MSc in Project Management

Culture Diversity Impacts on Teams Performance and Innovation Role in Dubai Private Sector

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I.   ABSTRACT

Cultural diversity is having a significant impact on organizations at the current time. This research will discuss the impact of this diversity on the performance and innovation of teams within organizations. In addition, it will consider the role of management in enhancing innovation. The research will consider the effects of cultural diversity on teams as reported in previous studies. In addition, it will analyse the effects reported in relevant studies which have looked at the experiences of different countries where cultural diversity has been prevalent.

The research was conducted in a private company in the United Arab Emirates (UAE) and a qualitative approach was used which was based on interviews conducted with six participants from three units, all of which were part of the IT department of the company. The findings from the case studies show that cultural diversity affects the performance of a team if the criteria by which team members are selected are not defined properly to fit the work positions. In addition, the team's performance will be affected if there is no communication between the team members. Finally, there will be an impact on the team if there is no measurement of each team member's performance. In addition, the effects of cultural diversity on innovation vary depending on the team's education and work knowledge and the ability of the manager to enhance the exchange of information. Furthermore, the team will be affected by cultural diversity if there are no proper means of monitoring the innovation within the team.

The last effect discussed is the role of the manager in enhancing innovation. The case studies show that most managers are unable to overcome the issues that act against innovation. Additionally, some managers do not have sufficient knowledge to create an innovation processes for their teams, and hence the effects vary from team to team. Finally, this study recommends some steps to ensure that the cultural diversity of a team has a positive effect, which in turn will assist the organization to gain the maximum benefit from it.

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Chapter One:

I.   INTRODUCTION

This chapter discusses the research topic questions. It covers the main concepts and aims of the study, and it outlines the objectives, and research questions. It also demonstrates the significance of the study in the context of previous experience and research.

1.1 Background:

Current private successful organizations are focused on building multicultural environments to enhance business profits and organization success. Globally, it is widely known that most of the successful organizations worldwide depend on different elements for their success. However, two elements which organizations tend to focus on most are the employees and the development of the company performance. Both are essential to achieving the goals of the organization in terms of increasing production and generating revenue.

Cultural diversity has been increasing in the United Arab Emirates in recent years. The increasing cultural diversity has been adopted mostly by Dubai, one of the more developed cities in the country. This has occurred because such diversity is seen as an opportunity to enhance the city's investments and developments by bringing it on par with other global cities. In addition, it is widely known that different cultures can produce a variety of innovations and new ideas (Freek 2004& Abdelkarim 2001a) looking at the contemporary data for the different nationalities in Dubai, it can be seen that the city has about 2.4 million international employees, some 91% of the population working in the Dubai (Freek 2004& Abdelkarim 2001a), these foreign workers come from a range of cultures and work in a variety of sectors which impact on the city's economy. On this basis it can be said that the UAE encourages the

multiculturalism, welcoming different nationalities to come and work in the different sectors to enhance both the country's economic sectors and, as an additional benefit, the country's tourism sector.

In the business environment, it is understandable that the cultural diversity is known by different nationalities working in one organization in order to accomplish the goal and objective of the organization to the success and continuously. Most of those of different nationalities are working in the private sector because of the desire to have a diversity of experience in the work place. In addition, by having such diversity in the work place the employees will have the opportunity of enhancing their career growth within the organization. The benefit will be win-to-win situation, as the organization will be able to achieve a business growth by allowing international employees to work within one organization which is part of the culture diversity. (Spiers, 2008).

Rugman (1979) was one of the first to note the benefits of cultural diversity for businesses, noting that increasing culture diversity in an organization or in the region's market will reduce the risk profile of the organization's portfolio. Additionally, he argued that there would also be benefits in terms of performance and the generation of innovative practices. Diversity in an organization concerns not only different nationalities, but also diversity in gender, age, education level, and work experiences. All have a major impact on an organization's performance. Based on Spiers (2008) she shows in his study that most of the companies in the business region are focusing on diversity establishments to solve once culture issue in the company.

It was recognized in the business environment that cultural diversity has shared norms, values and symbols in the employees based on their country and region and their ability to interchange with each other. This can be sometimes impacting the employees positively. Furthermore, culture is said to represent the values or attitudes within the organization or the social group in order to share experience and have fixable interactions within diverse group. (Hofstedes 1991)

Cultural diversity has positive and negative influences in the organization employee's performance and innovation. In addition, the influence is including the management skills, as it is important to ensure better performance and innovation.

Thus, much the research has focused on cultural diversity and how it impacts on group performance. This showed that the nature of the organization in terms of culture affects the organization's outcomes, including employees' creativity, satisfaction, and overall turnover. Consequently, organizations should increase the multinational context and understand the importance of it in the organization. (Frances and Milliken. 2001) Nonetheless, the performance of the multi-nationalities has a role in value- creating activities in the organization based on Pothukuchi, (2002). In addition, further studies focusing on cultural diversity have found that deep-seated values of each culture present in the organization are connected with practices in the organization. (Hofstede, 1990) Thus, cultural diversity has a major impact on the performance organization and its practices.

As it is known how important the performance of the employees is to the company's success, it is easily can be identified the connection of the performance with organization innovation, the main outcome that the management is looking for. Peter (2003) has defined innovation as something that is capable of being practised and learned. Conversely, Drucker (2005) thought

that innovation succeeds if the organization's culture is driven by diversity, discipline, and discussion. Thus, it is clear that culture affects innovation, the main requirement for any organization.

Managing cultural diversity requires high professional management practices to be able to control the organizational culture in order to enhance group performance and innovation. Thus, organizational management should support and show genuine commitment to cultural diversity as it is critical to success. Further to that, researchers agree that the organization's management requires certain characteristics to ensure they can facilitate change and assist the organization to develop successfully. (Cox and Blake, 1991)

1.2 Research aims and objectives:

This research seeks to address the impact of cultural diversity on organizations and to recommend best practice to reduce any possible negative effects of cultural diversity.

The research objectives are:

1. Investigate how cultural diversity can affect teams and their performance.

2. Examine the influence of cultural diversity on innovation and the climate for innovation.

3. Investigate the role of management in enhancing the climate for innovation in culturally diverse teams.

1.3 Implications of the research:

The outcomes of this study will provide higher management with information about the way in which cultural diversity affects a team's performance, innovation, and management requirements. The research will help to identify the strategic strengths as well as the limitations of a company's culture. In addition, the study will present recommendations to industry management for particular actions, initiatives, or systems to enhance performance

levels. The study will define, in particular, those areas where enhancements area required. An example of these enhancements would be a specific training program to assist an organization to achieve effectiveness.

The research structure will cover first the research literature review which will share different views and research results on culture diversity influences by several researchers. Second, it will identify the process of the research that it will be taken. The third part of this research will be the research methodology which will describe the research methodology in details. Forth, it will discuss of the research and share the analysis of the results. The fifths step will be writing the recommendation for the research and conclusion.

Chapter Two:

II.   LITERATURE REVIEW

2. 1   The concept of cultural diversity:

Cultural diversity is considered a significant concern because of its impact on an organization's teams and management. Therefore, several researches have been done on this topic and different views about cultural diversity and the impact of this phenomenon on organizational performance can be found.

Researchers have arrived at different views concerning the influence of cultural diversity on a team's performance and the climate for innovation. Furthermore, researchers have found that management plays a crucial role in enhancing innovation in diverse teams, which in turn will lead to different outcomes in an organization. In this study, the focus is thus on cultural diversity and its impact on private organizations based in Dubai, United Arab Emirates.

The literature review focuses on the main objectives of the research which explain the effects of cultural diversity in an organization:

- The way in which cultural diversity may impact on teams and their performance.
- The influence of cultural diversity on the climate for innovation.
- The role of management in enhancing the climate for innovation in culturally diverse teams.

2.2.1 Cultural diversity:

It is important to understand the concept of cultural diversity in order to have the ability to link it with its impact on an organization's employees and their performance. Ditomaso (2010) define diversity in this context as different characteristics from diverse social entities, backgrounds, and culture which build dynamic team performance within high performing organizations. It is essential to understand the company group structure to analyse the impact of cultural diversity on teams and on the organization's performance.

By diversity the research study will use distinct characteristics that will contribute to differentiation and allow for measurement across a range of factors making up a group's performance. Ditomaso (2010) confirms that diversity in organizations should have three main characteristics. First, the employee should have power to access control over valuable resources in the company. Secondly, there should be flexibility in relationships within the organization, regardless of cultural differences. Finally, employee characteristics such as knowledge expansion, teamwork, low resistance to change, and cultural acceptance which affect the proportionality and composition of the diversity of group members. By having these types of employees characteristics, the organization will be able to evaluate the influence of the diversity on the organization.

2.2.2 Types and characteristics of cultural diversity:

Mostert (2007) explains that diversity as the participants' different backgrounds in one organization which enhance the creativity on the organization. Many elements can contribute to cultural diversity such as age, gender, language, and nationality; work level, expertise, function, having large or/and small teams in the organization. Sometimes diverse elements can be generated from the country of the organization's employees.

However, there are some organizations that use these characteristics to fulfil job requirements. By defining and matching the job with certain characteristics, the extent of the impact will be different in each organization and might be either positive or negative. Therefore, all these elements should be measured and considered. Different degrees and types of diversity will lead to different outcomes for the organization.

Parham and Muller (2008), who undertook a study into workforce diversity, have found a critical point which was brought to the attention of students to increase their awareness. This critical point relates mainly to stereotype in organization and culture discrimination issues with the culture diversity. This issue can contribute to discrimination problems within the organization, which is considered both unethical and illegal. There are many elements which cause discrimination in organizations such as the age, gender, and managerial recommendations at the organizational level.

Hofstede (2001) discuss the cultural dimension as a contributor to work-related attitudes. Therefore, he advised students to understand cultural diversity and the different values people have in order to be in a healthy working environment in the future. By understanding cultural diversity the students are going to be aware of how to interact with different cultures, and this will benefit everyone. Furthermore, Hofstede (2001) believes that the new employees should have cultural diversity training to assist them in having the best interactions with diverse teams within the organization.

2.2.3 Effects of cultural diversity on teams performance:

It should be clear by now that the more cultural diversity in the organization, the greater will be the impact on the organization's teams. Hence, cultural diversity has positive or negative effects on the organization's performance. However, different organizations have different strategic ways of communicating with the teams to reduce or increase the impact on them. Many organizations set up rules and regulations for cultural diversity based on the management style and methods. The management of the units focuses mainly on the performance of the team and the individual who is impacted by the cultural diversity as they analyse the relation with yearly organizational outcomes.

As a result, it was addressed the impact of cultural diversity on the individual and team performance which will influence as well the overall organizational performance. Some of the researchers found that the impact would be positive, while others found that there are some negative effects (the findings of these studies are listed below). Therefore, in research it was looked into positive and negative impacts of culture diversity in teams performance, innovation in order to find the important difference between their outcomes on the organization performance level.

2.2.4 Positive effects of cultural diversity on organization's teams:

Starting with the positive impact of cultural diversity on teams' performance, the following reasons for this were found:

1. There should be an understanding that there is no perfect integration between global markets and it is required that the company should have involvement in the national market. By having cultural diversity in the organization, the management will be able to assist the national macroeconomic trends to be equalled with the global markets

Shaked (1986). Furthermore, Shaked (1986) confirms that the organization will be having greater market experience by having culture diversity within the teams and will lead to have the teams rewarded and recognize globally.

2. In parallel, there will be lower risk in the company market due to the employees' diversity. This will cause a greater spread of the company all over the international market experience. In addition, it will result productive impact on the organization performance. (Caves and Rugman, 1982) Thus, the teams will be able to have different market experiences and that will lead to better performance.

3. Furthermore, cultural diversity will enhance the opportunity to have cost advantages. This is because the organization will be investing less in the firm's expansion by having teams with distinctive abilities and multi-economic backgrounds. (Buhner and Hirsch, 1987) This point affects the organization positively; however, it will be a benefit if the organization is willing to adopt cultural diversity.

4. In addition, the market controls theory which means to have control on the organization-targeted market has been studied and recommended to have cultural diversity in the organization. This is because it will assist the company to walk towards the market monopoly benefits such as having firm specific assists like brand name recognition and technology. (Palich 1994) Besides, this benefit will enhance the performance of the organization groups which are impacted positively by the cultural diversity. The organization will be having multicultural interactions among the employees and they will be able to drive high performance if they are interacting positively with each other.

Therefore, the same research concluded that organizations which have cultural diversity equally distributed in the organizations' departments will enjoy better benefits and more positive outcomes.

Another researcher Cox (1993) mention, that cultural diversity is obtainable by the organization since it brings positive relation between the company and it teams. He argues that this leads to a larger amount of creativeness; ideas and innovation can be generated from the diversity of culture. This will lead to improved performance from the group. (Cox et al. 1995) It is found as well if the organization is large it will assist the focus of cultural diversity forms to be larger as it will need to include education, age, functional background, technical background and firm tenure to understand the real impact on the team and their performance. (Jackson et al. 1995)

The group functionality of cultural diversity that classified the groups by their demographic has different impact on the top management strategic style and team process. Therefore they focused on the following two theories:

1. The Upper Echelons Theory which observes the demographic characteristics of top executives to multi organization process. (Hambrick and Mason. 1984)

2. The Group Process Theory which says that the interpersonal process work of the group will influence different outcomes such as a firm's performance. (Shaw 1981)

The Upper Echelons Theory seeks to build on the idea of executive influence on organizational performance through the decisions which the management makes. Mainly, the theory suggests that executives will come up with their decisions based on their mental experience or executive orientation, and this includes two elements:

- Psychological characteristics that consist of cognitive models, values and other different personality factors;

- Observable experiences which refer to the principle of the Upper Echelons Theory such as demographic measures, which systematically refer to cognitive elements and psychological elements of the executives orientations. In addition, the theory does include the use of observable demographic characteristics as representations measurement of executive orientation. (Finklestein and Hambrick 1996)

There should be a clear understanding about the management perceptions in the executive orientation as by several researchers Keck (1991), the executive actions influence strategic choices for culture diversity. Therefore, in any organization, there should be an understanding of the demographic characteristics of top management as this will impact on the group's performance, strategy, strategic change, organization innovation, and management turnover. (Bantel & Jackson 1989; O'Reilly & Flatt 1989; Smith et al. 1993) Identifying the type of management that is required will lead the organization to different positive results as mentioned above by the authors. (Cox 1993; Jackson, May & Whitney 1995) In addition, researchers observe that diversity in groups leads to an increase in innovation and creativity as the groups will have different decision makers for alternative solutions which will generate greater variation in thinking. (Cox 1993; Jackson et al. 1995)

2.2.5 Negative effects of cultural diversity on organization:

Other researchers also find in their studies that cultural diversity can influence a group's processes in contradictory directions. (Katz 1982; Lott & Lott 1961; O'Reilly, Caldwell, & Barnett 1989) Diversity can lead to a reduction in the quantity or frequency of

communications and thus reduce cohesion. In addition, diversity tends to increase the group's conflicts or political activity within the group. (Eisenhardt & Schoonhoven 1990; Wagner et al. 1984) Having such issues in the department and within the team will assist in decreasing the team's performance which could generate unexpected results.

