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Multicultural employees: Global business' untapped resource

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**MULTICULTURAL EMPLOYEES:
GLOBAL BUSINESS' UNTAPPED RESOURCE**

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**MULTICULTURAL EMPLOYEES:
GLOBAL BUSINESS' UNTAPPED RESOURCE**

Executive Summary

Despite rapid growth in the number of multicultural employees, few global organizations are tapping the potential of their employees with more than one culture. Some organizations may be unaware of the skills they possess, or may even see them as a source of problems. Others may lack the procedures necessary to use their skills (e.g., selection processes and career development practices to place them in positions where they can be most useful). We describe multicultural employees' potential to contribute to five key international business activities: Multicultural teams, intercultural negotiations, ethics and leadership, expatriation, and international mergers and acquisitions. We then describe how global organizations can leverage the distinctive skills, knowledge and perspectives of their multicultural employees. Overall, multicultural employees possess many of the skills and abilities necessary to succeed in complex, global companies, and organizations would be wise to pay more attention to these valuable employees.

**MULTICULTURAL EMPLOYEES:
GLOBAL BUSINESS' UNTAPPED RESOURCE**

Carlos Ghosn and Indra Nooyi could be biculturalism's poster children. Although each took a different path to becoming bicultural, they both use their multicultural identities to guide the multinational organizations they run. Carlos Ghosn translated his Brazilian-Lebanese-French background into success in Japan, a country that was completely foreign to him at the time. Indra Nooyi draws on her multicultural identity to shape PepsiCo as a global company. Under her watch, PepsiCo ramped up its international sales and began to truly appreciate and derive benefit from its diverse employees.

In contrast to monoculturals, multiculturals possess considerable experience in two or more cultures. Multiculturals can develop their cultures from sources other than living in multiple countries, such as the children of immigrant parents, or adults who marry into a culture. Because they take part concurrently in several cultural contexts, multiculturals develop cultural awareness and knowledge about the habits, norms and values of several cultures. They understand and apply the rules of their cultures and are usually fluent in the respective languages, which helps them operate within and between their cultures. In other words, multiculturals have deeply internalized more than one culture, making them potentially valuable in the world of international business and global organizations. Carlos Ghosn described it as follows:

It's fundamental, like learning a language when you're a kid. You're going to have mastery when you're an adult that you'll never have for a language that you are learning as an adult. Being in a multicultural environment in childhood is going to give you *intuition, reflexes and instincts*. You may acquire basic responsiveness later on, but it's never going

to be as spontaneous as when you have been bathing in this environment during childhood.

– Newsweek, June 2008.

Other examples of prominent biculturals include Coca-Cola’s CEO and chairman Muhtar Kent, who is Turkish-American; Chinese-American Andrea Jung, who leads Avon; and Spanish-American Antonio Perez, CEO of Eastman Kodak (Table One). Coca Cola, Avon and Eastman Kodak all survived the global financial crisis, in part due to their leaders’ abilities to translate cultural competencies into success outside of the U.S. Yet, few global organizations are tapping the potential of their multicultural employees. Some may even see them as a source of problems. For example, bicultural children of Japanese expatriates used to face societal hardships upon returning to Japan, for challenging the uniqueness of Japanese values. Nowadays, Japanese organizations progressively understand the potential of so called “returnee children” and frequently view them as agents of internationalization.

INSERT TABLE ONE ABOUT HERE

How can Multicultural Employees Contribute to Global Business?

In this article, we describe how multicultural individuals contribute to five key activities in global business - international teams, intercultural negotiations, international assignments, mergers and acquisitions, global leadership and ethics.

Multiculturals’ impact on teams

When you have a very diverse team – people of different backgrounds, different culture, different gender, different age, you are going to get a more creative team – probably getting better solutions, and enforcing them in a very innovative way and with a very

limited number of preconceived ideas. – Carlos Ghosn, speech at INSEAD upon receiving the Transcultural Leader Award, 2008

I look at the amazing diversity of our Executive Committee. We have 29 people in the Executive Committee. We have a Sudanese leading Europe, a North American as a vice chair, an Italian who is leading North American beverages, a Middle Easterner runs Asia, and I don't even want to talk about the CEO. That diversity is what keeps our company grounded and helps us make market-based, sensible decisions. – Indra Nooyi, Address to the Economic Club of Washington, 2009

Indra Nooyi and Carlos Ghosn have both harnessed the power of diverse teams to drive innovation at PepsiCo and Nissan-Renault. As businesses move from teams where each individual has only one culture to teams where each individual has two or more cultures, we propose three ways multicultural individuals might influence team effectiveness:

- Act as bridges across cultural faultlines
- Reduce the process time required to tap multiple perspectives
- Safeguard groups against *groupthink*.

