

14. Change management in multicultural organisations

Aneta Parkes*

Abstract

This article presents some of the change management tools, which can be useful especially in the environment of multicultural organisations, to manage the process of change. At the beginning of the article the change management and multicultural organisations will be defined. Then the change management process will be characterised and the chosen tools of change management will be described. The choice of these tools is based on personal work experience and interviews with change leaders who have been managing changes in multicultural organisations.

Key words: change management, multicultural organisation, process of change, change agent, diversification, non-verbal communication, and visual communication

* Ph.D., University of Social Sciences in Łódź.

Introduction

The goal of this article is to present some of the effective solutions, which can be used in the process of organisational change management. The change is considered to be a permanent phenomenon in organisational life. Managing the process of change helps to direct the energy towards the desirable effect. The change leaders I spoke to, confirmed, that their common task is to implement different kinds of change in their client's organisations. They are asked to design, plan and lead the change, so the organisation can grow and develop.

In this article I would like to present some of the tools of change management, which are frequently and efficiently used by the change leaders who are working for multicultural, global organisations. They are using the same tools and methods of management as in the monoculture organisations, for example communication tools. But, at the same time, they have to be flexible and they should modify the way they are using these tools, because of the differences of the world's organisational and national cultures.

14.1. Change management and multicultural organisations

Organisational change can be defined as any important modifications within an organisation's area, for example area of people (Griffin, 2002). The range of changes in organisation can be various: they can influence management system in total, or its chosen elements like: technical, social or economic subsystems. Changes can be driven on different levels, for example from the level of individuals to the level of organisation as a whole (Wawrzyniak, 2010, p. 498; Parkes, 2016).

Change management is being described as an „approach to shifting/transitioning individuals, teams, and organisations from a current state to a desired future state. It is an organisational process aimed at helping stakeholders to accept and embrace changes in their business environment” (en.wikipedia.org/wiki/Change_management).

John Kotter underlines that change management is about keeping change under control, so we can avoid distractions or change impact on the people. And he is underlining another important issue – the difference between management and leadership of the change. „Change management, which is the term most people use, refers to a set of basic tools or structures intended to keep any change effort under control. The goal is often to minimize the distractions and impact of change. Change leadership, on the other hand, concerns the driving forces,

visions and processes that fuel large – scale transformations” (Kotter, 2011). So if change management is about control, the change leadership is about vision and empowerment of people. Change leaders may be asked to lead the change within organisations, which requires specific personal skills, talents and leader’s personality. I had a chance to meet and work with that kind of leaders. In my opinion, they have not only managed the projects, but have had enough charisma to be the driving force for the organisational change (cf.: Parkes, 2016).

Multiculturalism in organisation can be described, according to R. Winkler (2008, p. 18), as different practices and traditions existing next to each other in one organisation. Due to the fact that every organisation has not only an original organisational climate, but also its own organizational culture (autonomic in terms of the culture of the country, in which the organization acts, and the cultures of the countries which the participants come from), we will have to deal with the phenomenon of organisational multiculturalism for example in global corporation with subsidiaries around the world (Jakonis, 2010, p. 89).

Multicultural organisation is characterized as a place, where people of different cultural backgrounds can contribute freely and achieve their potentials for their own benefit and the benefit of the organisation (www.businessdictionary.com/definition/multicultural-organization.html). Other definitions describe a multicultural organisation as „characterized by pluralism, full integration of minority-culture members both formally and informally, an absence of prejudice and discrimination, and low levels of inter-group conflict” (Fine, 1995, p. 42).

These kinds of organisations are more and more common in the contemporary world. The international processes of economical integration as well as trade exchange, government cooperation or cultural diffusion, create a global international environment for business (cf.: Koźmiński, 2010, p. 542). Paradoxically, the globalization is considered as both „a cause and a result of multiculturalism and pluralisation” (Lundy, 2003, p. 71). Globalization, demographic trends, immigration and migration etc. lead to the shape of organisations and their workforce, which is characterised as heterogeneous on dimensions such as gender, race, ethnicity and nationality (www.ferefenceforbusiness.com/small/Mail-Op/Multicultural-Work-Force).