In addition, the understanding on having international teams will bring the positive results when the members come from different cultures. This when the organization is focusing on specific elements that need to be in the candidate who comes from different culture such as work experience. However after adopting the candidate, the organization should ensure that the new candidate could blind with the other team members in communication by providing training, lectures etc to the candidate. This is because it will put the teams in a difficult position as they will need to understand each other and if they cannot it may diminish the team's performance.

The organization should be aware and understand that if the management does not focus on the measurement of the cultural elements then the cultural diversity may not bring benefits and may instead lead to negative relationships. (Michel & Shaked 1986) The measurement can include the experience, language, professional etc, It is important to know that the unmeasured elements of cultural diversity may lead to low understanding and no proper managing for the team diversity which will link to the organization's performance level. (Geringer 1989) Therefore, the management should have criteria to measure cultural diversity and how it can lead the organization to higher performance.

2.2.6   Measurement plan for cultural diversity:

A measurement plan will measure the culture diversity of the group in terms of age, background, education and employment tenure. At the end the measurement plan for diversity, the groups will relate to processes which will impact the level of the strategic consensus by the management of the organization. (Ancona & Caldwell 1992; Knight et al. 1999) Hence, it is important to have a certain culture diversity measurements to achieve the company strategy.

In addition, other studies have investigated group diversity and it was found that the diversity is linked in some of the companies to discrimination that might cover the gender and age. This is because many companies have put specific gander and age for some of the jobs as they think it will impact the company performance. However, the discrimination at the current days in some of the companies as the management has changed their opinion about it after working with diverse work environment teams which make them know that the judgement cant be correct due to the fact that the work accomplishment can vary from age to age and gender to gender. The discrimination that appeared was evaluated and leads to several diversity measurements process that is provide by Morrison in his research (1992).

These measurements were focused on the rewards to attract and retain a diversity of groups, the corporate use of affinity groups, the promotion of diverse employees, reaching new markets and new processes. Therefore, any organization that is looking to have a balanced cultural diversity will require a measurement plan. This will assist the management in understanding the requirements of cultural diversity in order to achieve and accomplish their annual strategies, as the group will perform based on the measurement plan.

After understanding the importance of the measurement plan for measuring cultural diversity, the management of the organization should be following certain methods which can lead to recognizing the impact of cultural diversity and its effects on teams and their performance. To

measure the relationship between cultural diversity of the team and company performance the organization can follow three methods. Based on Smith and Zeithaml (1993), Michel and Shaked (1986), and Kim, Hwang and Burgers (1989), the main methods of cultural diversity measurement are mentioned in Figure 1 below:

Global Performance

Tracking the company performance and compare it with the high benchmarks companies globally.

Teams Involvement

Measure the company teams performance who are from different firms in their international involvements.

Regression Impact

Study and classify the regression impact of the international teams involvement on the firm performance.

Figure 1: Global Performance Measurements (Smith & Zeithaml. 1993, Michel & Shaked. 1986 , and Kim, Hwang & Burgers. 1989)

2.2.7   Group diversity in organization team practice system:

The organizational system level which is focused to cover many areas of the group diversity impact in any organization. One example of this in any organization will be the current practices established for managing for cultural diversity. Many examples of cultural diversity organization have included the international cross culture orientation and workshops as a major requirement of culture requirement. By having these workshops, the organization will create a suitable practice in the workplace.

Kreitner and Kinicki (1998) launch workshops to promote a cross-cultural competency and awareness to discourage companies from ethnocentric practices abroad and to facilitate healthy cultural diversity within teams. Robbins, Judge and DuBrin (2000) extend the discourse from cultural training to cultural intelligence training. The purpose of such training is to enhance the cross-cultural sensitivity of employees.

These types of methods will lead to enhancement of the discussion within the organization concerning cultural diversity. The reason behind these methods is to attract all the generation to exchange the information with each other. In addition it will assist in enhancing the group degree of solving problem within the organization team. Additionally, having looked at the effects of cultural diversity on teams, it can be found that the challenges are successfully linked to the worldwide perspective on the cultural diversity impacts on teams.

2.2.8   Implications of cultural diversity for a team performance:

The performance of an organization with cultural diversity will vary and the main implications are listed below:

1.   Implications of cultural diversity for production synergies:

Cultural diversity might have effects on the exchange of information and synergy formation among the units. This statement is based on the general management and the technical expertise from global organizations that already experienced the effects of cultural diversity in their divisions. They have confirmed that to exploit within the workplace if the cultural context is different as the synergy formation and activity sharing will be less efficient. (Bartlett 1986; Bartlett & Ghoshal 1992; Jain 1989) A simple example will illustrate this point; it is known that the cultural context has a major role in the exchange of technology among teams as they will have to interact with each other and they have to have a common

language to interact easily hence there should be a common culture context within the organization member. (Keller & Chinta 1990; Snodgrass & Sekaran 1989) In addition, Davidson and McFetridge (1985) shows in their research that although employees will enhance their information about their technical background through cultural diversity, the complexities arising from the need to have a common context to understand the different cultures might reduce the efficiency of knowledge and experience transfer.

2. <u>Implications of cultural diversity for innovation:</u>

Innovation and cultural diversity may have a positive relationship. If an organization has cultural barriers such as preferring employees of the company's nationality or selected nationalities among other nationalities, certain language, experience or background, then this will impede that organization's innovation. (Venkatraman, MacMillan & McGrath 1992) Based on Shane's (1995) findings, it is clear that organizations with large numbers of culture barriers will be slow transforming owing to low flexibility from a lack of cultural diversity. The flexibility arising from cultural diversity mostly depends on the type of interactions between the different cultures of the employees. In addition, it depends on the company's efforts to decrease the barriers arising cultural diversity among the employees. Thus, the organization must remove the barriers and enhance the interactions among employees to encourage better performance and innovation.

3. <u>Implications of cultural diversity for technology implementation:</u>

Globally, it is known that the presence of cultural diversity will influence the effectiveness of technology implementation. Heiko (1989) find that there are few cultures work with specific conditions such as detailed group-oriented commitment to responsibility which is concern for all the requirements that allow organizations to have the technology implementation work successfully. He asserts that the more the cultural diversity an organization adopts, the more

the results will be beneficial. Examples of such results are the saving of money through the implementation of the latest technologies, and the increasing efficiency of inventory management. In addition, he classified successful organizations based on their acceptance of cultural diversity. He notes that the more cultural complexity there is, the less effectiveness there can be in the implementation of technology which will result in higher costs. (Klein and Ralls 1995)

4.   Implications of cultural diversity for organizational transformation processes:

An organization's management should identify where a unit's processes are capable of being simplified and more efficiently utilized. Keller and Chinta (1990) have noticed that most of the firms from the same cultural markets have similar production operations. A real example this can be found with the Korean and Japanese firms which have always focused on emphasizing the quality. Therefore, the countries employers' cultural diversity strategy can reduce the cost of the employees and the training expenditure by enhancing the transformation process of the organization.

5.   Implications of cultural diversity for market response:

Many organizations do recognize the advantage of a team's cultural diversity as it assists organization in understanding different customer preferences in accepting different marketing mix and product function demand promotion of the organization. Bartlett (1986), and Beamish et al. (1994) study the impact of cultural diversity on the market response of the organization and concluded that the teams of related culture will have bigger market share activities success than the unrelated cultures teams. They also found that the organization teams have greater opportunities to cross-sell the organization's products within related markets, as the products will have a shared culture. This arises from the employee using his cultural knowledge about

the requirements of the existing market. One of the studies mentioned above used the related cultures of the United States and Canada, and the unrelated cultures of the United kingdom and Indonesia.

In addition, the organization will reduce the costs of market research owing to the availability of the related and unrelated market culture information within the organization's teams. This means that the teams are capable of sharing the countries' related market information such as the sales forces, service networks, order processes, and market research efforts. (Takeuchi and Porter 1986)

6. <u>Implications of cultural diversity for interpersonal dynamics:</u>

In the cultural diversity in any organization, it is normal to see frustration and conflicts within the management as they seek to operate multiple teams. The frustration can appear for different reasons such as misunderstandings between the organization decision makers, low rates of interaction, and the failure of communication across culture boundaries. (Adler et.l. 1996) On the other hand, cultural similarity means shared beliefs and values, and this can make communication between the teams easier, and facilitates integration, which aids organizational processes. Finally, Adler et.l. (1996) understand that cultural diversity and the interpersonal barriers which might face efficient cooperation issue. This will appear if the human resources of the organization did not put much effort to exchange cultures knowledge to enhance the corporation between the organization teams.

2.3 Influence of cultural diversity on the climate for innovation:

2.3.1 Definition of innovation:

Innovation is considered a major key success factor for an organization, and thus the management focuses on enhancing and building it. Therefore, the cultural diversity of the employees is one of the important elements in a team's performance. Also it has different effects on the climate of innovation in various ways. To understand these effects on innovation, West and Farr (1990) define it as a planned process for the creation of ideas, products, processes, and producers that will help to bring about a positive result for the organization. Cox and Blake (1991) provide another definition of innovation which is a creation of ideas by individuals and/or teams in order to enhance the creation of proper solutions for the problem. Thus, few studies have looked at cultural diversity and its influence on innovation and the climate of innovation and these are discussed below.

Diversity was previously defined as the presence of participants who possess different characteristics such as gender, age, personality type, language, work level, science, culture, expertise, nationality, internal or external customers, years at the current job, and so on. All of these background elements are considered important to innovation. (Mostert and Nel. 2007) Therefore, innovation depends largely on having an efficient and effective culture within the organization.

2.3.2 Climate of innovation concept:

Having defined innovation and how cultural diversity affects innovation in an organization, it is essential to also look into the climate of innovation which might be driven by cultural diversity. A basic understanding of the climate of innovation was given by Daellenbach, McCarthy, and Schoenecker (1999), Their research stats that it is the common view of individuals to observe the different locations, process, current practices and necessary behaviours in order to generate and promote the creation of new ideas for the market demand

of the organization. These observations consider as a main purpose to understand the process, practices and behaviours as they are supporting the development of the innovative ideas.

The organization should be able to change and have the key drivers of innovation and employee effectiveness. The main challenge is how the adopting of different cultures should be applied in the organization in order to be innovative and that is what this part of the research is focused on.

King et al. (2007) discuss cultural diversity and the climate of innovation and how it requires measured elements for innovation as it is being an meaningful contextual concern for the organizations. For measuring the elements, one importance element of the climate is the psychological climate which concerns the openness to new ideas and the willingness to seek new and creative methods to be implemented in the organization. These psychological factors impact on an organization's practices, processes, events, and features. This element is believed to be important for measuring the innovation requirements of the organization. (Jones & James 1979) Along with this discussion of the climate of innovation, Patterson et al. (2005) define climate as the methods of the organization and the major variables of the organization's contexts. Furthermore, it was found that the shared observations of the organization characteristics which are emerging within the organization teams can associate to the organizational innovation. (Joyce & Slocum 1984)

2.3.3 The positive effects of cultural diversity on innovation:

Spiers (2008) find that the key to having successful ideas in an organization with cultural diversity was to have respect and an appreciation of different expertise. This kind of multi-national expertise will lead to enhanced amounts of trust between the employees. Furthermore,

the positive interaction and willingness to be innovative between the employees always occurs if those two elements are present because they will assist each other in finding workable solutions by using their different backgrounds. In fact, many of the employees in her research stated that, in addition to seeking a workable solution, the other aim of sharing different views was to share and learn from the experience of others who had faced the same obstacles during the work experience. In addition, the diversity of minds could assist in producing creative ideas and assist in the implementation of those ideas.

In Spiers' (2008) research that was conducted in the UK, Europe, and the US among 500 organizations, she found the importance of workforce diversity for an organization's performance and innovation. All the researchers agreed that there should be culture diversity, as it will assist to have diversity in financial sources. This will be linked and impact the organization performance and business strategy based on the organization senior management decision. Overall, the combined statements can lead the researcher to the correct perceptions about diversity, and from the researcher's point of view on the same topic; cultural diversity will assist an organization's strategy if the management thinks about how to link it to factors that lead to innovation.

As mentioned in the same Spiers' (2008) article, in certain customer service units, a customer might request a person of a different gender to process their work requests. Thus the cultural diversity characteristic, in terms of gender, is important to identify the customer's needs and to bring up new suggestions to have best practices for customer service. This researcher would agree with this point entirely. For example, in the UAE there are Muslim females who would prefer to be served by another Muslim female for when visiting the bank. In response, some of the banks in the UAE have opened special branches for women only where women tellers can

serve them. This approach has assisted many of the banks' branches to produce steady streams of innovation as the customers can provide their ideas without any distraction.

It was mentioned by the same author, the organization will have the accessibility in terms of hiring people from different market and having greater experience, talent and skills which will open the opportunities for the organization. Other than that, it can be agreed that the mixed groups and teams which are created from different backgrounds and genders enjoy better opportunities for increasing innovation in the department. In addition, the organization will be better placed to motivate the staff by utilizing their diversity experiences and will thus be able to grow innovation within the teams.