Cultural Bridges

Divisions within groups – also known as faultlines – often develop along cultural lines, and promote disharmony, dissatisfaction, and poor performance on multicultural teams. They are more likely to develop when the group's composition emphasizes cultural divisions. For example, American-Chinese teams often develop faultlines, because it is obvious who is Chinese and who is American. In order to make faultlines less obvious, managers can include multicultural individuals (e.g., Chinese-Americans) on the team. Multiculturals can bridge faultlines through language, cultural knowledge or by explaining the opposing subgroup's behaviour. Also, team members are

less likely to categorize multiculturals into specific national or cultural groups (e.g., “she’s typically Chinese”), which reduces “us versus them” thinking, intergroup hostility and stereotyping.

Reduced Process Time

The most common reason to purposefully build multicultural teams is to benefit from new ideas drawn from different cultural perspectives, but the most common drawback is that multicultural teams take longer to perform tasks, because of conflict, misunderstandings or differences in values (called process time). Multicultural individuals may bring new ideas to the team, because they have multiple cultural perspectives, but are less likely to produce team conflicts and misunderstandings, because they also share cultures with their teammates. For example, experiments show that Asian-American biculturals developed more creative dishes from both Asian and American ingredients, rather than from all Asian or all American ingredients. Muhtar Kent, Coca Cola’s bicultural CEO, concurred with this finding in a speech at Columbia University in 2009: “True innovation, we have found, comes from this beautiful fusion of cultures, ideas, beliefs and experiences.” We predict that multicultural employees can contribute the most to internationally-focused creative team activities, such as global product development, scenario planning, and the design of a locally adapted marketing strategy.

Safeguards against Groupthink

Groupthink is people's tendency to conform their ideas to those of the dominant group. It interferes with effective group decision-making by making the group closed to dissent or new information. Because multiculturals have several cultural perspectives, they bring more new ideas and unconventional solutions to the team than monoculturals and therefore are less prone to

conformity and groupthink. At the same time, since they belong entirely to no one group, multiculturals seem particularly suited to play the role of *devil's advocate*, which is an effective way of preventing groupthink.

Overall, when teams are made of individuals from multiple cultures, it usually takes longer for those individuals to understand one another, than for members of a monocultural team. When the team's multiculturalism comes from multicultural individuals instead of monoculturals from different cultures, the team may be able to work together faster, because faultlines may be weakened and because multiculturals are more likely to be curious about other cultures. Multicultural individuals may be most useful in teams that are expected to perform complex, internationally-focused tasks.

Multiculturals' impact on intercultural negotiations

As CEO of PepsiCo, Indra Nooyi negotiates with businesses all over the world. Among her biggest were the merger with Quaker Oats Company in 2000, and her negotiations with Indian media and government about Pepsi's health standards in India. She was able to draw on her own cultural norms and bargaining strategies in both cases, adding to the ease of negotiations. It is a different situation in China, where she has very little experience, but her experience seeing the world through multiple cultural frames taught her to look for opportunities for integrative deals, based on cultural differences. Her experience demonstrates two ways multicultural negotiators can improve negotiations:

- Better understanding of negotiation partners through perspective taking
- Positively influencing negotiation partners

Taking the Others' Perspective

Good negotiators find a balance between maximizing individual objectives and common goals simultaneously. It is therefore important that negotiators understand their counterparts' goals, expectations, and negotiation strategies, which in a cross-cultural setting frequently turns out to be an obstacle. Especially if negotiations are complex and require creative solutions, multicultural experience may be an advantage. Galinsky and colleagues found that perspective taking (the ability to consider the world from another person's viewpoint) helped negotiators identify creative bargaining solutions. Multiculturals, because of their multiple cultural backgrounds, are likely to possess good perspective-taking abilities and thus have an advantage in negotiations that require considering different views. In fact, in a June 2008 CNBC Business interview, Nooyi identified this ability as her key negotiating strength: "I always look at things from their point of view as well as mine".

