCoopers are still relatively few.

Individual-level identity: Diversity issues are bound to differ across nations and regions given their unique socio-economic and political histories (Haq, 2004). Managers’ experiences and perceptions of multiculturalism and internationalism partially depend on their social identities. Based on Social Identity Theory (Tajfel & Turner, 1986), when social groups are categorized as “us” versus “them”, social identities help individuals differentiate their in-group from a comparison out-group in a favorable way, which then helps them to achieve positive self-esteem and distinctiveness (Brewer, 1991).

In our conceptualization of multiculturalism, ethnocultural groups retain a sense of their cultural identity, and participate in a social framework characterized by some shared norms (Berry, 1998). Thus, we anticipated that members of different ethnic and racial groups would hold distinct perceptions of multiculturalism. Similarly, longer-term US residents whose roots go way back several generations are expected to bring a different perspective compared to recent US immigrants who are still dealing with acculturation and are trying to keep a sense of their own cultural heritage. So as to reflect the point of views of people with different national backgrounds, and to present a broader and more inclusive perspective on multiculturalism and internationalism, we interviewed
managers who are US and non-US born, and have different racial/ethnic backgrounds (Caucasian versus non-Caucasian).

**Work Roles:** Finally, perceptions of multiculturalism and internationalism can differ depending on the manager’s work role or function. For example, some managers may be responsible for overseeing the work of non-American workers (e.g., overseas call center companies) or coordinating cross-national projects (e.g., global human resources or marketing). Such functions entail a high level of international/non-US exposure both in terms of the kind of work interactions and time spent on a daily basis. They would be exposed to both multicultural and international challenges, the latter presumably requiring additional knowledge and skills. On the other hand, some managers may be most concerned with domestic workers or internal operations (e.g., domestic human resources or local manufacturing facilities). Their jobs involve little or no contact with international stakeholders though these managers too encounter various multicultural challenges within their local settings.

We present these interactive roles and relationships in a multidimensional model where organizational strategic orientation (dimension 1), individual identity (dimension 2), and work role (dimension 3) interact. As illustrated by the 2x2x2 cube in Figure 2, employees in today’s organizations can roughly be represented by different combinations of these dimensions. In this model, organizational strategic orientation ranges from domestic to global; individual identity, as represented by employees’ national background, is US born or non-US born; and work role, in terms of employees’ exposure to international issues, ranges from purely local to purely international. For instance, a Iranian-born male sales executive of a European-based consumer goods company, managing a team of account executives located around the world would be classified as working in a “global” company (dimension 1), “non US born” (dimension 2) and “dealing with mostly international issues” (dimension 3). On the other hand, a Caucasian female training manager of a large local bank would be classified as “domestic” (dimension 1), “US born” (dimension2) and “dealing mostly with local issues” (dimension 3).
This model is mainly intended to demonstrate the complexities associated with the different dimensions, and to help in thinking about issues and competencies required by managers represented by different combinations. Our intent is not to restrict people into limited static categories, because in reality, these combinations are dynamic and can change depending on emerging workplace issues, organizational priorities and individual assignments at different points in time. Neither does this model encompass all potential factors affecting employee perceptions of multiculturalism and internationalism. The dimensions can be expanded to include, for instance, the diversity of the organization’s workforce.

An Interview Study with Managers and Diversity Experts

Currently, there remains a scarcity of literature in the field of multicultural and international management. A recent review of workforce diversity research (Jonsen, Maznevski & Schneider, 2011) noted that the literature has been dominated by US-centric research. These reviewers called for more research incorporating international perspectives, including managers’ underlying beliefs, values, and actions.

We thus decided to employ the qualitative research approach to obtain a richer, deeper understanding of how multiculturalism and internationalism are perceived by managers and how these constructs are applied in organizations (Lee, 1999). We interviewed eleven managers whose characteristics varied along the three dimensions of the model presented above. The objective of the interviews was to understand the kinds of multicultural and international challenges these diverse managers experience and how they as individuals and their organizations as a whole respond to these challenges in terms of strategies and programs. Our general expectation was that perceptions and experiences
would vary depending on the type of organization they belonged to (in terms of strategic orientation), the kind of work and international exposure they had, as well as their own personal national backgrounds. Because this research is exploratory and the constructs of interest have not been defined consistently in the literature, we also decided to interview four diversity experts who could provide additional insights based on their academic knowledge and consulting experience.