Multiculturalism is seen mostly as a potential for an organisation, but it can cause many challenges as well. For example challenges of managing people with different cultural basic assumptions, which requires knowledge and understanding of cultural diversity. And as there is no prewritten

recipe for managing people from different cultural background, there is no recipe to manage change in that kind of environment. As M.G. Finn is writing: „Bringing our own cultural assumptions into our awareness and learning to recognize the cultural assumptions of others is a difficult and sometimes painful process. Working together to create a multicultural community within an organization requires patience, hard work, and an organization-wide commitment to change” (Fine, 1995, p. 2). I could add to that that the change management process requires a talented consultant/leader, who is acting as an efficient change agent and is using change management tools in the ways, which are suitable to the specific cultural environment.

Managing in a multicultural environment, dealing with differences and similarities between different cultures is defined as a cross-cultural management (Kostera, 2010, p. 588). This author underlines, that the main problem of cross-cultural management is to find the best way of acting according to the specific conditions of individual countries. And she is describing three different ways of cultural interaction in the circumstances, when the organisation is multicultural, multinational, when is having subsidiaries in more than one country or cooperating with the partners from different cultures. These ways could be:

- 1) Model of cultural domination;
- 2) Model of cultural coexistence;
- 3) Model of cultural cooperation (Kostera, 2010, p. 607).

According to change management in multicultural organisations, the model of cultural cooperation seems to be the most effective solution. The attitude of change leaders I spoke to, was always respectful and appreciative towards different cultures. They perceived cultural diversity as interesting and enriching and as a source of strength and development.

14.2. Ch. Handy's model of the change management process

One of my favourite models of change management, or change in general, is The Sigmoid Curve, presented by Charles Handy and firstly published in London, 1994. This is the model, which was used to describe the cycle of life of products, organisations or even relationships (Handy, 2002, p. 50; Parkes, 2016). Talking with the change leaders, they also pointed out that kind of model as a general model to described cycle of life of organisations as well as the cycle of life of their projects.

By the Sigmoid Curve, Ch. Handy explains the need to manage change during the life cycle or activity (www.managetrainlearn.com). The cycle of life starts from initiation and slow growth, than it riches period of progress and success, moving to maturity and to the period of decline. The phases of the process can be called: inception – growth – maturity – decline (www.scu.edu.au). Sigmoid curve is the S-shape curve, which is showing the need to constantly re-invent, especially when things are going well. This is the paradox of change – starting new action when we reach the top of success of the present one, before the peak and before it starts going downhill. „With the vision and courage to start a new cycle before the peak, you have energy, time and resources while the existing cycle is running on automatic” (www.managetrainlearn.com). As we can see on the illustration below, a new cycle should start at the strongest point A, where there is time, resources and energy „to get the new curve through its initial explorations and floundering before the first curve begins to dip downwards” (Handy, 2002, p. 51). As the author is writing: „Wise are they who start the second curve at the point A, because that is the pathway through Paradox, the way to build a new future while maintaining the present” (Handy, 2002, p. 52).

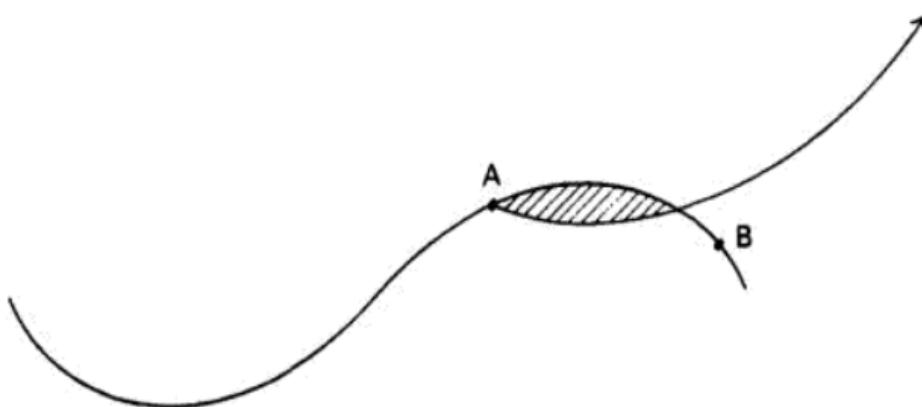


Figure 14.1. The Sigmoid Curve

Source: Handy Ch. (2002), *The Empty Raincoat. Making sense of the future*, Arrow Books, London.