Positively Influence Negotiation Partners

Research shows that although cross-cultural negotiations are often fraught with tensions and misunderstandings, international negotiations tend to produce higher joint gains than same-cultural negotiations when the communication experience is pleasant for both parties (e.g., when both parties feel comfortable and make efforts reciprocating and adapting to the other party's norms and expectations). A possible explanation is that when both partners feel at ease and the negotiation takes place in an atmosphere of trust and respect, intercultural negotiators are able to leverage their different perspectives and are more creative in solving problems and creating joint gains than same-cultural negotiators. In international negotiations, multiculturals may be at an advantage because they are better able to bridge the cultural divide and positively influence their negotiation partners' communication experience. They are also likely to have a more pleasant

communication experience themselves, because they tend to feel at ease in a cross-cultural environment.

Multiculturals' impact on expatriation

As a larger number of organizations become increasingly global, it will become gradually more necessary for employees to move internationally. In a 2010 interview with Diversity Executive, Eastman Kodak's CEO Antonio Perez, who has lived in seven different countries, describes his experiences as a dual development process: "You expect the new society to accept, to appoint your values and culture, and you have to do the same, to understand that they have their own culture and values". Yet, international assignments are fraught with failure. Some return home early, while others are merely ineffective; all are costly to the organization.

Multicultural individuals excel as expatriates for several reasons. Perhaps most importantly, they have high levels of cultural mindfulness – heightened awareness of cultural cues – and they tend to identify highly with both parent and host organizations.

High Cultural Mindfulness

According to Brannen, Garcia and Thomas, multicultural individuals are more likely to be successful in an international assignment because they are more mindful than monoculturals about how culture influences behavior, a key aspect of cultural intelligence that facilitates cross-cultural adjustment and cultural learning. For example, when Carlos Ghosn moved to the U.S. and Japan, he had no prior experience with the cultures, and had to learn how to be effective as he went along. He says the following about choosing an expatriate, in his 2005 book with Riès, "I wouldn't pick a

person who'd never lived abroad, ... who'd never demonstrated an ability to work in a different culture from his own, and send him into such a situation. I had the 'ideal' background.”

Dual Citizenship

However, multiculturalism's impact on expatriation success is not straightforward. Expatriates are not only faced with the challenges associated with adapting to a different culture and work environment, but must also act as liaisons between the foreign subsidiary and the home office – a situation termed the *dual allegiance* dilemma. Dual allegiance refers to the fact that expatriates are often torn between their allegiance to the parent firm or home office, and their allegiance to the local subsidiary.

There are four ways expatriates resolve the dual allegiance dilemma:

- Remaining loyal to their home country environment (*hearts at home*)
- Prioritizing local needs over the needs of head office (*gone native*)
- Caring about their own careers, over and above the needs of head office or the local subsidiary (*free agents*)
- Remaining highly committed to both the parent firm and the local subsidiary, and trying to reconcile the often conflicting demands and expectations of both organizations (*dual citizens*)

Although each of these patterns may have some benefits, the first three patterns tend to be detrimental to the firm: Hearts-at-home expatriates sometimes force head office ideas onto subsidiaries, regardless of their local effectiveness; gone-native expatriates sometimes fight head office to a degree that impedes global coordination; and free agents have lost their allegiance to the parent firm, without adjusting to the local environment. By contrast, dual citizens tend to excel at

coordinating between head office and the local subsidiary, transferring knowledge among sites, and completing the international assignment successfully.

Multicultural individuals may solve the dual allegiance dilemma differently than monoculturals, because they have experience managing two or more sometimes-conflicting identities. People like Carlos Ghosn are more strongly linked to a global identity, rather than to individual countries, so they may be less likely to take on either the hearts-at-home or gone-native positions, and more likely to become dual citizens. However, multicultural managers may also be prone to becoming “free agents”, who lack strong commitment to either the parent firm or the local organization. When Ghosn was working for Michelin, he acted like a free agent, willing to travel to any location, with any company, because he saw himself as a global citizen first and foremost. This example shows that multiculturalism can be a double-edged sword for organizations, as discussed in more detail at the end of the paper.