Another issue concerns those organizations that are based in different markets that with various economic environmental challenges and higher customer demands. (Figure 2) Such organisations are obligated to invest more in R&D in order to enhance the creativity in the organization. An example of this comes from the market-based study of Gassmann's (2001). This study explored multiculturalism and creativity in the European market where the experience of higher competitions is witnessed in similar range of products, customer demands, and market complexity. Based on Gassman's practice, having teams which consist of different cultures will help the organization to have a mixed educational background and highly-qualified teams. Having this will lead to lower expenditure on R&D as the qualified team will assist in the organization's innovation and creativity. By that the researcher understand that the different organization requirements to build the innovation in the organization is demanding cultural diversity with the employees.
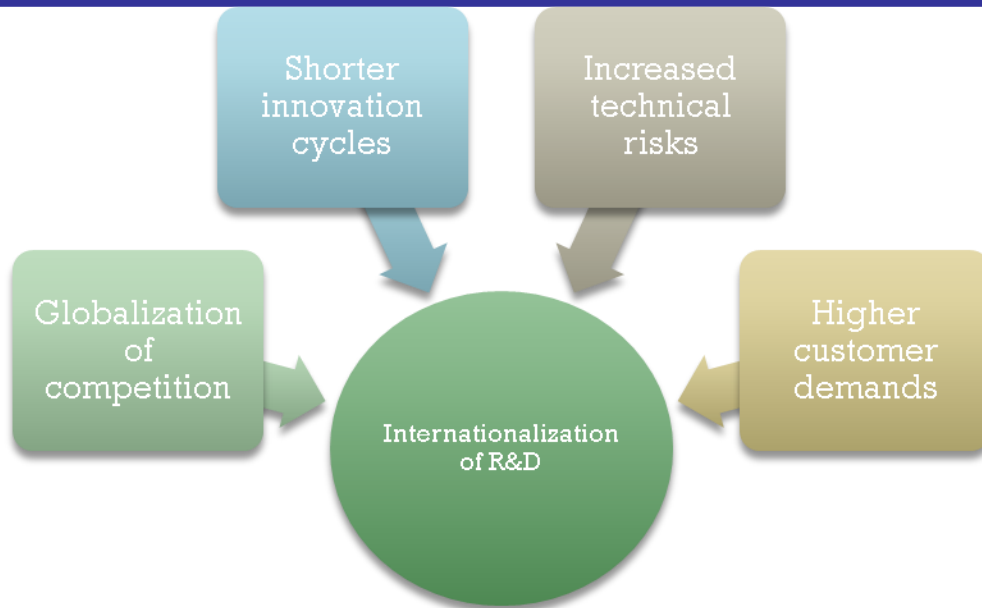
Figure 2: The Market Requirements and Forces of Change

2.3.4   Negative effects of cultural diversity in innovation due to traditional culture:

Traditional culture is that which individuals use on their own to have creative ideas without interacting with different cultures to enhance their ideas and make them innovative. Such people would rather depend on their experience than someone else's experience to innovate and be creative. Therefore, the researcher found that the cultural diverse backgrounds are important as it influence the level of the innovation in the organization and create quick solutions in the best way. Furthermore, having cultural diversity within the team means lowering the barriers between them in order to innovate new ideas. (Mostert and Nel. 2007) However, not all the groups or employees have the same positive feedback as the same research done for different background group and the amount of the interaction was less due to the cultural acceptance issue. Therefore, the management role in minimizing the barriers between the diverse teams is highly important in order to increase the innovation within the organization

2.3.5 Measures for innovation:

Having observed organizations' performance with regard to implementing innovations and the effects of the innovations on the organizations' long term success, West and Anderson (1996), have come up with fundamental measures for innovation to ensure the successful progress of the organization:

- Focusing on determining the measuring of the managerial approaches toward the organization's innovation.

- Enhancing the maintenance of the climate of innovation in order to support the implementation of the new process or creative ideas which will enhance the organization's performance.

- Amount of practical support that the organization provides its teams in order to implement innovate ideas.

- Publish feedback in order to ensure the company ability to be productive, efficient, and flexible to change the re contexts based on employees and customer feedback.

By following these steps, the organization will be able to monitor the innovation implementation and ensure efficient progress which will assist the organization to have fewer project lapses and that the innovation will have a positive impact after the implementation.

Denison (1996) assessed the climate of innovation conditions and how they impact the employee creativeness between the cultural diversity team's in the organization. In the assessment, questions were asked concerning the cultural diversity team's attitudes, behaviours, and characteristics. The purpose of this assessment is to rate and aggregate the values which are measuring the innovation climate in terms of history, practices and other factors, and how all of them contribute to cultural diversity. (Denison 1996) Basically the organization will give more focus on the individual to enhance the innovation.

Most of the previous studies focus on an organization's overall value and do not consider the cultural diversity of the organization. Thus the results are limited and do not assist in making cultural diversity useful for the climate of innovation. New assessments will help to have better information which will underline the assumptions. In addition this assessment will include the value if the organization which are mostly hidden for the innovation climate. (Schein 2004) The primary concern here is to understand the tensions in an organization with cultural diversity in terms of the climate of innovation.

Isaksen and Ekvall (2007) recommend that organizations should monitor the tension within the organizational climate of innovation, as it will affect an organizations creativeness and innovation outcomes. The tension of the organization climate of innovation has been showing two different elements which are the levels of the internal reliability and stability. Both are designed to measure the relationship of the tension of the organizational climate and the factors which will affect an organization's outcomes. Therefore, organizations should have more of a focus on the organizational climate tension ensure on-going and considerable success. Thus, the researcher hypothesizes that an organization which has cultural diversity equally distributed throughout the organization will do better in terms of innovation (creating an innovation climate).

2.3.6   Cultural diversity and best practice for innovation adoption:

Every organization has its own capacity for innovation which allow them to plan and request for the person which has the innovation skills and abilities. In order to understand how organizations manage this process, the researcher read a case study of a successful organization which was done in 1990 in Canada. The company, Stentor, is one of the largest

telecommunication organizations in the region. Drucker (2005) found that innovation within the company could be influenced by the degree of cultural diversity if it was managed by the organization properly. This means that the organization should ensure to implement the below process:

- Bringing different cultures to the existing cultures that have the same field experience to the organization. Introduce virtual teams if required for projects.

- Changing the organizational structure in order to enhance the interactions between the different levels of the employees.

- Reducing the management levels and changing the organization from tall to flat to let the employees join more teams.

- Establishing corporate-wide training for the employees from different levels.

- Ensuring that innovation and sharing knowledge is part of the organization's discipline.

After implementing this process, the organization witnessed a dramatic and positive change in the process of innovation. One of the process results were a major culture shift which has continuing innovation discipline that stabilize the innovation. (Drucker 2005)

2.4 Cultural diversity and the role of management in enhancing innovation:

Having previously discussed cultural diversity in organizations and its impact on teams and innovation, this study will now look at the role of management in enhancing innovation and the climate of innovation through cultural diversity. The management involvements in enhancing innovation in all over the organizations make magnificent change recently. To understand the importance of the role of management, there should be an understanding first of the level of management's involvement in managing cultural diversity.

2.4.1 Cultural diversity and the contribution of management in improving a team's performance:

There are few studies which address issues arising from the level of diversity in groups; most studies are focused on the ways **in which** different kinds of people lead and manage an organization. The advantage in having diverse groups is that they can solve problems and get tasks done efficiently, while also generating creative solutions for issues. However there is less focus on how the managers have to lead these groups in order to achieve the positive outcomes. (McShane & Von Glinow 2008)

Nelson and Quick (2009) investigated how to maintain high performance diversity team. Their investigation was including the workforce diversity in which having women as main element in the group diversity due to their role which will be relaying on the strategic process to be ingratiated to be influential.

In addition, the research, which was conducted in America, found that the naming of the people as native – born Americans used as a reference defined for groups together with same language and nationality, disparate the working hours descriptions in Mexico as uniforms of flexible individual habits of country is considered to be their culture. This refers to the same statement which shows that negative stereotypes become generalizable as truth concepts when it comes to deciding to have a diverse team. (Hellreigel & Slocum 2007) These points about group diversity should be clear to the organization's management in order to develop the higher level of cultural capability within the team. In addition, it is important to understand the group system level in any organization because it will be welling to emphases the group diversity positive outcomes. Also it was noticed that the major role of the management is to have the best leading way of the cultural diversity within the teams due to the importance of their role and the impacts on the team members.

However, it can be observed that in most organizations, there are a few important obstacles that management faces and this must be solved in order to enhance the prospects for innovation and performance within the organization's teams. Therefore, the management should adopt certain skills which are discussed in the following section.

2.4.2   Management and cultural diversity skills:

Carole Spiers (2008) found in her research that some organizations do not understand how to manage cultural diversity within their teams. Most of them believe that the role of management in enhancing innovation from the cultural diversity of teams depends solely on training sessions which are focused on cultural diversity. This is because having the process; culture and systems of the organization should enhance the management role of the organization. In addition, if the organization is aiming to increase the standard of the management's cultural diversity skills they have to apply the externally managed initiatives discussed below.

Diversity Audits

Diversity Strategy

Policy Writing

Training and Development

Recruitment and Selections

Practical Help and Assessments

Figure 3: Enhancing Management Cultural Diversity Skills. (Carole Spiers, 2008)

Looking at the above diagram, it is clear that an organization must implement an external audit of its cultural diversity to have different assessments view, the results of which can be applied to the diversity strategy and this will assist the management to write the policy. Subsequently, the organization will be able to have training and development for management and on-going cultural diversity coaching. However, to have the best practice the organization will need first to select management for assessment to help examine how enhance management's role promoting innovation within culturally-diverse teams. Overall, the researcher agrees with the above study, which is to say, there are considerable business

opportunities that diversity could present if the organization is able to manage diversity effectively as mentioned in the above steps.

2.4.3 Cultural diversity and leaders issues:

Adopting the skills is not a permanent solution for increasing the efficiency of the organization. There are a few other issues that a leader will face while leading culturally diverse teams. Kennedy (2008) has highlighted some of the issues that are important for managers who are leading culturally diverse teams. By understanding these issues, the process of enhancing innovation will be easier. These issues were identified after interviewing 550 leaders who were asked mainly to clarify the problems that are standing in the way of innovation, growth and changes within the organization. The issues are mostly between the leaders and their employees who come from different backgrounds and culture.

1.   The organization's culture is not open to new ideas as procedures are more important. Change or innovation will lead to new processes, which might fail. Although there might be success, and there is a need to have innovation, there is an unwillingness to take the risk.

2.   Many leaders only accept ideas on the basis of culture characteristics, such as gender, age, and race. Litte attention is given to someone who asks many questions or thinks differently. Such a person loses the respect of the management easily. This has been shown by Ditomaso (2010) cultural diversity main characteristics for the employees are the power and authority and the numbers of innovative ideas in their previous work since they provide the managers the main required information for the new innovative ideas.

3.   Some of the organization is lack of ideas exclusivity, as the senior managers will refer the innovative ideas to themselves not to the creative person who create it. Their strategic thinker is presents the idea to the top management and receives their support. After that they provide the idea generator the approval to proceed with minor discussion about it.

Of course these issues may create an unwanted tension between the employees and the management. Thus it might impact on innovation, as it will put not wanted differences at work between the employees. Furthermore, Kennedy (2008) argues that such issues will decrease and limit the amount of trust between the employees and the management which in parallel will reduce the productivity and achievements of the organization. The same researcher confirmed that the major management inputs are their ways of communication. This is because it will lead the employees to work differently, will assist in the generation of ideas, will create innovative solutions, and will engage surrounding people to execute the main organization strategy.

The management should really understand the importance of cultural diversity in the organization as a real value because it provides different styles, experiences, work habits, ethnic origins, backgrounds, problem solving, competencies and management styles. Therefore, it is agreed that implementing all the required changes for achieving cultural diversity will bring about numerous benefits for the organization, as described above.

2.4.4 Cultural diversity and solutions for leaders problems:

To solve these problems, an organization needs to advocate ideas that will lead the cultural diversity management role to be more effective. Kennedy (2010) has suggested the following solutions:

1. A positive influence should come from management, especially when speaking to employees, as they should be clear in their requests and easy to speak to in order to connect more with the employees and thus increase their willingness to serve.

2. The management should have sufficient time to understand and know their people as they come from different cultures, backgrounds, perspectives and have different ways of working. This will help the management to get great ideas from them and to have easy communication with them.

3. Management should create the best communication environment between the employees to enhance performance and innovation.

Developing all of these requirements in the management's skills will assist them in their role of enhancing innovation.

2.4.5 Managing cultural diversity and impact of competitiveness:

Developing an understanding of management's role and how to manage cultural diversity, along with knowing the leadership issues and the suggestions for solving them will help to enhance innovation in the organization. Cox and Blake (1991) advocate managing cultural diversity to enhance the competence value of the organization. The below diagram (Figure 4) illustrates their point:
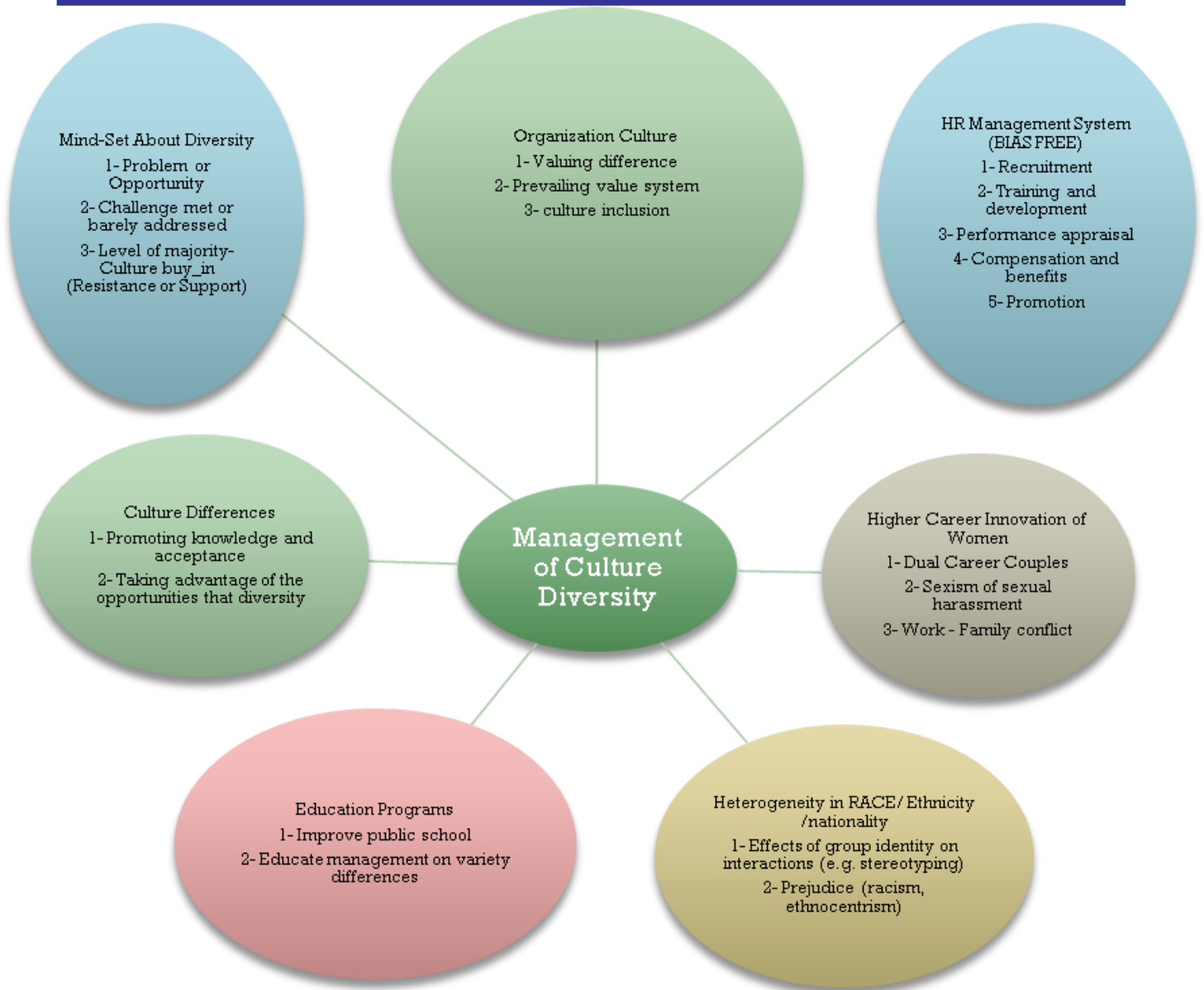
Figure 4: Spheres of Activity in the Management of Cultural Diversity (Cox & Blake 1991)

The need to understand the above diagram has been stressed by Cox and Blake (1991) who believe that this will assist an organization to recognize the major activities required for the management of culturally-diverse teams, and that it will draw a wide picture of the issues that management currently faces and which must be solved.