According to Ch. Handy, only in that way constant growth and development is possible. We have to start a new initiative before the first one begins to drop down. It means making changes while we are celebrating the success. But, this is the secret of a constant growth (Handy,

2002, p. 51; Parkes, 2016). And, in my opinion, this is a secret of efficient change management process.

It is important to make a change directly at the point, where we have started reaching the top. According to Ch. Handy, the paradox of success means, that „what got you where you are won't keep you where you are” (www.scribd.com). So, the second curve or the new initiative, requires new methods, new people or new ways, and than progress is possible (Parkes, 2016).

The model of a change management process can look exactly the same as Sigmoid Curve: firstly initiation and the phase of slow but persistent implementation of the change. Then further growth, to the point, when we can say that the changes have been implemented. After reaching the top or after the accomplishment of the change implementation, there can be some time of maturity and a time of forcelebrating success, but sooner or later the change will loose its potential and energy and become more like routine, and it will not be innovative any more. According to Ch. Handy's theory, it will burn out automatically. To stay successful, it is important to start new changes at that stage, when we are celebrating the success of a previous change. Being constantly in the phase of starting new projects, we are permanently in the energy of innovation, creativity and achieving. And it means that constant change is good for our organisation, because it's stimulating and progressive (Parkes, 2016).

14.3. Change management tools in multicultural organisations

As I wrote previously, the tools of change management in multicultural organisations are exactly the same as those in other structures. What can be different it is the way of using them, which has to be adjusted to culturally varied environment. For example different communication tools can work better in different cultures. The change leaders I talked with, pointed out communication tools, as being very important in change management in multicultural organisations. There was the importance of the change agent's role underlined as well.

A change agent is mostly perceived as an internal author of changes. Change agents can be leaders, members of staff supporting change or outsiders who are implementing changes in organisations. In the last case it can bring a lot of benefits, for example using an external force to keep an organisation moving in the right direction, when there are limited internal resources of strength and innovation. The expert can become the internal agent of changes over time, especially if the

relationship with an organisation is structured by using long-term projects, as a vehicle to move the organisation in the desired direction.

The roles and tasks of the agents can be different:

- they may only advocate changes,
- they may sponsor changes,
- or implement them (Randall, 2004, p. 227).

Their roles are mostly based on providing the power to the project of change. „This promotional power is provided by three types of promoters“ (Reiss, 2012, p. 103) who can be seen as: experts, champions or sponsors. As we can see below, the experts are mostly focused on tasks and they are skill-based promoters. Acting as an expert it is the perfect and the most common role for a leader to follow in the process of change management. The champions are focused both on tasks and people and they are process responsible promoters. Their role is to coordinate the transition. If leaders can act in the role of experts and have skills to develop as champions, then they are a very strong force to make change happen. The sponsors are classified as people-orientated and they are power and resources based promoters. Power promoters are mostly the representatives of top management, who are change agents in the sense that they provide resources and they decide who is going to manage the change within an organization.

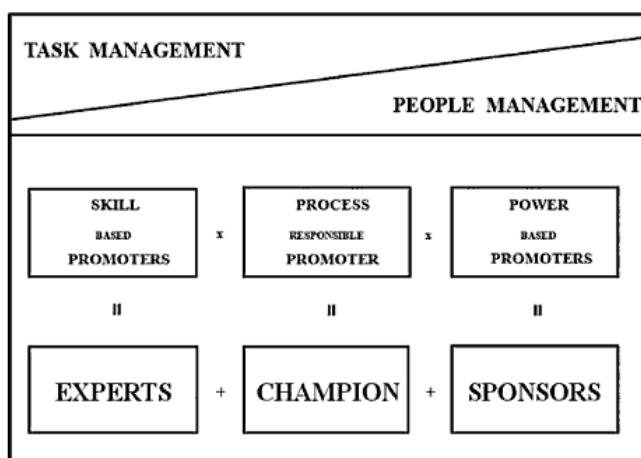


Figure 14.2. Triad of promoters in Change Management Process

Source: Reiss M. (2012), *Change Management, A Balanced and Blended Approach*, Books on Demand GmbH, Norderstedt, p. 103.