Multiculturals’ impact on ethics and leadership

Indra Nooyi faced a particularly thorny ethical dilemma starting in 2003, when PepsiCo India was accused of allowing pesticides from local groundwater into their soft drinks, and of using up scarce water for an unnecessary commodity. The nation was appalled, protestors defaced ads, several Indian states banned soft drinks altogether, and sales crashed. In addition, the government debated imposing strict new standards on soft drink companies that would make it difficult to operate profitably in the country. By 2006, when Nooyi took over as PepsiCo’s CEO, things had not improved. Nooyi had to act quickly to convince India that Pepsi’s products were safe and that they were protecting India’s water supply.

Executives and business people working in the global arena must decide whether to use their own ethical principles, or to adopt local ethical principles. For example, when people work in countries where bribery is common, they must decide whether to refuse to take part because bribery is universally wrong, or to accept some level of bribery – such as “facilitation payments” – as normal in the local context. These two perspectives are called universalist and relativist ethical perspectives, respectively:

- Ethical universalism assumes that the situation does not influence what is ethical; only universal rules determine what is ethical.
- Ethical relativism assumes that each culture has the right to determine its own set of rules about right and wrong. Visitors must respect the local customs and adapt to them, as reflected in the adage “When in Rome do as the Romans do”.

Multicultural employees may be able to reconcile these seemingly conflicting perspectives because they have more complex mental maps associated with ethical decision making – particularly in cross-cultural contexts – and can use their multicultural identities to strike the appropriate balance between global consistency and local sensitivity. Multiculturals’ experience seeing the world from more than one perspective increases their ability to determine when different is different and when different is simply wrong.

PepsiCo’s Indra Nooyi, for example, endorses ethical relativism while at the same time adhering to universal standards. Nooyi’s response to Pepsi’s problems in India reflected the company’s global commitment to environmental sustainability and safety, while adapting to the local context of drought. As she explained in a June 2007 *BusinessWeek* article:

One thing I should have done was appear in India three years ago and say: Cut it out. These products are the safest in the world, bar none. ...We have to invest, too, in educating communities in how to farm better, collect water, and then work with industry to retrofit plants and recycle.

Multiculturals' ability to balance global consistency and local flexibility in ethical decision making has important implications for multinational corporations. For example, Coca-Cola's CEO, Muhtar Kent, adopts a transnational approach to business ethics, requiring managers to be responsive to both global and local imperatives. This approach helped Coca-Cola achieve their spot in DiversityInc's top 20 companies for diversity in 2010. Kent spearheaded Coca-Cola's entry into the former Soviet Union and Eastern Europe, at a time when basic human rights like freedom of speech were still new concepts. His ability to see complex ethical situations from multiple perspectives was essential to succeed in that context, and this ability is likely to be more common among multicultural employees.

Multiculturals' impact on cross-border alliances, mergers and acquisitions

Alliances, mergers, and acquisitions (M&A) are notoriously difficult to implement successfully. Problems are exacerbated when alliances and M&A occur between companies based in different countries, due to differences in the broader institutional environments and business norms, cultural chauvinism and the often unanticipated challenges inherent in communicating across long distances. For example, the poor performance of DaimlerChrysler, one of the most talked-about mergers of the past decade, is often attributed to a culture clash that resulted in major integration problems.

Strategic alliances tend to be more successful than mergers, but they are difficult to manage – especially cross-border ones. In 1999, Carlos Ghosn led the alliance between Nissan and

Renault. From an outside perspective, the cultural and language barriers seemed insurmountable. Nissan was in a desperate financial situation, and Renault had only recently pulled out of its own slump. Yet, the alliance's success was due, in part, to the fact that neither firm had enough power to control the other. Instead of forcing Nissan to change, Ghosn had to rely on building strong relationships across the organizational and cultural boundaries. In hindsight, this looks like brilliant strategizing that was likely influenced by Ghosn's uniquely multicultural identity. In his 2005 book with Riès, he explains,

It's imperative for each side to preserve its own culture while at the same time making an effort to understand the other's culture and to adapt to it. We've chosen a way based on mutual respect and the acknowledgement of two enterprises and two identities.

Ghosn's multicultural identity helped him balance Nissan's and Renault's respective needs.

