Executive Summary

Multi cultural workplaces in multinational enterprises (MNEs) have been found to be the providers of the best team performance levels. Most multinational firms focus on strategies to bring cultural diversity in work teams at multinational workplaces to improve performance. However cultural diversity at MNE workplaces poses new challenges which may relate to friction and discomfort among diverse cultures of different national origins. This calls for management of multicultural workforces by the team managers in ways to reduce such friction, which should improve cultural comfort among team members. In order to do that effectively and to smoothly face day to day cultural glitches of managing such teams, it becomes imperative to understand the structure of cross cultural comfort among team members and also the variables which really define such comfort. As a start, the level of comfort in the current study refers to relative ease and positivity of working among different cultural groups in international teams. Such ease of working and positivity comes from several inherent factors and dimensions which vary from one culture to another. Current study is specially focused on understanding this variation in level of such comfort of local dominant cultural groups with other foreign cultural groups at multinational workplaces. The study identifies the role of different observed and latent factors having a bearing on the variation of ‘level of comfort’. Further the study also identifies certain control variables which significantly impacts this variation and also studies the significance of their effect on level of comfort. As a start author have defined a set of possible control variables such as country, city of residence, income group, age group, education level. However main focus on the study remains on country as the chief control variable.
The study starts with identifying a theoretical framework of level of comfort of local cultures with foreign cultures (CFC) using a plethora of published information available for a set of identified countries. Using this published information as empirical data; author has scored these countries on the CFC with the help of several brainstorming sessions using Delphi technique. From this framework, current study is able to obtain ‘preliminary results’ which indicate that level of comfort with foreign cultures does vary from country to country.

In order to further confirm these findings and to identify the specific observed and latent factors affecting the intra group comfort level, a questionnaire based quantitative study is done first as pilot study and then as a comprehensive study on a set of countries. The research methodology of such study was primarily a three part methodology involving – 1) devising a survey instrument; 2) exploratory factor analysis and 3) a confirmatory factor analysis. The pilot study was done based on responses from 9 countries namely, US, India, China, Brazil, Portugal, Kenya, Sweden, U.K. and Italy shows that level of comfort of local cultures with foreign cultures in MNE work places, varies from country to country. This pilot study also validates the survey instrument (devised using Delphi sessions which also identified observed variables which helped frame a structured set of questions) and helps identify latent variables affecting such comfort level in work teams of multinational firms.

A more comprehensive study with larger sample size (835), done on three countries namely – India, Portugal and Italy further confirms such differences among these three countries. It also helps to verify if these comfort level differences can be assumed as negligible in intra country sub cultures where data from different cities of individual country is analyzed using a sample size of 1265 responses. The study shows that intra country city wise cross cultural comfort does not vary significantly among different cities within each of the three countries.
studied. However there are other control variables like income group, educational level, age group which have significant impact on intra country sub cultural differences.

The study further estimates CFC scores for three country using comprehensive study data, while listing out conclusions and recommendations.