Acting as a change agent in a multicultural organisation, there is a need to be aware of cultural differences in people's cultural basic

assumptions, patterns of adaptation or integration, shared patterns of perception, thoughts and feelings (Schein, 2004, p. 18). It is important to be aware that diversification is very valuable, and it can be used for example to increase group dynamics. People with varied skills, points of view, heritage or attitudes can create a lot of innovations. Despite that, the disadvantage of diversity can be for example poor internal communication, especially when there are language barriers or different unconscious assumptions about non-verbal communication rules. Despite that, business benefits of diversity are much greater than potential problems. For example: „access to different perspectives and sources of knowledge, a greater understanding of diverse groups (...)” or „better team outcomes on creative and problem-solving tasks” (Anderson and Metcalf, 2003, p. 29). And diversity of the team, which is wisely managed by the change agent, can be the source of all assets required to achieve the goal.

„Managing diversity is a leadership approach that creates an organisational culture that respects diversity and supports multiculturalism” (Schermerhorm, 2010, p. 270). Thanks to that, minorities and all organisational members can reach their full potential. It is beneficial for organisations if the leader can „view diversity as a strategic imperatives” (Schermerhorm, 2010). This process starts from creating mobility for minorities, and then there is the phase of building relationships with respect for diversity and the last part of the process is managing diversity, which means that we want to achieve full utilization of diverse human resources (Schermerhorm, 2010).

Ernst & Young suggest building diverse leadership teams with strong global experience as a part of global expansion strategies of companies. And in reverse: „Multinationals from developing economies are increasingly looking to inject foreign talent into their leadership teams to help support their regional and global growth ambitions, says Ernst & Young's Nigel Knight” (www.ey.com). They are stating, on the basis of their survey, that respondents can see the link between diversity and reputation or financial performance (www.ey.com).

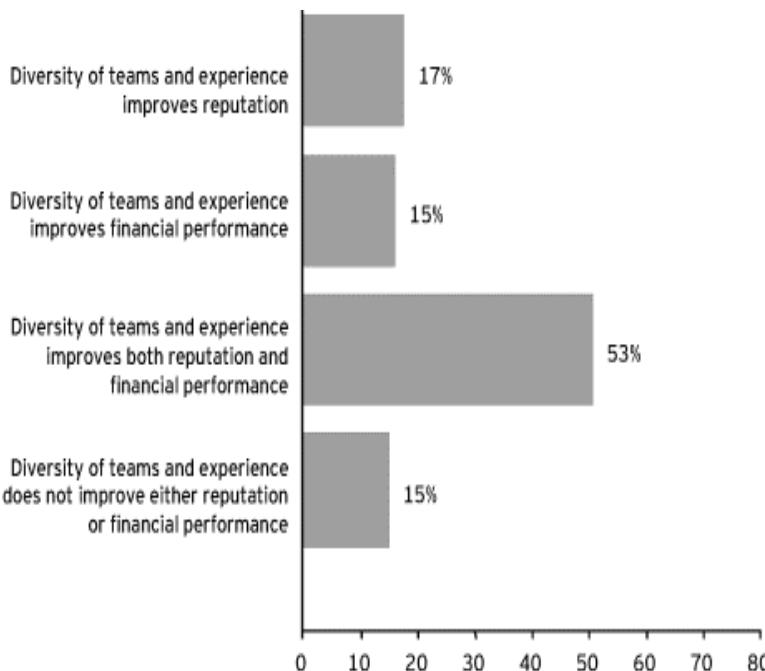


Figure 14.3. Globalization Survey 2010, Q: Which of the following statements best describes your assessment of the link between diversity and reputation/financial performance?