Multiculturals' contributions to cross-border alliances and M&A can be categorized into two stages of the integration process:

- Perceptive evaluation of cultural fit during due diligence.
- Filling the integration manager role during transition.

Due Diligence Stage

Multiculturals' cultural empathy, perspective-taking skills and ability to bridge cultural gaps are already important before the alliance or merger takes effect, during the due diligence and negotiation stages. The purpose of cultural due diligence is to evaluate factors that may influence the organizational fit, to understand the future cultural dynamics as the two organizations merge, and to plan how cultural issues should be addressed if the deal goes forward. Questions of this nature require the due diligence team to probe into the normative structure, core values and

assumptions, and the core philosophy of the company itself in order to understand the company from a holistic cultural perspective. Thus, the cultural due diligence team must understand and assess not only the company itself but also the context in which the company exists, particularly its national culture. For this reason, managers with a multicultural background can play a key role in the evaluation of the cultural fit and the development of the integration strategy.

Integration Stage

Strategic alliances and M&A require some degree of interdependence and integration, and the integration is always a delicate and complicated process. Even when the acquired company or partner shares key values and objectives, there will be inevitable culture clashes and questions will arise about which identity will dominate when corporate cultures are combined, coordinated or blended. Instead of melting everyone together, senior executives must capitalize on the differences in culture and try to diminish the psychological distances between the members of the combining organizations. As Carlos Ghosn explained:

People will not give their best efforts if they feel that their identities are being consumed by a greater force. If any partnership or merger is to succeed, it must respect the identities and self-esteem of all the people involved. ... Two goals – making changes and safeguarding identity – could easily come into conflict. Pursuing them both entails a difficult, yet vital balancing act.

To pull off this balancing act, companies are increasingly turning to dedicated integration managers who help the other company understand how the new owner or partner operates, forge social connections, and help with essential but intangible aspects such as interpreting a new language and way-of-doing-things. Multicultural individuals are better able to serve as integration managers or members of transition teams because they understand vulnerabilities on both sides

and are able to come up with culturally appropriate solutions that preserve the identity and dignity of all the people involved.

Multiculturalism: A Double-Edged Sword

This article has so far focused primarily on positive implications for multicultural employees, but it is not a universally beneficial experience. Ahead, we briefly discuss two of the unique challenges for multicultural employees and their organizations: marginalization and identity suppression.

Marginalization

Individuals who have more than one culture, but feel disassociated with both or all of them, often feel marginalized. Marginalization is psychologically difficult, and most of the evidence indicates that they have more problems with identity stress and general well-being than other multiculturals. Even though Berry and colleagues' survey of 5366 immigrant adolescents across thirteen countries demonstrates that this pattern is common among multicultural individuals, business people do not often talk openly about feeling marginalized, perhaps because of the negative implications of this pattern. However, there may be some benefits to being marginal. In particular, marginalized individuals may feel free to choose activities that are unconventional to both cultures. Because they have an in-depth knowledge of, yet are detached from, the cultures they represent, they may be able to make unpopular or even painful decisions, for example regarding layoffs and pay cuts, in a culturally appropriate manner.

Multicultural Identity Suppression

The other potential challenge occurs when the organizational context suppresses multicultural employees' cultural identities, and as a result, suppresses the skills and abilities that

emerge from being multicultural. Organizations that suppress multicultural identities train employees to think, behave and react similarly to one another, resulting in a cohesive workforce, but one that misses out on the unique benefits of its multicultural employees. After reviewing 63 studies published from 1997-2002, Jackson, Joshi and Erhardt concluded that organizations are more likely to benefit from multiple cultures when the organizational culture values breadth of experience, skills, and attributes. This type of organizational culture reduces the potential to marginalize individuals, and instead focuses attention on the unique attributes each member brings to the organization. Overall, the research implies that organizations with the wrong type of culture are less likely to benefit from their multicultural employees. Simply hiring multicultural employees is not enough; it is also essential to set up the conditions that allow their skills to emerge.

Managing a Multicultural Workforce: Implications for Organizational Culture Development and Human Resource Management

Multicultural employees have the potential to add value in the five key areas described above, but only when organizations implement procedures necessary to use their skills (for example, selection processes and career development practices to place them in positions where they can be most useful). As a multicultural CEO, Eastman Kodak's Antonio Perez understands the necessity to manage diversity in order to benefit from it:

It's important that we don't promote diversity as a panacea. Diversity is incredibly valuable. It's a must, a condition without which you will not succeed, but that richness comes with complexity that needs to be accepted and managed.