Method

Participants

This study was conducted in two phases: interviews with diversity experts, followed by interviews with managers. For each phase, we identified individuals who have specific knowledge and experiences about multiculturalism and internationalism based on their unique personal and organizational contexts (Hornby and Symon, 1994). These selected experts and managers (“cases”) depict specific features or processes of interest that allow for the exploration and clarification of the conceptual definitions and implications of these two constructs within organizations (Silverman, 2005). The use of purposive sampling was not meant to make generalizations based on a representative sample, but rather to set initial foundations for grounded theory (Glaser & Strauss, 1967).

In the first phase, we interviewed four diversity experts recruited from our own academic and professional networks. Three of these diversity experts from an international university, and their combined teaching and research expertise included cultural diversity, multicultural psychology, and international business and globalization. The fourth expert was a diversity executive in a major international university, with a background in social sciences and law. All four experts had lived and/or travelled abroad extensively, and three of them had practical experience in facilitating multicultural, global or diversity-related organizational strategies and initiatives in large, global organizations.

In the second stage, a purposive sample of managers representing different combinations of our multidimensional model was interviewed. These managers were similarly recruited from our professional networks. The characteristics of these managers are summarized in Table 1. The classifications within the three dimensions (last three columns of the table) were based on the information interviewees provided well as additional research regarding their organizations.

Individual-level identity is indicated in the table (US born or not, and self-reported race/ethnic identification in parentheses). For organizational strategic orientation, participants were classified into a simplified three-stage framework a) domestic/international, referring to predominantly domestic organizations with some or no international operations b) international/global, for organizations having multiple international locations although major decision-making is driven by corporate headquarters; and c) global, for organizations analogous to Cummings & Worley’s (2009) “transnational” organizations which integrate local and foreign operations into...
Most of our participants worked in companies whose home country is the United States; however, two participants worked for Japanese-based organizations and another from a company with roots in Europe and Africa. We noticed that organizational strategic orientation and work role/exposure to international issues seem linked. Participants from domestic/international organizations had mostly local work exposure or a combination of local and international, but none indicated mostly international work exposure. Conversely, participants from global organizations were exposed to some local/some international work issues or mostly international issues, but not mostly local issues.

Interview Procedure and Protocols

This study employed semi-structured interviews. Participants were initially contacted via email or telephone, and were given the option to be interviewed in person or via telephone. To facilitate the discussion, a copy of the questions was sent to the interviewees at least 48 hours prior to the scheduled interview. Prior to each interview, permission was solicited to record the interview for subsequent transcription. Participants were told that general themes emerging from the interviews would be summarized, and when applicable, specific quotations would be included to highlight key points, while keeping identities anonymous.

The interview protocol for the diversity experts was made up of three parts: 1) personal information; 2) definitions; 3) implications for organizations. First, background information was collected on nationality, birthplace, occupation, gender, experience living and working in different countries, and areas of expertise relevant to diversity. Second, the diversity experts were asked to define and differentiate the concepts of “cultural diversity”, “multiculturalism”, and “internationalism” and how these apply to organizations. Third, they were asked to expound on organizational challenges related to “multiculturalism” and “internationalism” and the strategic and practical implications of these constructs for organizations, managers and teams.

The interview protocol for managers was made up of four parts: 1) personal and organizational information; 2) definitions; 3) challenges; and 4) programs and initiatives. First, managers described their organization in terms of industry, products/services, size, age, locations including headquarters, and employee demographic composition. Second, managers were asked to explain their understanding of how “cultural diversity”, “multiculturalism” and “internationalism” apply to their own organizations. Third, managers provided examples of multicultural and international challenges that their organizations are facing, as well as their own personal challenges. Finally, managers were asked whether their organization has a strategy for promoting multiculturalism and/or internationalism. They were also asked to describe programs and initiatives, and to reflect on challenges related to implementing these programs.
All participants elected to participate via telephone. Three-fourths of the interviews were recorded and subsequently transcribed. Extensive notes were taken for the rest of the interviews.