Focusing on the above activities will create a competitive advantage that has many benefits, such as: cost reduction, resources acquisition, marketing, creativity, organizational flexibility, and problem solving. Figure 5 below explains the major relationships of these benefits.
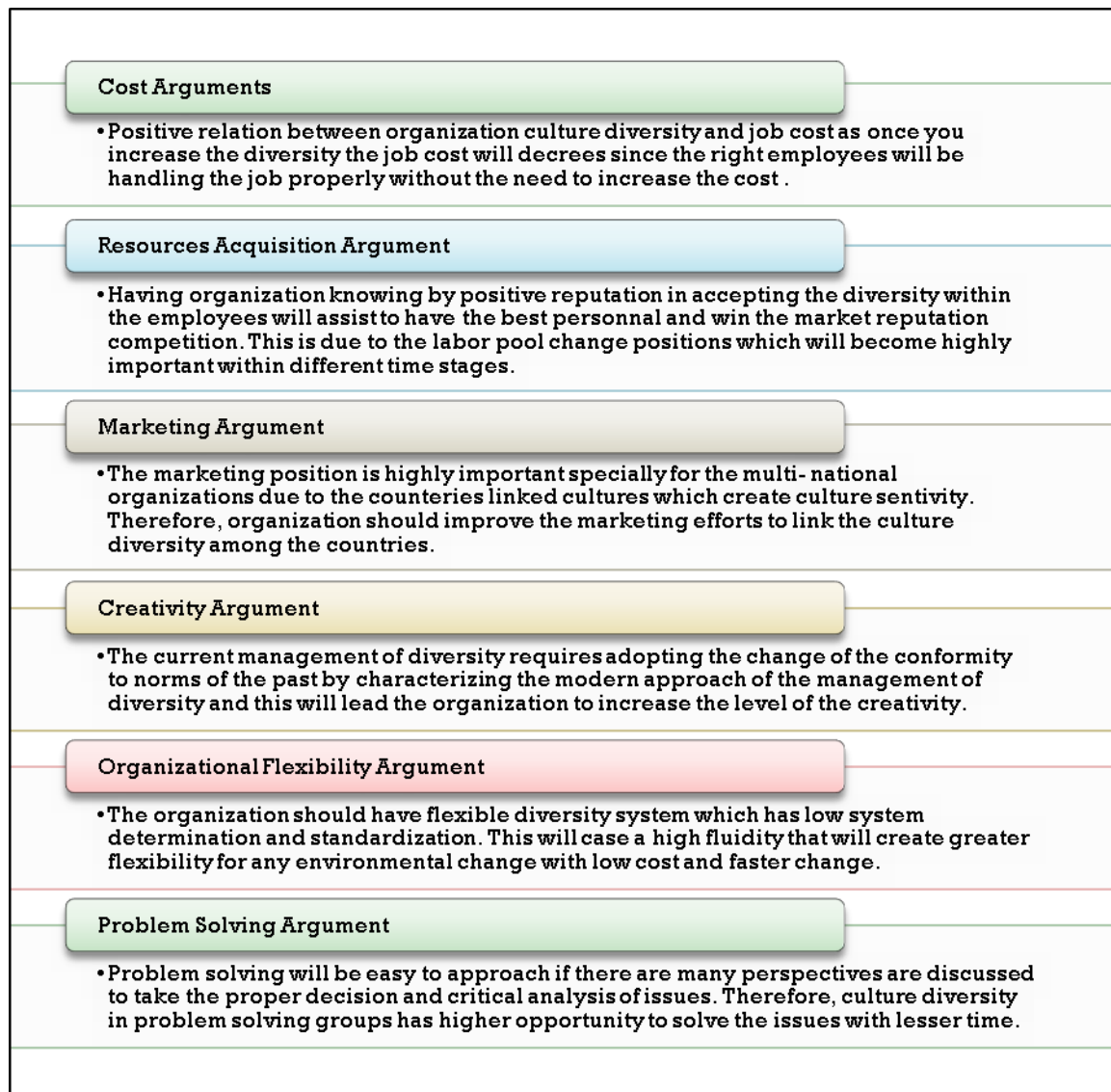
Figure 5: Culture Diversity Implications to Company Management (Cox & Blake.1991)

The above figure addresses the relationship of the culture diversity implications and the company management. Cox and Blake described the relationship between the cost and resource acquisition arguments of the "inevitability of diversity" issues for the organization. The researchers supported the need for diversity and especially the employee demographic

due to it contributions on the problem solving, and organizational flexibility arguments issues as having diversity will solve the arguments. They have called it "value in diversity hypothesis".

The value in diversity hypothesis introduced for the reason of the net-added value of all of these arguments to the organization's process and the impacts of diversity on each of them. They have agreed that this hypothesis applies for the organization that fails in having the suitable decision for the change which will assist to have more success for the cultural diversity. In addition, it is important to know that culture diversity employees acceptance will have higher opportunity to face a significant competitive disadvantage with the organization that are already failed.

On the other hand, organizations that have a quicker response to create a diverse environment for their employees will have a bigger opportunity to lead the cost advantage and will have a higher competitive cost advantage than organizations slower to respond. The major cost implications for managing diversity will show up in the benefits and the work schedules for the employees of the organization. Understanding the basic relationship between these implications will show how the organization's management is impacting on the culturally diverse teams.

2.4.6 Transferring traditional management to multicultural management:

Once the implications and their impact on management roles are understood, it is necessary to understand the management potential to transform itself from a traditional management style to a culturally-diverse management style. This is because most of the organizations in the

UAE. especially the government and a few of the private organizations, depend on the traditional management style. So to achieve the capability to transform, the organization needs to hire five major elements which will adapt the management from traditional to multicultural (Figure 6).

Figure 6: Main Transformation Components (Cox & Blake 1991)

Going through the leadership, Cox and Blake (1991) intend to have the top management's support along with a genuine commitment to cultural diversity. Leadership is not required only for that as it is important to the leaders to have strong impacts and major change in the organization. In addition, they should have the capacity to be a role model in terms of behaviours which required are for making a change or inspiring and motivating innovation. Furthermore, the need for commitment from the leadership is a major required qualification as it will impact on the organization's strategies and other related organizational elements.

Management should have the capacity to communicate with the senior management concerning any diversity-related issues. There are some of the companies that hire a line manager who is specified for certain culture. However, the researchers were advised that it is better to have different managers for different cultures than to have wider participation between the different cultures. (Cox & Blake, 1991)

The second component is the training: the researchers advocated the idea of having management and value diversity training (MVD), which is considered a type of training that will provide the management with the main skills needed for diversity. In addition, the management should undertake skill-building training and awareness training. They are both important for the following reasons:

The first component is awareness training which is mainly focused on understanding the meaning of managing and the value of diversity. Furthermore, it aims for the improvement of the participants' awareness on diversity-related matters, e.g. cross-cultural inconsiderateness and stereotyping.

The second component is skill-building training. This is done to support the employees learn about certain cultural differences and how to manage these differences within the work environment. The training sessions bring great benefits to the organization, therefore the organization should not place one time training and make it as continues education process.

The third required component that will help the management to transfer from traditional employees one culture work environment to multicultural work environment is research amount of information collected about diversity, as it will have different kind of data. This is

required along with the analysis of attitudes, or any traditional equal-opportunity profile data, or employees' observations.

It is necessary to understand the intended uses of the research for transformation given that there are many potential uses. First of all, it will assist management to find and understand the issue in the educational process. Secondly, it will assist management to identify the required areas for change, providing along with it the reason for the required change. Lastly, it can be used to evaluate any required change efforts. By having this research, the management role is understand the required issues of teams and having a proper explanation of the issues.

A fourth component is the cultural management system considered as an audit system. Any organization will need to have specific systems for such things as employees' promotions, compensation, assessments, performance appraisals, and recruitment. By having these, the audit system will be used to recognize specific methods by which the shared culture inadvertently puts some members at a disadvantage. Also it can uncover sources of any potential bias of certain cultural groups among the employees. Having the appropriate system will lead the management to have a proper way of auditing the change necessary for the organization's culture.

The fifth and final component concerns the monitoring of the required change, that is, evaluating the outcomes and making the organization's changes part of an on-going process. The need for this follow-up is extremely high to gauge management's efforts, observe the work accountability and the control of the work diversity. This is due to many reasons such as: accountability is mainly seen within the organization process change and it request to be assigned for diversity force if available and the manager diversity. The importance of the

follow-up is not less than the others as it will be important for increasing performance which will be appraised in a further stage.

2.4.7 Appropriate cultural diversity climate provided by the management:

Going through the above requirements of the management role in managing culturally diverse groups in order to enhance innovation, the research has reached the main stage of the literature review which is the role of management in providing a positive climate for innovation in multicultural teams. All organizations require the creation and sound management of a climate for the employees to enhance their capacity for innovation. Building this type of climate will lead the employees to offer different suggestions and ides. However, tensions can be created because of a team's cultural diversity, and this will impact on the employees' productivity and performance.

Recognising this, Isaksen and Ekvall (2012) discuss the tension that is caused by cultural diversity and the management role in this. The researchers confirm that the source of tension within the organization is not necessarily the cultural diversity. This is because the management's role in providing the employees with high expectations will lead to different employees' attitude. The more management provides the employees with high expectations the more the employees are willing to improve their work which will lead the management to cut costs for hiring new employees to work on the management expectations. However, applying such a method without increasing the team motivation tools i.e. (bounce, promotion, etc.) will help to build the strategy "doing more with less" or perform better with lower price and such method will decrease the team performance.

Having this kind of climate will increase the challenge for the employees as they will face the stress of competing with each other which creates an unhealthy climate. (Fløistad 2000) In addition, it will increase the stress which will affect the employees' relationships as they will not bond easily, thus the innovation strategy will get affected. (Isaksen & Tidd 2006) By understanding one of the elements of this tension, insight is provided for the people who will manage culturally diverse teams.

Earlier, many organizations found that any innovative teams are willing to face culture tensions. (Arieti 1976) However, the management of many of the organizations required an understanding of the reasons for the tension among the employees as the available difference of the current culture team will impact the team future anticipation. (Fritz, 1991) As the creative part of the organization is one of the important parts necessary for increasing performance and productivity, the tension of the creative teams is sometimes perceived to have much meaning and benefit of the team creativeness. The role of management is to keep the climate healthy in order to have a proactive environment that can build innovation within the culturally diverse teams, all of which should be led by skilled management.

Hence, the researcher hypothesizes that management within the organization will have a positive effect on culturally diverse teams which will impact positively on creating a climate of innovation within the organization.

Chapter Three:

III. Conceptual Framework

Through this chapter of the report, the researcher will look at the theory of the impact of cultural diversity on teams and their performance, innovation, and their management with respect to private organizations located in Dubai (UAE). The relationship between all the parties has been defined in Chapter Two which discussed the different views in the literature concerning these relationships. Many of the studies had different views about the relationships and how to create the best practice for culturally diverse organizations in order to control the impact on teams, innovation, and management. However, different countries with different level of cultural diversity will lead the researcher to different outcomes. Hence, this report will be conducting research for private organizations which have implemented cultural diversity policies in Dubai through the following conceptual framework.
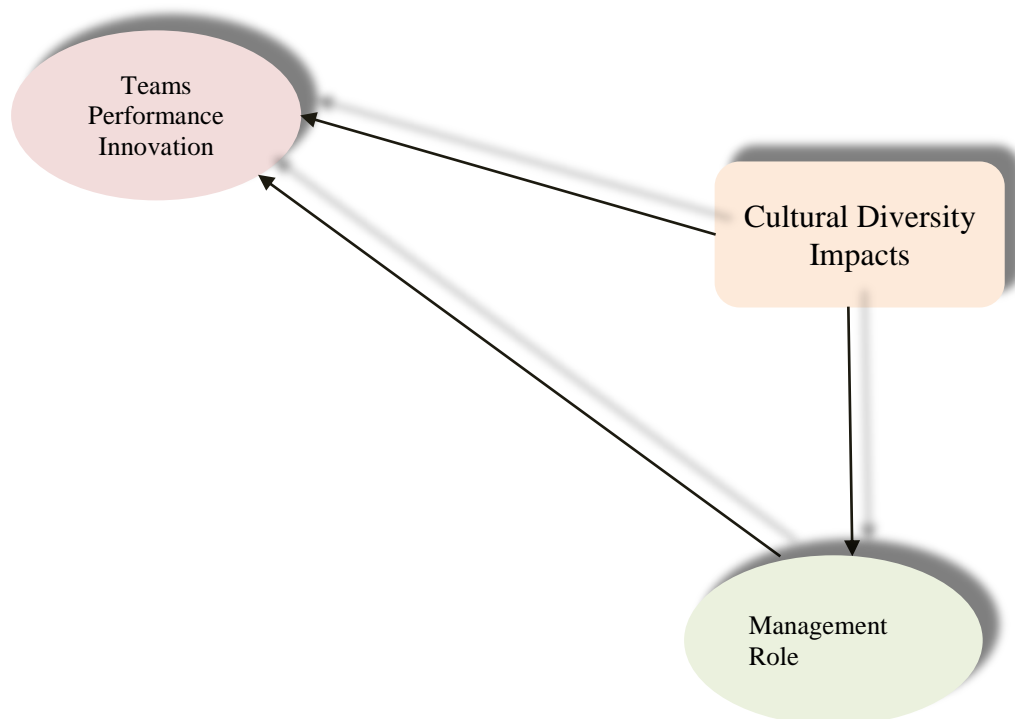
Based on the above conceptual framework, this research will address the following questions in accordance with research literature review:

<u>Research Question 1</u>. How does cultural diversity impact on teams and their innovation performance?