– Antonio Perez, 2010 interview with Diversity Executive

Given that global organizations often fail to take advantage of the knowledge, skills and experiences of their multicultural employees, organizations with the right processes in place have an opportunity to get ahead of their competitors by leveraging the distinct skills of their multicultural employees (Table Two).

INSERT TABLE TWO ABOUT HERE

Staffing

Companies should develop systems that identify multiculturals' potential for both recruiting and placement. Multiculturals must be placed in positions where they can be most useful, otherwise their unique skills may be wasted. For example, the leadership and ethics section of this paper discussed strategically placing multicultural employees, in order to balance global consistency with local adaptability in responsible leadership.

According to our analysis, multiculturals are most likely to contribute to the success of diverse teams when they are working on complex tasks requiring creativity. Therefore, organizations should identify tasks and teams with these characteristics, and try to place multicultural employees on those teams. For example, multicultural employees are more likely to benefit an international coordination team, than a team focused on coordinating with a stable, local supplier.

Since it's not practical to measure how much individuals identify with their cultures for recruitment purposes, we recommend hiring people with a wide variety of multicultural

backgrounds, and placing them strategically once more is known about their particular skill sets. This approach will also help shift the organizational culture in the right direction.

Training and Development

We recommend using corporate training and development programs to achieve two goals: supporting multiculturals to become more conscious of their skills and abilities, and developing similar skill sets among monocultural employees. On average, monoculturals are not likely to develop these skills to the same degree as multiculturals, even with training, but they can be developed in order to close the gap. Mentorship and coaching are best suited to achieving the first goal, while global experiential programs could achieve both.

For example, it's not surprising that both IBM and PricewaterhouseCoopers (PwC) made DiversityInc's top ten employers for diversity in 2010, because both companies have similar global experiential programs, where high-potential employees work with local partners in developing countries for eight weeks to several months. The programs helped managers acquire skills similar to those of multiculturals. Pless, Maak and Stahl found that among PwC's participants, experiencing the heightened ambiguity, competing tensions and challenging ethical dilemmas associated with working in a foreign culture triggered transformational experiences and produced new mental models in managers. If a program like this one is not feasible because of cost or time constraints, then organizations could use short-term field experiences to expose employees to sub-cultures within their own countries (for example, by looking after homeless people, working with juvenile delinquents, or living with immigrants seeking asylum) to provide significant cultural immersion experiences and perspective-taking skills.

Organizational Culture Development

Organizations should create visible signs that the company values employees with a multicultural background, and that international experience and a cosmopolitan orientation will improve one's career advancement within the organization, because organizations that value multiple cultures are more likely to benefit from cultural diversity. Ideally, these initiatives should originate from the top-down, in order to stress their strategic importance, and to shift organizational culture. For example, every company on DiversityInc's top 50 diversity employers for 2010 had the CEO sign off on executive compensation linked to diversity goals. In addition to global experiential programs, IBM shapes its organizational culture by training employees for cultural intelligence and mentoring employees for leadership positions from all over the world. In a 2004 interview posted on IBM's website, Dr. D. Thomas of Harvard Business School said that IBM's approach "challenged a basic company cultural premise that differences were supposed to be suppressed as opposed to magnified." By creating an organizational culture that values multiculturalism, companies can provide the necessary context to leverage multiculturals' potential.

Conclusion

When organizations follow the steps just described, they create the conditions necessary for multicultural employees to shine. As a result, teams, negotiations, alliances, mergers and acquisitions, international assignments, ethics and leadership can all benefit. Although this discussion has focused primarily on multiculturals' positive contributions, challenges also exist. Organizations are at risk of alienating their multicultural employees unless they properly manage this valuable demographic. The next step is for companies to take advantage of the potential in their multicultural employees by staffing, training and leading with these benefits in mind. As

Ghosn concludes in Rivas-Micoud's 2007 book, "Competing in the global marketplace requires the contributions of multitalented, multicultural people working together to achieve success".