Content Analysis

Upon completion of the interviews, the tapes and/or notes were transcribed and reviewed. Then, the content analysis method (Mayring, 2000) was employed to analyze the data. After each phase of interviews was completed, two researchers working independently developed an initial coding template of themes represented by the interview responses within each of the three major interview sections (definitions, challenges/issues and programs/initiatives). Thematic categories were initially developed inductively to closely reflect the underlying interview data. After the themes were inductively categorized, the three researchers met to compare and discuss initial thematic templates and other observations. During these meetings, the themes were finalized using both inductive and deductive category application. Some categories were split into more specific themes, while others were combined into broader thematic categories, based on the similarity of content and/or parallels to existing theory (Dey, 1993).

Additionally, a constant comparison process was applied (Strauss & Corbin, 1998), such that data and themes obtained from one manager were reviewed individually, then compared to data from other managers representing similar classifications (e.g. domestic versus international/global organizations), and finally, compared across all managers and diversity experts.

Results and Discussion

Definitions

Cultural Diversity. Among the managers we interviewed, cultural diversity was defined in two ways: dimensions of difference, and positive values or attitudes toward other cultures. Generally, managers recognized the diverse representation of employees and other organizational stakeholders, and conceived of diversity as “an umbrella term” that incorporates different cultural dimensions such as race/ethnicity, gender, orientation, etc. Several managers emphasized the importance of being sensitive to differences, working effectively with diverse individuals, and creating a healthy diverse workplace. There did not appear to be distinctions in how this term was defined among managers across the three classifications of organizational strategic orientation, individual-level identity and work roles.

Similarly, our experts defined diversity in terms of dimensions of differences, and positive values or attitudes. Experts noted that diversity is “broad based” and involves “every marginality coming to play” including differences not typically used such as language or cognitive diversity. One referred to diversity as the “multiplicity of cultures
within some kind of entity, such as a school, organization or country.” Three experts noted that diversity is more commonly used in organizations as businesses have embraced diversity because of its practical implications (e.g. “expanding markets”, “making profits” and “responding to social issues in the communities”).

**Multiculturalism.** Managerial definitions of multiculturalism centered around four themes: multiple identities, scope, positive attitudes, and skill. Some managers thought of multiculturalism in terms of individuals and groups representing multiple cultural identities (e.g., gay and straight employees from various ethnicities). In terms of scope, some interviewees (all US born), felt cultural diversity was a term that applied to domestic (US) issues. One interviewee (non US born) stated that cultural diversity refers to typical “intra-national” differences such as ethnicity, but multiculturalism involves more international-related topics such as immigration and assimilation. This latter perspective seemed in line with the concept of acculturation (Berry, 1998) and liberal political views on group-differentiated minority rights (Kymlicka, 1995).

Most managers regardless of classification did not seem to be able to differentiate between diversity and multiculturalism. Similar to diversity, they defined multiculturalism as a positive value or attitude around appreciating, accepting and working effectively with diverse employees. Concerning skill, one interviewee (non US born, from an international/global company) said he had never heard of the word “multiculturalism” but felt it was a “necessary skill for a leader to adapt to situations and challenges in different parts of the world.” Similarly, a US born HR manager from an international/global company thought of diversity as demography and multiculturalism as a skill or competency:

> Multiculturalism has to do with more with….how you support the cultures in your organization. Cultural diversity has to do with how many bodies you have. It's almost like pluralism whereas multiculturalism is about whether your people have the competencies to relate across cultures. This includes communication skills across cultures. How well do you understand cultural nuances? How effectively do you facilitate work and utilize culture as an asset in the workplace? How much adaptability do you have? Multiculturalism is about managing cultures….not just passive demographics such as looking at turnover but more of active planning, like succession planning.

Similar to the interviewees, experts defined multiculturalism as a positive value or attitude that invokes full participation of individuals and groups. This idea seems parallel to inclusion, an increasingly popular concept in diversity circles, and is defined as by Mor Barak (2005) in terms of valuing and using individual and intergroup differences within organizations and the community and world at large. According to one of our experts:

> Multiculturalism’s goal is full participation of all people to their full capacity so they aren’t excluded from opportunities because of who they are. No one
group has a dominant control of power…Multiculturalism is an equal exchange and looks at how cultures affect each other, both good and bad. It includes how to raise the level of full participation…Internationalism is the same concept but taken to a broader level.

Additionally, our experts believed diversity is a business-related term that connotes “surface level appreciation of what might add value to the bottom line.” Multiculturalism is a more “academic” term associated with multicultural psychology, incorporating a more complex understanding of issues and theories not necessarily discussed in business settings such as “power and privilege, oppression, discrimination, acculturation versus assimilation, immigration rights, etc.”