Source: <http://www.ey.com/GL/en/Issues/Business-environment/Winning-in-a-polycentric-world--globalization-and-the-changing-world-of-business---4--Diverse-leadership-teams>.

The communication field is another important subject in multicultural organizations, especially if their employees are people talking different languages, which is very common in a global business environment. The official language is then the language of the representatives of top management/owners, so leaders are mostly chosen as a speaking the same language as these groups. But if there is a subsidiary in different country, people employed there, are going to use their native language, so then the organisation has two or more languages and mixed culture from the starting point. In multicultural organisations we can expect to see a lot of different cultures and languages. With this variety of different native languages, even with one standard business language in written and oral communication, there are still a lot of possibilities to make mistakes, misunderstandings or having other obstacles in leading a proper and efficient communication.

„Communicating skilfully and genuinely is the mark of a successful leader. It's part technique and part integrity” (Deeprose, 2001, p. 158). There is the need to listen more than talking, and when we have to face

the variety of languages there is a higher importance of well-interpreted non-verbal communication signals.

These non-verbal signals can come from: body language, eye contact, facial expression or voice tone, and they have to match the cultural background of the partners of the communication process. It is even more important to focus on non-verbal signals than verbal ones, because according to Albert Mehrabian's experiment, we are influenced mostly by non-verbal communication. A. Mehrabian estimated that the influence of verbal words used in face-to-face communication is only 7%, whereas the influence of the tone of voice – 38% and body language like gestures, facial expressions, eye gaze etc. – 55%.

Impact of Communication

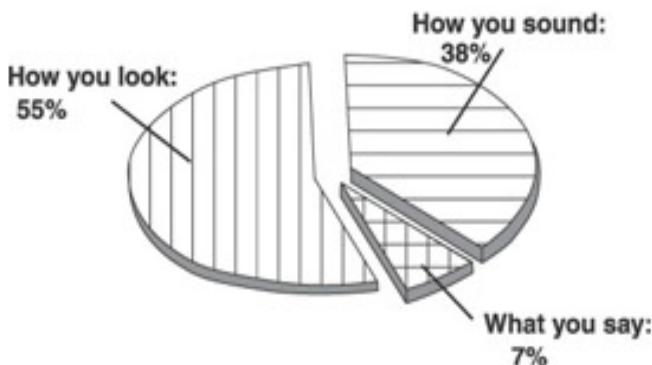


Figure 14.4. The Visual Impact of Communication, adapted from Nonverbal Communication by Albert Mehrabian (1972)

Source: http://westsidetoastmasters.com/resources/talk_your_way/lib0009.html.

Another technique is to write an email or report on the key conversation to sum up what was said and to confirm that everybody understand the topic in the same way. Some people are better in oral communication, another in the written one, in native as well as in foreign language. And there is still a lot of misunderstandings in native language as well, so what can we say when we are using a few different languages? Misunderstandings are highly likely to happen. So it is required to write the main conclusions from our discussion so we can reconfirm what we agreed in our conversation. Thanks to that we have two different ways to receive and understand the information – oral and written.

The next powerful tool is visualisation, sometimes called visual communication or visual control, which are different phenomena, but they all are applying to using symbols, graphics, drawings or models to be efficient in communication, especially when language can be a problem. So, the secret of efficiency is not about using words, but it is more about using pictures, which represent them.

Visualization can be done with the use of pen and paper or through electronic media. It is called as visual thinking, based on the current theories of visual perception (compare: Tergan and Keller, 2005, p. 13). Visualization is the visual representation of abstract data, information, process description, problem solving etc. By organisational visualisation I mean using pictures instead of the words to present or explain something to the others. Visualization of data for example can be done through mind maps, which are defined as diagrams to visually outline information (<http://en.wikipedia.org/wiki/Mindmap>). It is a pictorial method with a long-time history in: learning, brainstorming, memory, visual thinking or problem solving. Mind maps can be used to „generate, visualize, structure and classify ideas and as an aid to studying and organizing information, solving problem, making decisions or writing” (<http://en.wikipedia.org/wiki/Mindmap>). Another example of visualisation is the milestone plan, which is a great tool to manage complexity and diversity as well as a process of change (Reiss, 2012, p. 130).