<u>Research Question 2.</u> What is the influence of cultural diversity on the climate for innovation?

<u>Research Question 3.</u> What is the role of management in enhancing the climate for innovation in culturally diverse teams?

The main goal of the conceptual framework is to identify the gap that current research is missing, which is how cultural diversity impacts on the performance, innovation, and teams within private companies that are highly presented in the UAE market.

Therefore, the study researcher is going to apply a research methodology which will clarify and answer the research questions.

IV. Research Methodology

Aim of Research:

This part of the paper describes the research paradigm and methodology. It also demonstrates the population of the research and the sampling technique that will be used to select the participants. In addition, the chapter illustrates the methods of data collection and analysis. It discusses the issues of the reliability and validity of the research as well as the ethics principles.

a. Research Type:

It is necessary to analyse personal experience of the impact of cultural diversity. The literature review shows agreement among researchers that both qualitative and quantitative methods and theory have potential for assessment. The following methods of collecting and analysing data were reviewed to determine their potential appropriateness for this study. Qualitative research encompasses a wide range of techniques that provide a variety of processes for dealing with meanings, rather than dealing with frequency or numerical results. (Cooper & Schindler. 2006)

By studying both the qualitative and quantitative research methods, it was determined that the applicable research method for this research is the qualitative approach because of the outcomes it will produce. Qualitative research design focuses on exploring and understanding people's attitudes and behaviour by using non-numerical data. It is used to understand how individuals perceive and respond to their environment with the aim of finding out how these affect their participation in a team. It includes interviews, focus groups and observation.

B. Population and Sampling

Sampling is the process of selecting a representative group or unit from a larger group or population which is then used as a basis for estimating certain characteristics or elements about the larger group or population In qualitative research, the aim of the researcher in this study is to explore or describe the cultural diversity in a situation or issue. (Eiff, G., 1999)

In this research the researcher focused on team members and how cultural diversity impacts on team performance and innovation. In addition, the researcher focused on team managers as the management role also affects team performance and innovation. Since cultural diversity has a major impact on the team members and team manager who has a role that is linked to their performance and innovation, the researcher had to select a team with cultural diversity and another team that is not culturally diverse. This will assist the study to have comparisons between the diverse group and non-diverse group in terms of performance and innovation. In addition, conducting an interview with the team managers allows for analysis of the role of the manager in the private sector.

C. Sample Company:

The company that the researcher selected to do the research on is one of the largest private companies in the card payment industry. The company can be called NI. It was established in Dubai in 1994. The head office in Dubai includes the business, strategy, marketing and finance departments. The second office for the company is located in Sharjah and it includes the operations and IT departments. The company grew massively from the day it was established and it has progressed very well in the Middle East region. Hence, it has also established two branches, one in the city of Manama, Bahrain, and the other branch in Cairo, Egypt.

From the start, the company aimed to have very high quality in terms of services and products for its clients. This made NI the leader in its industry. However, achieving such a goal requires having the best quality employees, for they assist in the process of achieving the required standard. Therefore, NI witnessed a diversification of cultures in the company with about 29 nationalities from both genders. The age and the background where selected based on

requirements and that what made different employees with different background, age and culture share experience for the benefit of the organization. The current number of employees is 372, with 125 females and 247 males. The major nationality in the company is Indian, comprising 175 employees of the total workforce. The next largest are employees from the United Arab Emirates, with around 42 employees. The remainder are even spread across other nationalities.

Due to the presence of a multinational culture in NI, the researcher decided to do the research in the company to look at how cultural diversity based on nationality impacts on a team's performance, innovation, and management.

To obtain case studies, the researcher selected three teams from one department and carried out interviews with members of these teams, labelled A, B, and C. The units are part of the IT department in the company. As the department is considered one of the important in the company, given that it is a technology-based company, the role of these units role is highly important and required to be effective. The main goal of the department is to enhance and establish the latest payment technology in the market. Therefore, all of these units are working towards implementing this goal.

The researcher decided to interview two participants from each of the three units. The first participant was the team member who had already experienced cultural diversity within the team. The team member had previously been involved in the team's performance and innovation, and therefore would be able to provide information on the current approach to performance and innovation within the diverse team. In addition, the researcher conducted an interview with the current team manager to understand his role in enhancing the team's productivity and climate for innovation. The same interview questions, separated into questions for the teams and managers, will be given to all three units. This will help the researcher to analyse the current practice of teams with cultural diversity and to discuss the impact on the teams' performance, innovation, and management.

The first team that is referred to as unit A in the research is focusing on establishing and monitoring the strategy for the department. The first participant is team A member who has already completed seven years in the company and has experienced the cultural diversity of

the workplace. She is an Emirate's woman who works in NI as a Senior Manager of the IT Strategy Unit in the IT Department. She studied IT management and she is currently working with the IT Department in unit A which consists of three employees who come from three different nationalities. Therefore, she was an ideal participant because her unit is required to perform highly and innovatively.

The second participant was the unit A manager who was interviewed has had experience with culturally-diverse teams which will help in the analysis of the role of management in enhancing the team's climate for innovation. This is because he has been in the management role for over 10 years, and so his experience will allow the researcher to analyse the real practice of the management role within cultural diversity team. He is from Sri Lanka and his current role is as Chief Information Officer for NI. He has worked for the company for the last six years and agreed to be interviewed for the team manager role in a culturally-diverse team. Before joining NI, he had worked 20 years in the same industry since he graduated from his Higher Education University, with qualifications related to technology. He has eight units under him and he himself manages the IT-Strategy Team which consists of three team members at the current time. He manages 70 employees in the IT Department.

Unit B is the second team that the researcher interviewed. This team is basically working to identify customer requirements and to design solutions from the existing company technology services. In addition to that, the team is required to provide technology service consultancy to customers if required. Also the team is required to involve all the rest of the departments in IT and Operations to meet customer service requirements. By carrying out all of these steps, the team members will able to achieve their main goal which is to create IT solutions for customers and to implement the service.

The third participant is an Indian employee who is currently working in the IT department, specifically in the Payment Solution Team. He holds a B.Tech. and has worked in the company for three years as manager of Payment Solution Design. The participant's role is to create solutions to meet customer requirements and to consult with customers if required. Importantly, he should involve his colleagues within the team in his designs in order to allow them to inform all the required departments in the company to provide the customer service based on the designed solution. His experience in a team that is not culturally diverse would

assist in understanding the impact of a lack of diversity on a team's performance and innovation.

The fourth participant was the Senior Manager of the Solution Design Team and unit B manager. He is from India and has worked in NI for seven years. All his work experience has been in IT departments, and he holds an MBA in Information Technology. He manages five employees who are from one nationality and thus the team does not have any cultural diversity.

The third and last interviewees, from unit C, are part of the IT Department in the company. As per the previous structure of the interview, the participants were team member and the team manager. The unit is basically focusing on the value added service to existing company services. The team's main roles consist in studying the market's current added value services, confirm visibility of the added services, search for suitable suppliers if third-party outsourcing is required, test the added service and implement it if it passes successfully through all these phases. The team's main goal is to enhance the company's service and revenue.

The fifths participant was the team member of Unit C interviewed is from India and currently works as a Senior Analyst in implementation and support. He has worked for the company for the last three years and continued his Masters in Business Administrative for IT while he was working. The participant was selected because he was recognised last year as his team's most successful worker in terms of project implementation. He provided the researcher with information about the team's performance and innovation within a multicultural environment of which he had had considerable experience while implementing his project.

The sixth and final interviewee was with the Pakistani team manager of unit C who has held the role of the Senior Manager in the Value Added Service Unit for the last four and half year. The manager holds a Masters in Computer Science and he took up this position last year. The reason for selecting the interviewee was that he leads unit C and would be able to provide insight into the best practice for enhancing the climate of innovation within the team.

D. Access to Participants:

Owing to the NI participants' schedules and workload, interviews of the candidates were through the company announcement-mail system and face to face. Some answers were provided by the Department of Human Resources as it is the main point of contact that supported the researcher to conduct the interview.

As for the setting of the research, there is no special situation nor circumstances for the interviews. Furthermore the interviewer met the interviewee in the normal duty time of the week days to ensure interviewee availability.

The study research tools are the semi-structured interview, which gives the researcher an open framework. Since this will provide the researcher with more of a focus on two-way communication, this will assist the researcher to link the team's performance in its task and the team innovation's. Also, such interviews will assist the researcher to investigate and understand the reasons for the decisions, opinions, and attitudes during the interview.

The interview focuses on behaviours, roles and contributions made by the team members and how they correspond to the theories reviewed above. It is also used to obtain background information about the participants. Looking to the above conceptual framework, the study will be focusing on the cultural diversity within the team and how it impacts on the performance and innovation of the team members. In addition, the study will investigate how the role of the manager was affected by the cultural diversity when it comes to the climate for innovation. The interview questions addressed all of these variables in three dimensions which are cultural diversity impacts on team performance, innovation and management role.

The semi-structured interview mainly seeks to allow the researcher to gain other relevant information from the participant (Saunders et al., 2009). It will give the researcher the opportunity to understand the participant's background and culture in order to relate the answers to their participation in the team. The candidates will be allowed to explain their feelings and opinions concerning their involvement in the research and this can contribute to the researcher's conclusions (Fisher 2007).

The interviews took place individually in a specially provided meeting room at the company's Sharjah office. The candidates had been notified earlier by email, and the researcher found

that they were supportive, highly motivated, and very open to answer all questions being asked, which led to a comfortable and pleasant interview atmospher.

The interview questions were formulated as a group questions which are; team performance, team innovation and management role. Each candidate from the team member had to answer the team performance and innovation questions. On the other hand, the manager had to answer the management role questions as part of the research. When asking the questions, care was taken to raise the questions without influencing the interviewees' reactions and answers.

E. Interview Questions:

The questions were split into topics and sub-topics which are set out in the following table. This is for the reason to specify the questions for the team members and team manager. As you can see in the following, there are three categories of question sets:

1-   Team innovation and performance.

2-   Team climate for innovation.

3-   Management's role in developing the climate for innovation.

Questions sets 1 and 2 are raised specifically for the team members to answer while question set 2 is for the team manager to answer. The reason behind this separate is to understand the effects of cultural diversity from team member's point of view, as well as that of the team manager. This will assist the researcher in analysing the responses.

Table 1: Interview Questions:

Questions Group 1	General Questions
	1- Please provide brief information about yourself.
	a. Name:
	b. Nationality:
	c. Education Background:
	d. Position:
	e. Department:

	f. Length of Service:
	2- How many employees are there in your team?
	3- How many nationalities are there in your team?
Questions Group 2	Teams member questions:
	a. What is the main required characteristic for your job role (nationality, background, experiences, education)?
	b. How does your background impact on your performance?
	c. How do the multicultural teams communicate?
	d. Within your team, how do you manage any communication difficulties arising from different cultures?
	e. How does your manager measure your performance contribution between the other cultures team members?
	f. Within your team, what are the points of conflict?
	g. How do you solve these conflicts?
	h. What types of exchanges of information does the current team currently practise?
	i. What innovations have you brought to your team?
	j. How did the market respond to your innovative idea?
	k. What technologies have you implemented along with your team?
	l. How did the market respond to this technology?
Questions Group 3	Team member innovation:
	a. How the management does encourage you and your team to innovate?

	b. What are the factors that impact on your team's innovation?
	c. Why are these factors raised within your team?
	d. How do you accept the other nationalities within your team?
	e. What are the team's barriers in terms of cultural acceptance?
	f. What do you do to remove the barriers?
	g. How does management remove barriers which prevent the implementation of innovation within the team?
	h. How do you assess the performance in terms of innovation? Why?
	i. How do you know the market response for the new innovative idea?
	j. What are the team's measures of innovation?
	k. What current training does the organization and/or department provide to encourage innovation?
	l. Give an example of individual and/or team innovation within the department.
Questions Group 4	Management role questions:
	a. As a manager, what are the criteria that you use for team selection?
	b. What is your research process about social culture and how do you assess your research validity before selecting the employees and after?
	c. Describe the atmosphere in your team in terms of communication.
	d. Describe your efforts to enhance the connection between the team.
	e. What are the developments that you hatural team's performance? Any evidence.
	f. How did it impact on the team performance?
	g. What are the current methods that you have implemented within your

team to monitor its performance?

h. What are the employees culture diversity measures for innovation? (Backgrounds, gender, experience)

i. What are the problems that are standing in the way of innovation, growth and change?

j. How do you encourage your employees to generate new ideas and processes?

k. What are the methods that you use to ensure their innovations progress?

l. Any current feedback from your employees about your current innovation monitoring methods?

m. What are the upper management involvements in your team innovation?

n. What are the advantages and benefits of the diversity within your team in terms of cost, marketing, resources, and creativity?

o. How many instances of tension arising fhad in your team and how do you solve such problems?

Chapter Four:

III.   RESEARCH CASE STUDY

The main findings of this research were generated on the literature review chapter and to enhance the investigation regarding the cultural diversity impacts on private organization specifically in Dubai, the researcher had to create an academic practical research through conducting interviews in one of the private company based in Dubai. This will assist the researcher to investigate the impact of the cultural diversity on teams' performance, innovation and role management on culture diversity in the private organization placed in Dubai and creates the ideal practice to overcome the impacts with the excellent performance.

This chapter of the research study will discuss the collected data which was done through the interviews with the participants in case study as discussed in the methodology. These interviews were by the researcher with 6 participants from 3 units which are A, B and C to analyze the cultural diversity impacts on them through their work experiences. As discussed in the previous chapters the aim of this research is to find the below questions answers through a real cases in the multicultural market companies.