Experts also commented that multiculturalism, in terms of recognizing and embracing differences, is utilized mostly within the US. But it can be applied in other countries albeit with different nuances. Thus, a multiculturally competent individual in the US may not necessarily be competent in another country because of differing assumptions and cultural issues at play. One expert explained:

Much of the thinking behind multiculturalism is individualist society. Even people in diversity circles here in the US don’t take into account their American perspective which can create a divide that sometimes they are not aware of. It’s like when Whites talk, they don’t think about the way being White has an influence… Multiculturalism as a field in general doesn’t recognize the vastly different ways to think about differences. In the US, for example, race is very important, but in Mexico, what’s more important is class. But because we [Americans] are in a position of power, we don’t take into account other peoples’ perspectives. We criticize views that are different from our own views. The problem is lack of awareness of how our own mindsets, and our own privilege, affect our own judgments.

**Internationalism and Globalization.** Almost all managers we interviewed, especially those from domestic/international organizations, had difficulty defining “internationalism,” commenting this was not a term they heard much. Some managers from international and global companies suggested that internationalism refers to international business, legal and political issues, i.e., how business is conducted differently in or between other countries.

Managers seemed to be more familiar with the term “globalization,” indicating that it was utilized in their work contexts. According to managers in international and global companies, “globalization” involves not just doing business in a few parts of the world, but actually taking a macro perspective in which the planet is “one big economic base” or “one labor pool.” Organizations need to “think about standards and procedures, and talent management that transcend national borders.”
Our experts also agreed that globalization is a business imperative related to “the integration of markets across all countries” while internationalism is more of a political philosophy promoting the collaboration of different nations. Nevertheless, globalization has effects on culture such that “differences between cultures are downplayed”, and “traditional cultures are being changed” (e.g., Starbucks and Walmart are changing the way people shop and eat.) Experts noted that there are inconsistencies in how internationalism and globalization are defined and applied. However, the notion of internationalism is useful in “applying systemic multicultural concepts at the global level” and “focusing on an exchange of cultures and ways of life…through a two way interaction.”

**Summary and Discussion.** Managers were most familiar with the terms cultural diversity and globalization, somewhat familiar with multiculturalism, and least familiar with the term internationalism. This suggests that organizational diversity efforts initiated in the US over the last two decades have taken root such that employees recognize various dimensions of differences including those beyond the traditional gender and racial/ethnic dimensions of earlier models (e.g. Baker, 1983). Managers appeared not to distinguish between diversity and multiculturalism. For many of them, both concepts represent positive attitudes of pluralism, respect, and learning how to adapt and maximize ideas and talents of different members. The term internationalism was unknown to most managers, who were instead more familiar with globalization. This is not surprising since globalization is among the top trends discussed in the popular press and business literature (e.g., Friedman, 2007; Rodrik, 2011).

Unlike diversity which is frequently associated with demographic differences, and multiculturalism which appears to be a positive attitude or competency, globalization is associated more with organizational strategy and worldview. It is also the context in which organizations currently operate in. The fact that these constructs relate to different levels (e.g., multiculturalism at individual or group level and globalization at the organizational or contextual level) suggests there are also different types of knowledge, skills and attitudes associated with these concepts. Indeed, some managers acknowledged that globalization requires new business, political, and cultural knowledge and skills that they may not necessarily possess at the moment.

It was interesting to explore how cultural diversity and multiculturalism were conceptually differentiated by our expert interviewees. For experts, multiculturalism is more than the surface-level business treatment of diversity but represents a deeper, value-based philosophical imperative that recognizes issues of power and privilege, and strives to facilitate inclusion and cultural synergy. While multiculturalism is associated with domestic/US issues (perhaps because of the US-dominated field of multicultural psychology), it can be applied at the international and global levels. These views offer at least two implications. First, this deeper, more nuanced view of multiculturalism can potentially be more meaningful in guiding organizational discussions and initiatives seeking to address root problems related to discrimination and exclusion. Second, related to globalization, leaders seeking to promote multiculturalism should understand the
context in which multiculturalism is practiced. If multiculturalism is to be practiced at the
global level, then managers and organizations alike must take care that individual
attitudes/behaviors and organizational policies/initiatives are not merely driven by
ethnocentric assumptions, but are actually reflective of a broader more integrated view
similar to that proposed by Buchan et al. (2011) - that of the world citizen with a global
social identity.