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Table One: Prominent multicultural leaders

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| <p>Indra Nooyi, CEO and Chair, PepsiCo</p> | <p>Moved to the United States to complete her Master’s degree at Yale, after spending her childhood and completing two degrees in India.</p> | <p>“Although I'm a daughter of India, I'm an American businesswoman. ... Graduates, as you aggressively compete on the international business stage, understand that the five major continents and their peoples -- the five fingers of your hand -- each have their own strengths and their own contributions to make. Just as each of your fingers must coexist to create a critically important tool, each of the five major continents must also coexist to create a world in balance. You, as an American businessperson, will either contribute to or take away from, this balance.” BusinessWeek May 2005</p> |
| <p>Carlos Ghosn, CEO and President, Nissan and Renault</p> | <p>Born in Brazil to French-Lebanese parents. Completed high school in Lebanon, University in France. Speaks five languages.</p> | <p>“One of the most important moments for me ...was when I arrived in Japan, a country I did not know at all, a culture I didn't know at all, a country which I didn't visit practically at all. I saw that I was able to connect with people in a culture which is known as being very strong. I had just to admit the fact that I was able to connect more easily with people than some of my colleagues; this is when I started to say to myself, well this is an asset for a turnaround situation.” CNN.com interview, June 2005.</p> |
| <p>Muhtar Kent, CEO and Chair, Coca-Cola</p> | <p>Born in New York to Turkish parents. Completed high school in Turkey, University in the U.K., then returned to the United States.</p> | <p>“We need leaders with a different set of skills -- leaders who can be both business executives and diplomats. ... That's why we look for people with diverse backgrounds and points of view. We need people who can move seamlessly across borders and cultures.” Remarks at CEO Club of Istanbul, Nov 2009.</p> |
| <p>Andrea Jung, Chair and CEO, Avon</p> | <p>Born in Canada to parents born in China and Hong Kong. Moved to the United States during her childhood.</p> | <p>[referring to her childhood] “We were two Chinese-American children being raised with all the opportunities that this great land afforded, but always being proud of our Chinese heritage too. ... I think Avon is not perceived as an American company because of the kind of leaders we put in.” Interview with Charlie Rose, March 2008.</p> |
| <p>Antonio Perez,</p> | <p>Born in Spain.</p> | <p>“I have lived in so many different places, so many</p> |

MULTICULTURALS IN GLOBAL ORGANIZATIONS

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| CEO, Eastman Kodak | Completed schooling in Spain and France, then lived in Germany and the UK before moving to the United States. | different houses and so many different cultures that I can tell you it is complex. At Kodak, our business is a microcosm of this complex world. ... Through diversity of thought and innovation, we will continue to deliver breakthrough products that delight customers.” Diversitybestpractices.com, 2006 |
|--------------------------|---|--|

Table Two: Key benefits, possible problems and organizational solutions

| Key benefits | VS | Possible problems |
|---|-----------|--|
| Multicultural employees are better at facilitating intercultural interactions, whether in teams, negotiations or mergers, because they understand culture's influence better than monoculturals. | | Multicultural employees may become marginalized, or suppress their cultural identities, in organizations with strong, monolithic cultures. |
| <p style="text-align: center;">Solutions: How to draw on benefits and avoid problems</p> <ol style="list-style-type: none">1. Create visible signs that the company values multicultural employees.2. Hire and place employees to maximize their ability to use their skills.3. Mentor new multicultural employees by senior-level multicultural role models.4. Develop all employees for multicultural skills, using experiential programs. | | |

Biographies

Stacey R. Fitzsimmons is a Ph.D. candidate in international business at Simon Fraser University, Canada, with a specialization in cross-cultural management. Her dissertation examines antecedents and outcomes specific to bi- and multi-cultural individuals, in order to understand the unique skills and abilities they bring to the global workplace.

Christof Miska is doctoral candidate in international business at WU Vienna, Austria, with a focus on international management. His research interests include cross-cultural management and expatriation research as well as socially responsible management.

Günter K. Stahl is Professor of International Management at WU Vienna and Adjunct Professor of Organizational Behavior at INSEAD. Professor Stahl's research interests include the dynamics of trust within and between organizations; responsible leadership; and sociocultural processes in teams, alliances, mergers and acquisitions; and how to manage people and culture effectively in those contexts.