Research Question 1: How does cultural diversity impact teams and their performance?
Research Question 2. What is the influence of culture diversity on the climate for Innovation?
Research Question 3. What is the role of management in enhancing the climate for innovation in culturally diverse teams?

The research study implemented in an Emirate based company (NI), which is located in Dubai City. As discussed in the previous chapter the company started in 1994 as subsidiary of large financial group one of the largest banks in the UAE. The company has different departments that have different teams' members coming from different background and cultures. However, the researcher decided to focus on the IT department teams' members. This because the importance of the department for the organization since it's considered as payment technology service and product provider and most of the company revenue generates from technology Implementation for the customers.

IV.   Case Study One – Unit A:

Contributions from all team members in (NI) IT units are highly important given the quick and critical action requests from the clients. In light of this, it is highly recommended that there be good communication skills and few barriers stemming from cultural diversity between the employees. To provide a real picture of this type of interaction the first case study was conducted with Unit A team members. As discussed earlier in the methodology chapter, the unit has three team members and they all report to the IT department head directly, due to the complexity of the unit and the absence of a line manager. The main purpose of this unit is to develop strategies which assist current units of the IT department. This is vitally important as it is the core business of the company.

The unit mainly serves the rest of the IT department units as the team members have knowledge about the payment industry and the technology market. They mainly focus on studying the market needs and wants, and develop strategies based on the IT department requirements, and company goals and objectives. In addition, the team is required to interact with the rest of the company's departments to monitor the IT department performance once new technology is implemented. This is necessary to determine whether or not the intended strategy has been successfully put into place. Hence, the whole unit is required to have a dynamic interaction within the department and with the other departments of the company to implement successful strategies.

As mentioned in the previous chapter, the first interviewee was a team member in the IT-Strategy team. This person was able to provide information concerning current practices within her team in terms of cultural diversity, innovation, and performance. She was selected for the interview due to her role, as she has to communicate with her team members and other units effectively to establish an accurate strategy.

A.   Effects Of Cultural Diversity On Team Performance:

There are three nationalities in the unit and the interviewee described the unit as an energetic team. This is because the selection of the members was made on the basis of particular characteristics and requirements, such as: IT strategy professional experience, knowledge of

IT, strategic planning ability, and analytical thinking ability. The department does not have any requirements concerning cultural characteristics.

As culture relates to a person's education and knowledge, the interviewee mentioned that her cultural background in terms of education and knowledge were helpful in her current role. This is because her role requires that she be mainly focused on strategy, and this requires skills such as 'out of the box' thinking and holistic thinking, rather than the need to pay attention to details. These skills are related to her Master's Degree major, Project Management which provided her a knowledge and new culture to understand through her education path. Hence, the unit benefits from her amount of experience and knowledge contribution. In addition, the interviewee stated that all knowledge and experiences are shared by all the team members and are welcomed; there is no stereotyping with respect to nationality, education, gender, or experience within the unit.

The team needs good communication skills and ways of interacting. This is because each member should be involved in developing the strategy and should seek advice from other team members, following which it can be modified before it is shown to the manager for advice and suggestions. The last member prepares of the team the last phase, as he/she should be monitoring the strategy's progress once it has been approved for implementation. Even though each member is responsible, each of the three phases should be submitted to the team manager for approval. This is to verify the established strategy by the team member and to ensure that it is developed properly to achieve the desired outcome.

The first method of communication is the daily email that team members use to discuss the work for that day. Also there are phone calls for urgent concerns and requirements if necessary. The primary means of interaction if the workload allows is face-to-face meetings in which English is used. This is because the first language of each team member is different from that of the others. In addition, team meetings happen on a weekly basis for the entire team and always include the team manager. The last means of communication is basically a virtual meeting between Unit A and the rest of the department's teams. This type of method is rarely used within the team because of their proximity to each other. However, if they need to meet other branches of the company then the virtual meeting is always a useful communication tool for the team.

The development of department and unit strategies within a team which has members from different backgrounds and cultures could cause conflicts. However, in the IT-Strategy unit, conflicts within the team members are rare. This is due to the small size of the team and the fact that they require each other's support. Additionally, the common professional background and experience of all the team members assists in making the communication smoother. Furthermore, the unit manager set education and experience criteria for the team members as each has specific task and should accomplish it within the requested period and criteria. The team member gives much credit to the job's requirement for clarity and shared backgrounds and experiences for the lack of team conflict.

It is important to have a measurement baseline for the team's performance as management must appraise the team based on a previously indicated standard. This will allow the team's manager to monitor the level of the team's performance. Therefore, in Unit A, the manager considers the team input, effectiveness, and value-added will assist the team to perform and enhance the whole department's contribution towards the company's success.

The team ensures that it exchanges information about the technology industry and relevant strategies. This happens because although the unit has different nationalities, they all share almost the same experiences and this encourages the development within the team.

B.   Impact of Cultural Diversity on Team Innovation:

Innovation is a basic requirement for Unit A, because the market and client demands change often. In their unit the manager provides the team support to innovate, such as during the brain storming for their creative ideas, and he assesses them based on his experience and discusses the ideas with them if required. Even more, he encourages them to implement their innovative idea if it is applicable for the company. The unit manager's encouragement includes recognizing any member of the team if the idea is implemented successfully.

Besides management's encouragement for the team, the interviewee confirmed that the unit has innovation factors that assist them to create new strategies, systems, and processes such as the management style and their way of communicating with the employees. Also there is

support for new ideas, and these are studied in terms of a range of factors, such as financials, values, and market share.

Even though the acceptance of cultural diversity within the team is high, sometimes communication fails because of different styles and this can lead to incidents such as those described in the analysis section. This can be a barrier to innovation and the team tries to solve the issue by communicating often and ensuring that face-to-face meetings occur to lower the possibility for miscommunication. Solving the communication issue for the team is important when it comes to innovation. Without communication, innovation is at risk and it will only succeed with input from all the team members.

The team manager has a contribution to make as well in removing barriers arising from the cultural diversity within the team, and in encouraging innovation, as mentioned in the analysis section. This is because management understands that having a healthy environment within the team will help in making possible the innovation within the unit. Therefore, managers ensure that they remove barriers by showing respect and appreciation for the team members' skills and expertise. By practicing this process with the team, the manager instils trust and confidence in the team which can be used to overcome cultural barriers. An example of the innovation that the management encouraged within the unit was the implementation of the Project Management Office strategy in the company.

Although the team has greater opportunities to be innovative, the interviewee confirmed that currently she does not have any system for making an assessment of the performance after implementation. This could put the company at risk due to the lack of information concerning how well the innovation is performing. Assessment of the team's innovations currently depends on the amount of service sales and customer feedback.

C.   The Role of Management in Enhancing the Climate of Innovation:

Managing a culturally diverse team with complex and confidential responsibilities requires different styles of management. The team manager must build a dynamic team in order to deliver the unit requirements based on company strategies. He normally focuses on the core competencies and the software skills which are required from each team member. In addition,

he evaluates the soft skills of the candidates through the job interview process and checks carried out with referees nominated by the candidates. The key soft skills that he relies on are the ability to work with a team, cultural tolerance, gender tolerance, the mind-set of a team player, and – the most important of all – a positive attitude.

Furthermore, he monitors his diverse team's performance and depends on the team's Key Performance Indicators which are assigned to each of the team members. For example, team members are monitored for timeliness. Also, the manager checks the quality of the final output and monitors the service levels of the team.
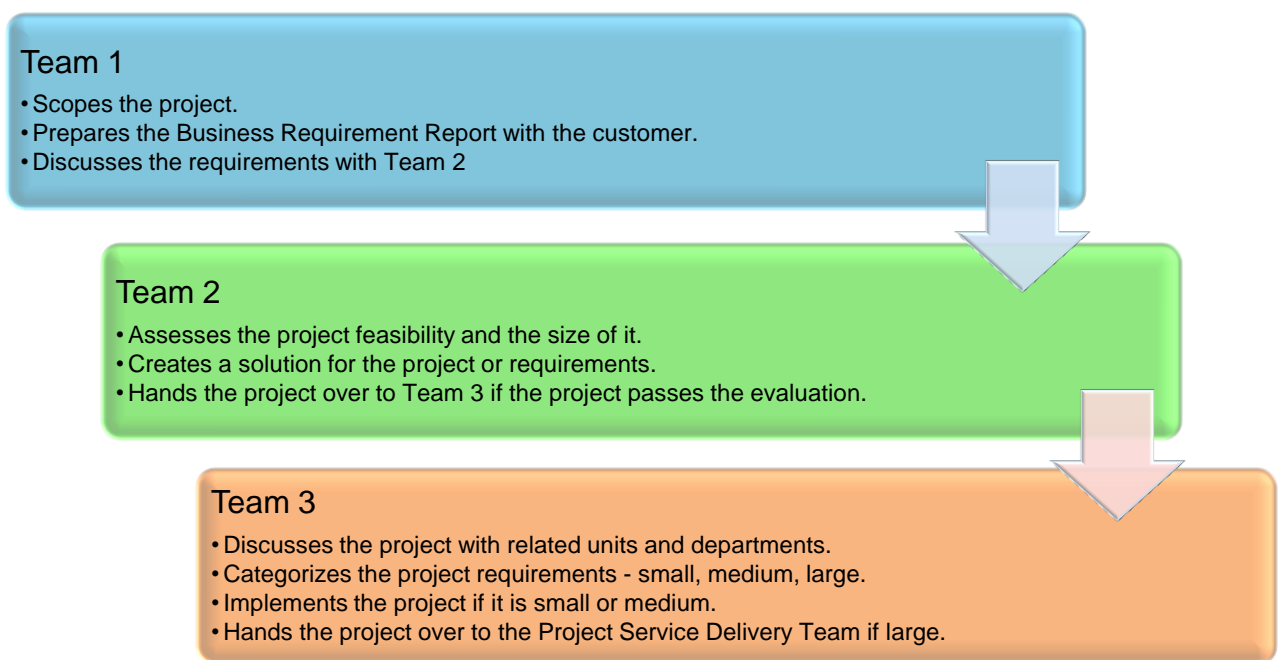
The manager role for three different nationalities should have different methods of leading the staff towards innovation as the team doesn't have major cultural diversity hence the methods doesn't require many efforts from the management to enhance the innovation. One of the methods used is to have a daily review and to provide an assessment for the tools and processes used for the daily tasks. In addition, assessments are made to determine if there is the potential for the manager to improve the team. Finally, part of the manager's role is to reduce the conflicts within the team and the unit manager confirmed that he faces a few conflicts which relate to different levels of experience and understanding between the team members.

In Unit A, the entire manager role in enhancing the unit team performance and innovation is not supported by the company upper management. This is because the company management board is currently focusing on the company business growth only and not involved in employees activates. Nonetheless, cultural diversity was important in establishing the company in the UAE and the Middle East, and cultural diversity will assist the company to have a competitive advantage in the next phase of expanding its operations. This is because the company will target the French market and will require employees who speak French and understand the French culture to match the new market needs. Therefore, the manager is trying to increase the current team's diversity to give the maximum benefit to the company.

The effects of cultural diversity on Unit A's performance and innovation, and the role of management in enhancing the climate of innovation in the unit, are discussed in the analysis and discussion section of this study.

V.   Case Study Two – Unit B:

The second team that the researcher interviewed works in the Solution Design Unit (Unit B). The team consists of six members who work mainly to create solutions for clients in terms of card issuing, along with any extra development requirements specified by clients. In Unit B, there was cultural diversity. All members were of the same nationality including the manager. By comparing the culturally diverse and culturally uniform teams, the researcher can better understand the different effects on a team's performance and innovation of culture, along with the role of management in enhancing the climate of innovation. The team members are divided into three teams within the unit and each team is responsible for certain areas of the required customer projects. The unit structure is as following:

Team 1
- Scopes the project.
- Prepares the Business Requirement Report with the customer.
- Discusses the requirements with Team 2

Team 2
- Assesses the project feasibility and the size of it.
- Creates a solution for the project or requirements.
- Hands the project over to Team 3 if the project passes the evaluation.

Team 3
- Discusses the project with related units and departments.
- Categorizes the project requirements - small, medium, large.
- Implements the project if it is small or medium.
- Hands the project over to the Project Service Delivery Team if large.

(**Unit B Structure Flow**)

The interviewee from Unit B was introduced in chapter 3. The interviewee was selected as the team in which he works is culturally uniform. The Unit B manager's experiences as a manager of a team with low cultural diversity will assist the researcher in understanding the role of management in enhancing innovation within a culturally uniform team.

A.   Impact of Cultural Diversity on Team Performance:

Members of Team B come from one country and have almost the same experience of working in the payment industry. All that is required for members to be in this team is that they have experience in this industry. This experience is necessary if they are to create solutions for clients. The team members were selected based on their previous experience, including the fact that some of the members used to work together in another company.

The team uses email, face-to-face meetings, and the phone to communicate. When meeting face-to-face or over the phone, they tend to use their native language. However, if they are having external meetings, they use the common country language (English) as the other departments have team members from different cultures.

The manager measures the team's performance by looking at their communication effectiveness, both within the team and with other teams. If there is conflict in the team, the manager intervenes and assists them to resolve the conflict. The interviewee reported that sometimes they face conflicts arising from their different experiences in the payment industry, with each of them having a different point of view. Therefore, the team manager ensures that the team does not let their background diversity impact on the team's performance. This is done by holding team meetings to solve the misunderstandings and to allow them to perform better in the company.

Unit B arranges monthly team forums where they share information and experience to enhance the knowledge within the team. Previously, the team had to invest time in designing a solution to a problem caused by a lack of information and experience. Therefore, they decided to have cross functional expertise on a single project which enabled decisions to be made faster while achieving the best solution. Such big changes in the department assist the team to have impact on the market response in positive ways as the gaps in the solutions were minimized to null.

B.   Cultural Diversity & Team Innovation:

The innovation has factors within the team and as per the responder the only innovation factor within team B is manager support to the member ideas by listening and giving suggestions. They come up with innovative ideas only when the business requires that there be optimal solutions.

Innovation requires adopting and accepting other cultural nationalities within the team because each nationalities will bring up new innovative idea within the team. However, within Unit B, they are all of the same nationality, and they really only face difficulties if one of the members does not have similar work experience and expertise. This is because they need expertise to avoid any failures in the design of solutions for customers. The interviewee reported that this is the only barrier they face, and they solve it when it comes up by supporting anyone lacking expertise by giving them individual advice. This solution was simply adopted by the team members. Nevertheless, the management involvement and encouragement for Unit B are mainly depends on the training and support that they conduct for the no expertise in the field.