Issues and Challenges of Multiculturalism and Internationalism

In this section, we summarize themes regarding multicultural and international
challenges faced by managers in different types of organizations. We also include
insights obtained from our experts.

Domestic/International Organizations

Managers reported two types of challenges related to diversity and
multiculturalism: effective work interactions, and issues of representation and inclusion.
Examples of the first challenge included working with people from different genders,
generations (e.g., Baby Boomers, Millenials), and race/ethnicities as well as recent
immigrants joining their workforces. One manager also talked her financial institution
merging with another bank, and work style conflicts associated with different
organizational cultures. An example of the second multicultural challenge was the
advancement of minorities. Two non-Caucasian female managers, one working in HR
and the other in organizational communications, talked about their companies’ visible
efforts to increase minority representation in higher levels of management. They worried
about the negative effects of such initiatives, citing potential “push back” from white
males who might be feeling edged out, and white male’ concerns that “the majority is
going to become the minority.”

Managers from domestic/international organizations did not have much to say
about challenges related to internationalism and globalization. Some of them indicated
that globalization is mentioned by senior executives or in company reports, but they
themselves did not experience these issues.

International/Global Organizations

Managers in these organizations talked about two issues related to diversity and
multiculturalism: cultural sensitivity and communication, and discrimination and
exclusion. As an example of the first issue, a training manager of a rapidly expanding
international direct selling company discussed the results of a recent needs analysis. She
highlighted managers’ lack of knowledge about cross-cultural communication and
conflict resolution, as well as cross-cultural and virtual teamwork. Regarding
discrimination and exclusion, a Turkish manager working in a Japanese manufacturing
company in the US complained about the general treatment and career development of
non-Japanese employees:
Unfortunately the Japanese management style here prevails…individuality is suppressed or hammered down. There is some token recognition given to American business work ethics but the career paths are different. The Japanese get all the overseas assignments; they rotate to different departments and different functions. Here in the US, there are no defined career paths for non-Japanese. That’s why Generation Y employees leave, realizing they are not going anywhere even in the midst of the economic turndown…As a manager, I’ve been here long enough to know that this will not change…I hit the glass ceiling and have limited career goals. I have to reinvent my roles, or take in new responsibilities…Unfortunately, the lack of individualism is beginning to show up on our products which are criticized for not being innovative.

Managers from international and global companies discussed five challenges related with internationalism and globalization: cultural sensitivity, communication/language barriers, establishing relationships and credibility abroad, working with foreign business norms and practices, and balancing the standardization and localization of systems and procedures. On cultural sensitivity, several managers provided examples about working respectfully in cross-functional teams staffed by people from different countries and time zones. For example, a female Caucasian consultant for a large global firm admitted that in a recent project for a company with dual headquarters in the US and Europe, the consulting team made an erroneous assumption for the sake of efficiency to focus the work on the US, believing their recommendations would extend to Europe as well. Much to their chagrin, the European clients got upset because “the US has this notion that they’re the best and they do everything the right way.”

With regard to communication/language barriers, managers noted that even if English was used as the common language among global teams, problems could still arise. A US born Caucasian male manager working in the Philippines talked about his communication challenges:

Communication is the first and foremost challenge. Even in a largely English speaking country, I experienced a lot of communication gaps. It’s not the proficiency with English, not the mechanics, but how you communicate, how you approach a certain subject, how you give bad news…My American tendency is to cut right to the chase and be blunt about an issue. We expect others to have a fairly thick skin and to rebound quickly… When I first started here, I didn’t realize the need to “save face.” If you are too blunt and if they [Filipino employees] feel like they have lost face with you or have lost your respect….they shut down or just tell you whatever you want to hear… So I have to ask a lot of questions, and I have to find the right questions to get complete and truthful answers…Overall, you have to approach it differently…Do a lot of relation-building before addressing an issue. It is like having a high maintenance conversation. But in reality, it’s just culturally how they are wired to communicate.
A third challenge is establishing new relationships and building personal credibility among international partners and employees. An Iranian-born male sales director recalled how difficult it was to earn the trust of his diverse team in London who had been working together for 18 years. He noted it took some time for them to get used to his casual “American” style and to try new ways of relating with customers. A fourth challenge is understanding how business is practiced abroad, and adjusting home culture or headquarter practices so these fit well with the local culture. For example, the same Iranian-born sales director faced resistance from his sales team when he was trying to replace a key employee in an African country. He later found out that the candidate he had selected was from a different and competing tribe from many of the team members. This sales director also discussed the challenges of dealing with governments for work permits and visas. He said appointing and acquiring work visas can be easy or difficult depending on the race and nationality of the manager, not to mention the class or tribe in some countries. In another example, an Indian manager assigned to the Spanish offices of a US based call center company said the biggest challenge of his career was turning around an unprofitable operation and downsizing the workforce in a country with strong unions and a socialized system (which he was completely unfamiliar with). Still another example was provided by a Caucasian HR manager who cautioned about the use of US-centric procedures in conducting business or expanding operations in China. Not only did his company learn that Chinese consumers shop differently, but that China has different tax and employment laws affecting various accounting and HR practices.

The fifth challenge, related to the fourth, is determining how to globalize systems, policies and procedures while paying attention to national and cultural norms. This issue is applicable to various functions from product development, sales and marketing, purchasing, customer service, ethical codes, compensation, leadership development, etc. For example, an HR director working for a Japanese-based firm described the complexities of establishing a workable global performance appraisal system:

I am trying to build performance rating systems for managers, but there is a discrepancy in world views about rating employees between Japanese natives and American natives. The Japanese system is built so that everyone is the same and you don’t want to differentiate between people. You get promoted by age, not performance….it’s different from what we are used to in the US. To complicate things, our home office expatriates are on a different performance management system. There are dual accountability issues. Expatriates are rated in Japan using Japanese rating scales but they are not rated in the US. Yet these Japanese expats are overseen by Americans…Then at the global level, I have 20-some odd group companies around the world…How do I know who my top performers are when they are all rated on different scales? I don’t have uniformed global criteria, just individual criteria….
Insights from Experts

Our experts gave similar examples of ethnic and gender issues as typical multicultural challenges in organizations and communities within the US. However they emphasized the need for a deeper understanding of the historical experiences and cultural characteristics of diverse groups so that behaviors can be interpreted more accurately. As an example, our global business and strategy expert talked about the growth of women entrepreneurs who started their own businesses as a way of getting around traditional structures from which they have been excluded. There is a need to understand and appreciate women’s different approaches to roles and styles of leadership (more networked and collaborative) compared to men. Another expert talked about problems with the highly structured educational system in the US which does not seem set up to support the communication and learning styles of certain cultures (e.g., Latinos and African Americans) and which might partially explain why these groups are struggling to succeed in US schools and other settings.

At the international level, a number of experts commented that many organizations do not seem to have a strategic plan for supporting internationalism and globalization. Even though organizations talk about these things, their geographic units and operations are not truly integrated.

Summary and Discussion

Our interviews revealed the complex multicultural and international challenges facing managers and organizations today. These issues can occur separately but often do so in combination. Among our manager interviewees, multiple multicultural issues associated with various dimensions (e.g., race, gender, generation, etc.) occur and interact simultaneously in the workplace. Within international/global organizations, these multicultural issues are superimposed by additional international challenges of different languages, cultures, time zones, and legal and political requirements. Generally, we observed that the organization’s strategic orientation (domestic, international, global) is a major driver of the kinds of multicultural and international challenges faced by managers and organizations. Managers’ perceptions of the challenges are also influenced by their individual identities (e.g., US/foreign born, Caucasian/non-Caucasian), work roles, geographic locations and organizational/national cultures. For example, home cultures (e.g., US, Japanese, European) influence how multicultural and international issues are viewed and addressed in organizations. It was interesting to note that respondents brought up differing issues of ethnocentrism (e.g., Caucasian managers realizing how US-centric they were; non-Japanese managers chafing about Japanese-centric practices).

In general, the individual challenges faced by the managers we interviewed centered on understanding cultural behaviors. Managers are faced with balancing strategic business goals with understanding what’s important to different cultures, and being able to “flex” their responses appropriately within a global context.
At the domestic level, organizations are working toward the development of a truly multicultural workforce, similar to the diversity management and integration models envisioned by Cox (1993; 2001) and Agars & Kottke (2004). At the international/domestic level, organizations are confronted with learning and adjusting to different political, legal and cultural structures as they expand abroad, and also trying to establish global standards and systems while acknowledging local cultures. These are different but related sets of challenges.