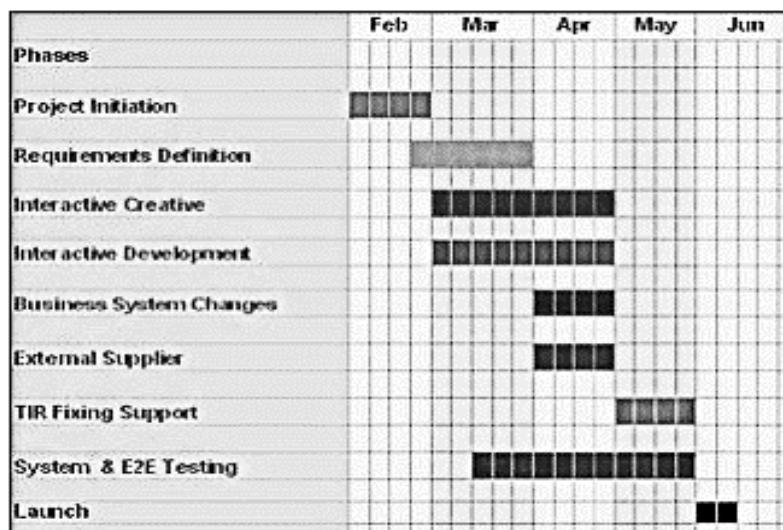


Figure 14.5. Example of milestone plan – Project Management Milestone Plan

Source: <http://www.my-project-management-expert.com/creating-a-project-plan-2.html>.

Visual communication can be characterised as a „communication through visual aid and is described as the conveyance of ideas and information in forms that can be read or looked up. Visual communication relies on vision, and is primarily presented or expressed with two-dimensional images, which includes: signs, typography, drawing, graphic design, illustration, colour and electronic resources. It also explores the idea that a visual message accompanying text has a greater power to inform, educate or persuade a person or audience. (...). Visual communication takes place through pictures, graphs and charts, as well as through signs, signals and symbols. It may be used either independently or as an adjunct to the other methods of communication” (http://en.wikipedia.org/wiki/Visual_communication#cite_ref-0). The types of visual aids can be: objects, models, graphs, maps, tables, photographs, drawing/diagrams or others, which can be presented through such media as: different kinds of boards, hand-outs, video excerpts or computer presentations (http://en.wikipedia.org/wiki/Visual_communication#cite_ref-0).

Visual control is a technique of communication, and it's based on using visual signals instead of text or other written instructions. These signals can be of many forms like: different coloured lines on the shop floor, different coloured clothing, color-coded pipes and wires, lights, boards, *kanban* and *heijunka* boxes (http://en.wikipedia.org/wiki/Visual_control). „Visual control methods aim to increase the efficiency and effectiveness of a process by making the steps in that process more visible. The theory behind visual control is that if something is clearly visible or in plain sight, it is easy to remember and keep at the forefront of the mind. Another aspect of visual control is that everyone is given the same visual cues and so is likely to have the same vantage point. (...) Visual signs and signals communicate information that is needed to make effective decisions. These decisions may be safety oriented or they may give reminders as to what steps should be taken to resolve a problem. (...) Visual controls are designed to make the control and management of a company as simple as possible. This entails making problems, abnormalities, or deviations from standards visible to everyone. When these deviations are visible and apparent to all, corrective action can be taken to immediately correct these problems” (http://en.wikipedia.org/wiki/Visual_control).

Summarising, if we talk about visualization in organisational terms, we are speaking about visual thinking or visual communication or visual control, because there is always the same base, which is about using more pictures than words. Pictures seem to be easier to understand; more universal than any language, simpler and more powerful than words.

Conclusion

The article presents problem of change management in multicultural organizations from the change leader's practical point of view. There are possibilities for external experts to act as effective change agents in culturally diversified environment. Being able to act as a change leader requires great communication skills as well, especially in a multi-language environment. In that case the non-verbal communication techniques can play a major role and we can all appreciate the meaning and the power of simple visualisation, visual communication or visual control, which can help to lead teams along the path of change.

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