An effective team should have a certain method to assess innovation within the team. Thus Unit B assesses innovation by the performance of the innovative idea once it has been implemented. The success of the innovative idea depends on the revenue that it will generate for the company. In addition, the team depends on client feedback after implementing the innovative idea. In addition, the team normally depends on the cost and development required for the innovative idea as a measurement of it success. If costs to the company decrease, this will show that the innovative idea has been successful.

To build innovation, the company must make innovative tools available for the team members. Thus NI management supports Unit B members by providing them with the necessary training. In addition, the company allows the team members to visit industry exhibitions and seminars to increase their knowledge, which in turn will allow them to innovate. The interviewee gave as an example of an innovative idea the decision to customize a project based on the size of it. This allows the rest of the teams to understand the required time for implementing projects and assists them in reducing the turnaround time.

C.   The Role of Management in Enhancing the Climate of Innovation:

Within Unit B the manager sets certain criteria for the team members to avoid conflicts arising from cultural diversity. The criteria are proper industry and domain knowledge, learning capabilities, attitude, and creativeness. The manager confirms that the team member culture measured based on culture, diversity, nationality, talent & required job related skill-sets. The selection of employees is always carried out when the manager interviews candidates. Additionally, he ensures that he evaluates them based on the criteria that he sets them within the interview. These criteria are determined on the basis of the team's expertise requirements.

The Unit B manager creates a flexible communications atmosphere within his team as the organization had set up policies for cultural diversity and he ensured that it was implemented in the team. An example of these policies is that neither gender nor nationality can be used to discriminate against someone or favour someone in terms of yearly performance evaluations and promotions. In addition, he reviews and implements the programs and events that the international committee plans. He believes that this will assist the team to have fewer barriers with other cultures and stronger team communication. One important step that the manager took to improve the team's cohesiveness was to require team members to rotate their jobs. He also provided team members with team building workshops and has taken them out for dinner and gatherings.

As the Unit B manager, he encourages the team to communicate with each of the team members and with other units to make them innovative. This helps them in practising cultural flexibility and enhances the exchange of information with each other to better their performance. The positive impact of this was reflected in the avoidance of conflict arising from cultural diversity and the ability of team members to resolve communication breakdowns and avoid misinterpretations. He also improved the level of trust among the team members so that they can integrate dissimilar viewpoints. However, the interviewee explained that while the Unit B team manager can manage conflict arising from cultural diversity within his team, this is not the case when conflict with other departments/units arises. This is because sometimes the other team manager may not be making any effort to manage conflicts arising from cultural diversity in that team.
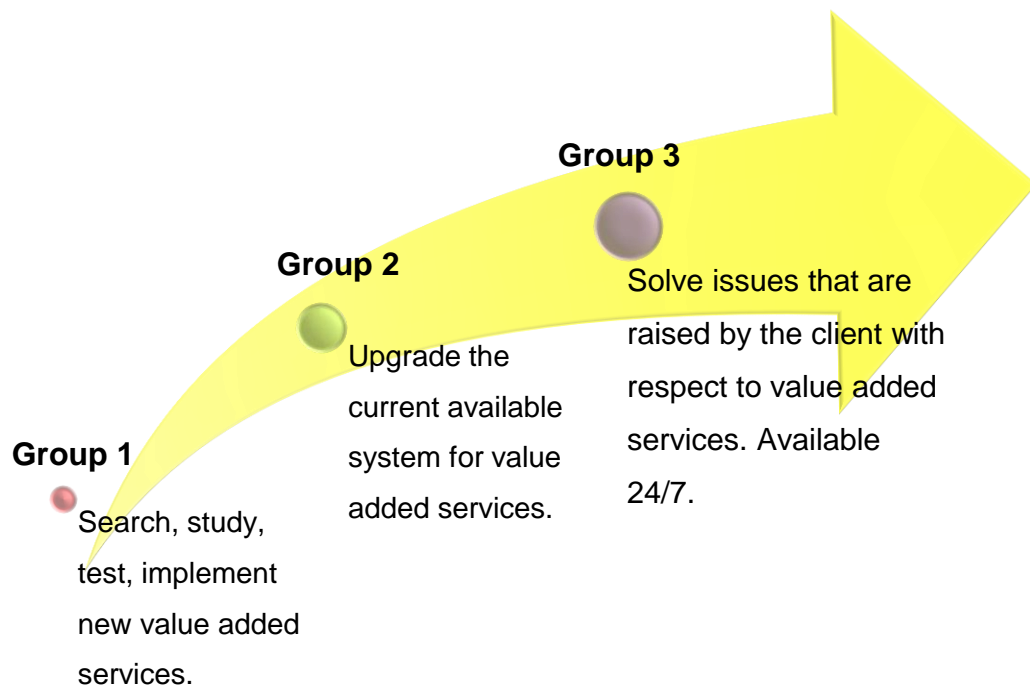
Unit B team members is not measured by his performance in performance scale level for innovation. However, the team manager highlights any team achievement that does come out

of innovation for the unit, department, and company. This is due to his support for cultural diversity because of the knowledge and benefits it brings which can assist the team to innovate and the company to grow. Nevertheless, the manager confirmed that the success of the team in terms of innovation is due to the similar educational background of each of the members. He confessed this because in his work experience he had faced obstacles arising from cultural diversity and culture difference such as race, gender, ethnicity, physical capabilities, and sexual orientation. Social or political differences without proper management can impact on innovation and sometimes decrease it. Therefore, he seeks to have an inclusive culture as it enables the unit to offer the flexibility and creativity needed to meet their clients' requirements.

The impact of cultural diversity on Unit B, in terms of team performance and innovation and the role of management in enhancing the climate of innovation in the unit, is discussed in the analysis and discussion section of the research.

VI. Case Study Three – Unit C:

The last unit that the researcher interviewed was the Value Added Service Team (Unit C). As was described in the previous chapter, this team is part of the IT Department's focus on adding value added services, enhancing and upgrading the system, and solving issues that appear for the unit provided services. The team consists of six members from two different nationalities, along with the team manager. The team members are divided into three groups, each of which carries out the three tasks of the unit. The team is divided as shown below:

Group 3

Solve issues that are raised by the client with respect to value added services. Available 24/7.

Group 2

Upgrade the current available system for value added services.

Group 1

Search, study, test, implement new value added services.

(**Unit C Structure Flow**)

The selected responder from the unit is currently working with Group 3 which is responsible for solving the issues that are raised by clients with respect to the value added services. The selection of the member was based on his background (see chapter three). In addition, his role within the team requires a large number of interactions with other team members. He must engage with Group 1 to get training concerning any added services. Also he will need to interact with Group 2 to understand the impact of the system upgrade on the service. Furthermore, he needs to go through this process with the other teams. This is because he deals with client 'business as usual' issues and must solve them by taking immediate action. In addition, the researcher interviewed the Unit C manager to understand the manager's role in enhancing innovation.

A.   Impact of Cultural Diversity on Team Performance:

There are specific criteria which must be met if team members are to perform efficiently. Therefore, any candidates that will be joining the team should have IT experience, process knowledge, technology knowledge, domain knowledge, and excellent communication skills due to the customer service role. The interviewee meets these criteria, and his performance is considered average or high as he has had experience with IT programs and services, which enables him to solve issues in a short time and efficiently.

Unit C uses email and face-to-face conversations to communicate. If they need to have discussions with other units, departments, or customers, they will arrange a meeting. The team mostly speaks Urdu and if it is a formal discussion with different units, then English will be used. Urdu is used because it is the language which the team members from India and Pakistan have in common.

According to the Unit C team member, their contribution is measured by the added value they give to the organization. This means being able to show how many issues have been solved, thereby lowering the impact on the customer. The rest of the team members have different measurements to assess their contribution, depending on their location within the team. However, the team is not measured based on the teamwork with different culture team member because the team is divided into three groups, with each handling different tasks, the conflicts between them are minimal. However, if conflicts do arise within the team, such as a disagreement concerning project solutions, the manager meets with the parties separately and resolves the conflicts.

The team has come up with many innovative services in the last few years, which reflects well for the company. Examples of these innovative services are the Authorization Dashboard and Company Portal for related departments. The innovative idea assists the other departments to track client requests, complaints, fraud, and calls. These outcomes assisted the units/ departments to increase and monitor their performance.

B.   Impact of Cultural Diversity on Team Innovation:

The Unit C team member admitted that there are some factors which affect their innovation such as the technology, service tools, and advanced technology knowledge available. The team demands them but the organization failed to provide some of the technology and service tools due to their cost and availability. Thus they are not willing to create any innovative ideas and share them with management. The responder stated that their role is to innovate any service once the customer requests it and they will do this smoothly provided the management ensures they have the resources available for the team.

Most of the Unit C team members are currently experiencing working with multicultural employees within or outside the company. Therefore, acceptance of the different cultures is not difficult for unit members. However, the interviewee mentioned that the understanding between the team sometimes slips because of differences in cultural factors and the impact of these on respect and trust. He mentioned the trust and respect factors since he faced a stereotypical case involving him and his team. An employee of a different nationality judged his work by his nationality. Each team member in the unit reacted to this differently. The interviewee tried to change the stereotype based on his nationality by talking personally with person so as to explain that chances should be given to everyone. On the other hand, management is supportive of the team and encourages respect and trust between different cultures.

Within the unit, the team members assess innovation by the effect on customers and the market. Hence, anything innovative the team does for the customer is reviewed by the customer and the team then receives this customer feedback. The team also measures the innovative idea by evaluating the number of the technological issues it experienced. Many issues suggests it was not a good idea.

C.   The Role of Management in Enhancing the Climate of Innovation:

The manager of Unit C must select members who have the required skill sets, organization experience, learning skills, resourceful character and attitude, ability to evaluate resources and good communication skills. This is due to the critical position that they will hold within the team. In addition, the manager said that he studied the requirements of the team and thus having members that meet these criteria assists him in enhancing the performance of the team.

The Unit C manager confirmed that the company currently provides his team with a suitable communication atmosphere for their work, including a common language, ground rules, and a shared location. This makes the interactions work smoothly between the team members and the other company members. The manager is mainly involved with team discussions to enhance communication and to encourage innovation between the team members. In addition, he asks the related groups to meet and brainstorm different issues. Sometimes he arranges outdoor informal gatherings to break the formal duties and to encourage a friendly atmosphere within the team.

It is important to overcome the team's cultural barriers as these will impact on the climate of innovation and will create communication problems among the team members. Therefore, the team manager analysed the team problems and classified them as follows:

❖ Changing the attitude
❖ Disagreements
❖ Resources

According to the team manager, even though the cultural backgrounds of the team members do not have a large impact on the team, sometimes difficulties might arise when disagreements occur. These could be work related, or personal issues. In addition, the limited availability of the innovative idea resources in the work makes the team face difficulty.

In order to face these challenges the team manager arranged for the team many tasks to be involve on them every time. This is to experience new work and to get the knowledge necessary for innovation for the department. In addition, the manager requested that team members come up with three new items that would benefit their work. Along with that, the manager undertook to provide them with challenging tasks and assignments, such as

implementing the TIPCO software system for the clients (it took more than two years to be launched).

Innovation requires certain methods to monitor its progress. Hence the team manager follows certain steps to teach the team about specific issues in the system and to coach them for specific skills. In addition, he helps them to grow by sharing network and available resources, pushing them to work outside their comfort zones, and encouraging them to have a safe learning environment so they can take risks. However, there are no feedback sessions for the team regarding these methods. In addition, they are barely involved with upper management which reduces the possibility of innovation as no one with greater experience is guiding the team. This is because the CEO arranges to meet with each team for breakfast only once to discuss their current position, rather than their innovative ideas. This meeting time is limited so most of them focus on the concerns rather than discussing the innovative ideas with him.

The impact of cultural diversity on Unit C's performance and innovation, and the role of management role in enhancing the climate of innovation are discussed in the analysis and discussion section of the research.

VII. Research Discussion and Analysis

By using the case studies, the researcher was able to analyse the effects of cultural diversity on the selected company based in Dubai, UAE.

A. Impact of Cultural Diversity On Team Performance:

Cultural diversity appears mainly in the employee characteristics based on the other researches which are mentioned in the literature review chapter. The company should choose specific criteria (sets of skills, professional background and knowledge expertise to suit the company's requirements). In cases 1 and 3, the managers ensured that the team members had IT strategy professional experience, knowledge about IT, strategic planning skills, communication skills, and analytical thinking ability. In case 2, the team member explained that the main concern is that individuals have experience of the payment industry.

Based on the current practice in case 3, the nationality, age, gender, and education background are the cultural diversity measurements used to select the team members. Also they all have the most important unit requirement which is experience in the payment industry. Due to the limited given experience criteria that the team stand in, it is proving to the researcher that there is no proper study of the cultural diversity impact on the team performance within the unit. This is because having the knowledge about the cultural diversity impact on the unit will guide the team manager to have different age, gender, education background and nationalities as important criteria for the team member. Therefore, the researcher believes that having the same nationality with the same background was planned by the team manager due to the reason of having competitive outcomes by bringing all the members who have the payment background to the team. The impact of such a decision will be in seen at a later stage when candidates from different cultures apply for positions in the unit. This is because such candidates will realize that there is the possibility of discrimination in the team as the whole team essentially has the same character.

The issues arising from cultural diversity within the team are focused on team communication, work requirement understanding, and team conflicts. In the research, it was identified that in case 1 communication is by are emails, phone, face-to-face discussion, and team meetings

using the English language. However, in cases 2 and 3 the teams mainly use emails and face-to-face discussion using their common language which is Urdu. As one member of Unit B observed, "*Using Urdu language assists us sometimes to explain and deliver the conversation smoothly*".

In addition, having one language to communicate works well for Unit C because they understand each other when they discuss anything related to work. However, it lowers the team's English skills, the major language that is used in the company and the country. In addition, using an unfamiliar language creates an understanding gap between Unit C and the rest of the company's teams and employees. As a responder commented, " *we do not use any regional language it may lead to a communication gap between the team members*". Communication within Unit C is considered even more problematic as they do not hold team meetings where they can review the team's performance and assist it to improve. The emails and face-to-face discussion methods are not going to be effective if there are no meetings where the team can sit in one room discussing their problems, concerns, actions, and achievements.