Programs and Initiatives

In this section, we summarize the typical programs and initiatives related to multiculturalism and internationalism as described by our manager interviewees. We then incorporate some expert insights and suggestions.

Domestic Organizations

Managers from domestic/international organizations described four general programs and initiatives: diversity vision and values; diversity councils and affinity groups; community outreach; and training and leadership development. Regarding the first, managers described how their companies had values and principles dedicated to diversity, and that diversity is promoted through programs and initiatives focused on inclusion and representation. A few managers mentioned company-wide “diversity goals” though they could not give specific examples. Concerning the second initiative, some managers talked about diversity councils within business units that provide input to management regarding diversity priorities and initiatives. They enumerated various affinity groups - “network connections” or associations linked by a common identity (e.g., Chinese Association, Vietnamese Association, African Americans, Gays and Lesbians, Working Mothers, Veterans) that meet regularly and organize events. A third program/initiative was community outreach. This includes various activities such as doing service in the local community, having a supplier diversity program which focuses on hiring women/minority vendors, sponsoring scholarships for minorities, recruiting actively for minorities, etc. Fourth, managers described general diversity training programs (e.g., two hours or half day workshops) and talent development initiatives which include a focus on identifying and developing a diverse set of future leaders for their companies.

One limitation is that the managers we interviewed represented large domestic organizations, many of which have a limited international presence. Thus the above-mentioned programs and initiatives are likely to be broader, more inclusive and more sophisticated than those in small/medium and purely domestic-focused organizations which may have little or no diversity programs. We observe that the programs mentioned are clearly associated with “diversity” and not multiculturalism; there was no mention of programs or strategies related to internationalism or globalization.
Managers in these organizations mentioned similar programs and initiatives as described above. Most noted their companies have diversity and globalization strategies, though there were mixed perspectives about the scope and quality of existing programs and initiatives, particularly training and leadership development. On one hand, some managers from international/global companies complained about the inadequacy of their current training programs. For example, the American operations head of the call center company shared that he did not receive any formal training prior to working in the Philippines; he suggested that training on communication skills as well as the specific country’s history and culture, even if provided online, could have radically shortened his learning curve. Similarly, while his Filipino employees received training on how to provide customer service for Americans over the phone, the company did not have other formal programs or processes to support diverse interactions among employees, departments and locations. He said, “It is as if we [departments and locations] work in silos, though we say we are global.” Similarly, the Turkish-American manager in the Japanese global company mentioned the lack of formal management and diversity training, including preparation for working internationally.

On the other hand, some managers described sophisticated training and development programs to prepare people to work internationally. These programs incorporate short-term and long-term international job rotations and immersion experiences. For example, our interviewee from a global consulting firm described an international community service program where employees sign up to work in a different country for a period of time (typically 3 to 6 months). Employees take a 50% pay cut but the company pays for their living expenses. The organization’s objectives are to promote learning about different cultures, helping employees develop a more global perspective and strengthening international work skills. Apparently, this program is highly competitive and opportunities to participate are limited.

Managers noted that one challenge organizations face with respect to these initiatives is measuring effectiveness. An HR manager shared that his company is “all about the numbers, like many other companies” and that it was difficult to ask managers to allow employees “to invest time in something that you can’t show a dollar figure for.”

Insights from Experts

Our experts noted that many large US organizations publicly acknowledge the importance of diversity and multiculturalism, and have diversity strategies and goals. These organizations, along with noteworthy programs and initiatives, are identified in annual diversity award listings (e.g., Top 50 Companies for Diversity; 100 Best Places to Work for Women, etc.). Still, some experts called for programs that tackle multicultural issues at a deeper level. One diversity expert suggested:

Multicultural programs need a radical transformation. There needs to be more understanding/follow through with regards to the notion of power and privilege. It is what gets abused the most especially when working with
different cultures… If we are going to move towards full participation, then our use of power will have to change… Planned change starts at the cognitive level of learning about people and concepts, then moves to the emotional level of learning about discrimination, micro-aggression, and interpersonal dynamics. Then finally, change must occur at the behavioral level where you are integrating, building skills, and putting yourself out there by trying new behaviors…Currently I don’t see this model being applied fully in organizations. Hopefully we’ll get there…