The second barrier arising from cultural diversity that affects their performance are the team conflicts. In case 1, the team witnessed few conflicts within the diverse team due to the smaller size of the team (three members only). Even though selecting the team members based on common criteria assisted the team in having fewer conflicts, in Unit B there were conflicts despite members having been selected on the same criteria due to their job requirements. Conflicts would arise because of different backgrounds, even though the manager intervenes to clear up misunderstandings between them by having discussions with the team members. He still needs to have different methods of managing team conflicts to avoid having the issue happen again within the team.

The team members' performance is measured by the team manager. Hence, in case 1 the team manager assesses the team's input, unit value added, and effectiveness to measure the team members' contributions. In addition, in case 3, the team manager also assesses the value added to the team to measure the performance. Furthermore, due to the unit classification he measures the member contributions based in his related group requirements for the member assistance only.

It is understandable that both Units A and C team members are measured for their team contribution through their work. The team does not have a clear understanding that there should be a contribution to add value for the team as currently the members are understanding that their contribution only for their work. Besides the team managers do not understand the major outcomes of the team members contribution within the team. This is because the contribution will reduce barriers and conflicts, will enhance the team relationships within culturally diverse teams, and will create a healthy working environment in the unit.

B.   Impact of Cultural Diversity on Innovation:

As cultural diversity affects innovation, management should use particular methods to ensure the team can innovate. In case 1, the manager supports the team by discussing and assessing the team's creative ideas. As well he encourages the team to implement ideas in order to be recognized in the department. In case 2, the team manager uses the same method of encouragement, discussing ideas with them and giving suggestions if required. Hence the researcher believes that merely supporting ideas and providing advice will not ensure the implementation of innovative ideas. Even though the business requires innovative solutions from Units A and B, the teams should not depend on the business requirements to be innovative. There should be constant innovation to be competitive in the market.

Based on the findings in the literature review, cultural diversity impacts on the climate of innovation within teams. Certain factors can assist team members to innovate such as having international expertise in the field and sharing knowledge. However, in Units A, B, and C the factors that impact negatively on innovation are barely seen. As the participant from Unit A said, "*Mainly because of the team diversity and the management style used for the team factors encouraged us to innovate for the unit*". Unit B agreed with A that the management style assists the teams to innovate as there is an openness to shared ideas. Therefore, the team manager uses the same method as that used by the Unit A manager, namely encouraging innovation, and discussing it and providing suggestions if required.

In Unit C, the team member admitted that there is little innovation due to the low unit budget for investment in the team requirements in terms of technology and service tools and knowledge. Hence, the team was limited with respect to innovation even though the

department is adopting new innovation services and technologies. In addition, the team's ability to answer customer requests for innovation is also limited the innovation in the unit. As the department can come up with new services and technology and then present it to the customer who request it not depending on the team innovative ideas for the unit. In Unit C, the researcher found that understanding innovation factors within the team has not been clarified, nor has the importance of innovation and its effect on the team's performance. Hence, the manager should be aware of the factors and inform his staff about the need to enhance the level of innovation within the team.

The teams must be able to interact flexibly with each other of different cultures to innovate and to decrease the cultural barriers. Based on the response of the participant from Unit C, the researcher understands that having low diversity will create misunderstanding among team members because there will be higher competition in the performance. This is because, as the participant mentioned, *"Respect and try to understand other culture is our main culture barrier! Many of the nationalities from another departments, judge me based on my nationality not by my background and education level therefore, some work were not assigned to me!"* Hence, the team member felt that discrimination and stereotyping affect their performance as other members do not assign work or share knowledge with them, thereby decreasing innovation within the team.

However, in Unit C, the team members created solutions to overcome their cultural barriers. By way of example, if one team member faces difficulty with another who does not have the design experience, the first member tries to help the other by advising and exchanging information. Such initiatives from the team and the manager allows the team members to move forward without the barriers preventing them from proceeding. In addition, it helps them to achieve a high level of teamwork due to the smooth communication between the members which will positively impact on the team and the company's performance.

C.   The Role of Management in Enhancing the Climate of Innovation:

In terms of the manager's role in enhancing innovation within a team, it is important carefully to select the main team with related to the unit criteria as it will be responsible for enhancing innovation. Therefore, the team managers were determining their criteria based on each unit's work requirement. The Unit B manager selected criteria that assist the department to enhance the performance and innovation of the team. Creating assessment criteria for the team members (as shown below) is considered to be one efficient method that can assist the manager in avoiding the selection of poor candidates. This is because unit requirements of members are measured and the member criteria that will assist to develop the unit are identified. In comparison, the approach of the Unit A manager is to depend on the core competency of the employees and their having good soft skills to perform and innovate. This approach is considered weak. This is because the cultural diversity of the teamwork should be addressed and assessed to achieve maximum team performance and innovation.

Sampling Data A – Candidate

| Area	Grade A to B	Each Grade carrying 1 to 5 weight (A=5,B-4 etc)
Skill Sets	B	3
Culture	A	2
Diversity	C	3
Personality	C	3
Nationality	A	5
Talent	B	4
Total Score		20

(Unit B manager assessment for team members)

Other than selecting appropriate candidates for the team by identifying the necessary criteria, the manager should ensure that communication within the team is smooth. This is because the team will have to exchange information when discussing any innovative ideas. For example, the manager of Unit A is currently dealing with communication issues as most communication for work concerns is done by email. The manager observed that "*The team communicates mostly via emails; therefore, I want to encourage them to have less time spent on emails and have stronger professional relationships between each other.*" This can be compared to the approach of the Unit B manager. The researcher found that the Unit B team had built a stronger internal relationship because the team manager has made a huge effort to minimize

the impact of cultural diversity by having low cultural diversity within the team. Team communication is vital for keeping the work environment healthy and to achieve maximum benefits for the organization. Therefore, the positive role of management, such as supporting flexible communication between members and building outside office relationships by having unofficial gatherings for the team members will assist in increasing the team's performance.

It is normal that a unit will face issues affecting innovation, and therefore it is important for the team manager to understand the issues and come up with solutions. The manager of Unit C did study the obstacles that are blocking the team's capacity for innovation, but he did not come up with solutions which limited the team's potential. The support that he is providing the team to innovate must be enhanced, as without a strict innovation policy the team will not commit to the process. He did, however, encourage the team to come up with innovative ideas by asking them to come up with three innovative solutions for their work.

On the other hand, the Unit B manager did not play a role on the issues which he mentioned that are standing against the innovation majorly in his team earlier. He is currently facing the issue where the team has not produced a major innovation in a year. In addition, the manager does not have any proper way of measuring innovation within the team. Besides, the team does not have diversity in terms of background, nationality, or gender. Therefore, the degree of knowledge is almost at the same level for all members. On this basis the researcher believes that the team has very limited possibilities of being innovative.
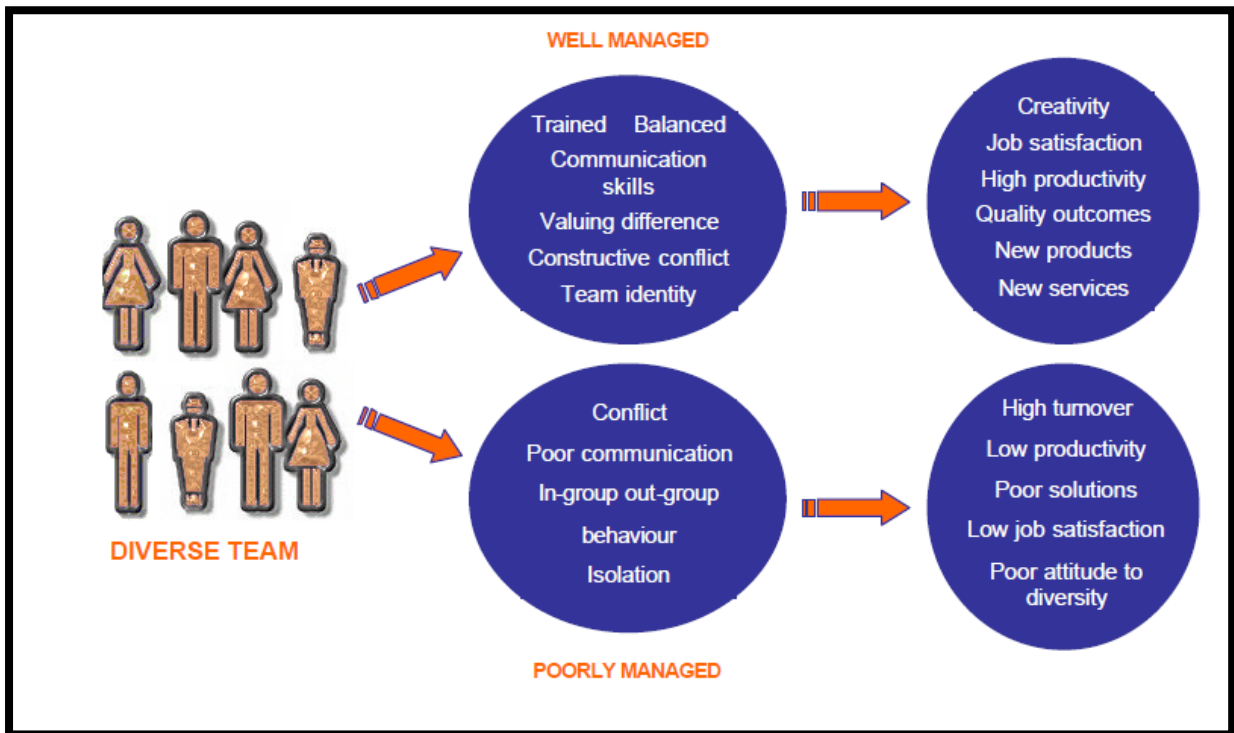
(Unit B manager studies on diverse teams for well and poor managed and how it impacts for one nationality team)

Chapter Five:

VIII.   Research Recommendations

After going through the case studies, analysis, and discussion of the research, the following suggestions are made for private organizations in the region which also experience effects stemming from cultural diversity.

1. To enhance team performance, the manager should ensure that he/she studies the required position/unit characteristics carefully. This is because having a team composed of members with exactly the same skills will not increase the team's performance, even if the members' experiences relate to their positions. The team will be limited to certain processes and will not add any new developments to the company.

2. The organization should use basic communication methods for all departments and units. This is because any gap in communication between the teams will create an uncomfortable atmosphere among the employees in the company. This will decrease the performance of employees due to misunderstandings.

3. In addition, there should be sessions in which employees share their own experiences and expertise. Similar practices should always be recommended by team managers to enhance performance.

4. The management should encourage innovation by defining an innovation process which explains how the team should innovate automatically for a certain period of time each year.

5. There should be constant innovation in the department for each year and it should be categorized small, medium, and large. The manager should monitor this and ensure that all the team members participate to get the maximum benefit. In addition, there should be wider cultural diversity in the department to promote innovation; the greater the diversity, the more likely it is that innovation will occur, and this will assist the organization to be competitive in the market.

6. There should be identifiable and proper measurements to assess the team's innovative ideas and customer service innovations, and to have a clear process for innovation within culturally diverse teams. Management could apply a specific scale using the innovative idea, the creator, the period of the creation, and customer feedback as measures. This will support culturally diverse teams to carry out innovation with the participation of the entire team. Monthly surveys should also be done by teams to understand the impact the innovative ideas have on the team and its clients.

7. The role of management in enhancing the climate of innovation within each team is primarily focused on team member selection. Hence there should be proper assessment of team members to enhance the prospects for innovation within the team and the company.

8. The team manager should have control of team communication and should break the formal relationships between team members by arranging informal gatherings, having work lunches, and other activities. This will make the team relationships stronger and will increase the opportunities for innovation as members will be sharing and discussing ideas efficiently.

IX.   Research Conclusion

In conclusion, this research has identified the main effects of cultural diversity in terms of team performance, innovation, and the role of management in enhancing the climate of innovation within teams. The motivation for the research was the increase in cultural diversity in the UAE, and especially in Dubai. The literature review chapter discussed the findings of previous studies of cultural diversity in different countries and the impact of it on team performance, innovation, and the role of management. It is important to understand how different countries manage cultural diversity and how the performance of a company can be affected depending on how it is managed.

The research focused on a private company in Dubai to analyse the impact of cultural diversity within that company. The researcher carried out qualitative research using interviews with three units within the company. The main findings of the research were as follows:

➢ Team performance:

1. Within the organization the team members should practise cultural diversity by having different criteria to add high value to the team performance.
2. Team members need good communication skills to avoid any misunderstandings within and among the teams which might impact negatively on their performance.
3. Conflicts within culturally diverse teams appear for different reasons. The team manager should understand the process of solving these conflicts to avoid poor performance.
4. The team members should be assessed based on their efforts to enhance team performance. In addition, the team manager should understand the importance of the contributions of all the team members and should encourage the all members to contribute.

➢ Team innovation:

1. Management encouragement should be enhanced and the role of management should not be limited to advising and consulting.

2. Cultural diversity affects innovation negatively if the team does not have the key innovation factors which are international expertise, a sound management style, and encouragement.

3. It is important to have solutions to overcome any barriers to communication within the team arising from cultural diversity. This will assist in increasing innovation.

4. It is important to have proper measurements of innovation within culturally diverse teams to understand the impact of their innovation on the team, company, and client.

➢ Management Role:

1. The main role of management is to understand cultural diversity and to set team member criteria based on the work requirements to enhance performance and the climate of innovation.

2. The team manager assists the team to build strong working relationships by encouraging them to have healthy communication with each other. This will also enhance innovation.

3. It is important for the manager to solve team issues and to ensure they are avoided in the future by creating appropriate processes.

In summary, the research identified the impact of cultural diversity on teams in terms of their performance, innovation, and the role of management in enhancing the climate of innovation. This is important so as to create a healthy work environment. From the point of view of the researcher, cultural diversity in Dubai is one of the advantages that the city offers companies there. Hence, companies should ensure to have the research process for culture diversity impacts in order to have the maxim company team benefit.

Limitations and Future Recommended Research:

The research was done primarily with employees with Asian nationalities and a similar educational background. Hence, the results of the research were similar and there were few differences. Therefore, the effects of cultural diversity on team performance, innovation, and the role of management in enhancing the climate of innovation were not significant comparing to the worldwide companies. Hence, it is recommended that future research should focus on organizations with a high degree of cultural diversity.

The research interviews were only conducted with three units from the same department, and this again means that the extent of differences between interviewees was limited.

Furthermore, some of the candidates who were interviewed did not have sufficient time available to respond to all of the questions. Thus there was incomplete information available to analyse the effects of cultural diversity on team performance and innovation. Therefore, it is recommended that future research should be conducted within a proper research environment to ensure comprehensive results.

Chapter Six:

X.   Research Reference

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