Experts agreed that there are not many programs that fully address internationalism and globalization. Unlike the area of diversity for which there are national interest groups, corporate resources and organizational awards, there are no similar structures for internationalism and globalization. While there are currently some research and organizational initiatives on global management training (e.g., Anand & Winters, 2008; Dalton & Ernst, 2004), global virtual teams (e.g., Gibson, 2011; Hajro & Pudelko, 2010; Marquardt & Horvath, 2001) and cultural intelligence (e.g., Ng, Van Dyne & Ang, 2009), these topics are still in need of further development.

Summary and Discussion

It is apparent that managerial and organizational issues become more complex as organizations move from domestic to international and global strategic orientations. This implies that a single approach to multicultural and international programs is not appropriate. Organizations need to be careful about identifying the unique issues facing their own workforces and contexts, and framing them in ways that are meaningful to their respective business objectives. Today’s multicultural and international strategies, programs and initiatives must be broad enough to encompass common issues across the organization and fit under a coherent strategic umbrella, deep enough to address (or begin to address) underlying issues related to power, privilege and discrimination, global enough that they consider multiple cultural, national and worldwide perspectives, and practical enough that they have clear and convincing positive impact on business operations and the bottom line. Finally, there must be continued work on multicultural and global competency development for individuals and teams because what is currently being provided to managers and employees, at least from our interviews, is either non-existent or seems too basic, inadequate or irrelevant for their needs.

General Conclusion, Implications and Future Directions

Organizations today are facing many multicultural and international challenges. It is crucial that employees respond cleverly to the sharp ambiguity of many conflicting wants, norms and rules. As reflected in our interviews, it seems as if on the one hand, managers wish to preserve the stability and cultural integrity of the dominant culture of their organizations, while on the other hand, they desire to engage in substantive reforms to those systems. Employees who have multiple social identities deal with differing social
and cultural roles, and struggle to find the optimal balance as they progress in their careers. Although globalization is often associated with the unification of cultures and the promotion of “world citizenship,” our interviewees revealed feelings of stress and anxiety associated with these changes in their working lives, along with perceptions about the strength and resilience of their companies. Our interviews portrayed multicultural and international organizations as simultaneously being challenged but also effortful in developing and applying strategies to maintain cultural coherence within a globalizing workplace.

One important implication of our findings is that although “internationalism” does not seem to resonate among managers, today’s global organizations are multicultural in various ways. Therefore, new initiatives should take place to make “multiculturalism” more prevalent and more meaningful in organizations. The application of “multiculturalism” will vary for domestic and global organizations, and will be influenced by specific organizational strategies and workforce characteristics. These are factors that leaders and diversity consultants need to pay close attention to as they work towards the development of an overall vision and mission as implement specific initiatives.

In terms of future directions, we note that although there is interest for, and appreciation of, multiculturalism and internationalism among the managers we interviewed, they are challenged by unclear goals, role ambiguity, and lack of expertise. These challenges prevent organizations from developing and investing in new initiatives and programs that will facilitate the creation of global organizations that embrace truly multicultural values and have multiculturally competent members in the global sense. Thus, it is crucial for organizations aiming to become multicultural and global to address these challenges, and to acquire the necessary knowledge and expertise. A “one size fits all” approach for multiculturalism in the global context is problematic. The challenges described by our interviewees can only be overcome if initiatives and programs are strategically included as an integral part of each organization’s continuing dialogue to enhance multiculturalism. As this occurs, employees begin to realize that their personal commitment is a necessary component to their organization’s development as a successful multicultural organization.

Our interviews suggest that organizations of the future must engage in transformative action to keep abreast with environmental changes. Managers of global organizations should embrace their roles as agents of change, and support their organizations’ attempts to achieve empowerment and integration. True globalization can only be achieved when the present and the future are linked through strategic actions aimed at transcending borders and connecting people and businesses around the world as a single networked entity. To accomplish this takes forward thinking and shared zeal. As one of our interviewees concluded:

Having a shared vision is powerful. We share a vision of global HR and we talk about it all the time. It is a deep passion for all of us to develop a global system, to work towards the same goal and the same vision.
References


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*Headquarters or founding company is not American.