To the Reader

Teams is a term which has become particularly common in the late 90’s. Reorganising functional organisations into process organisations has accelerated the interest in teams. Business is becoming more global and changing, with less already established best practices to fall back on (Hale and Whitlam, 1997). Groups, work groups and teams are to function cross-functionally as well as cross-culturally. Much is known about how groups and teams develop and function, be they managerial-, marketing-, research and development, virtual, or product development teams. A lot less is known about cross-cultural teams and how they work.

The aim of this paper is two folded. PART I (by Marianne Mattsson and Saara Pirskanen) contains a summary of the interviews carried out in the pilot companies that are part of the GECOS-project will be presented. The aim of the interviews were to establish the current state of art of dispersed or virtual team functioning. PART 2 (by Marianne Mattsson) contains a theoretical review of current knowledge and research on different types of cross-cultural work groups and teams will be presented. Issues particular to different types of teams will be discussed. What is to be done in order to enhance the development of cross-cultural teams in the light of existing frameworks and multinational team development process models will further be expanded upon.
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PART I

1. DEVELOPMENT TRENDS

The research and development departments of the pilot companies included in the Gecos project all have in common a growing trend towards working in more and more virtual or dispersed work groups and teams. For some of the pilot companies the emphasis on working as virtual research and development work groups or teams has been an intentional strategic choice, for others a situation in which they have more or less found themselves. All pilot companies expressed a need for further information about how virtual work groups or teams work. This appeared to be not only because there seems to be a global trend in working more or less loosely or tightly nit virtual groups, but because understanding this area can create a real business advantage.

Moving people from one location to another is both costly and filled with its own risks (e.g. how well does the family settle in the new location?). Also, projects are formed at such a rapid pace that it is not realistic to move all the needed competencies to one place. Virtual groups or teams are a way of organising work around tasks not locations. Since this work mode is fairly new, especially for research and development teams it is important to find out which factors enhance or disrupt team functioning in an organisation specific team.

In order to understand issues related to virtual team functioning we have to have an appropriate theoretical framework as well as operational tools that enable closer inspection of the phenomenon. Through the information obtained organisational development and learning can take place. As a member of one of our pilot companies expressed “we need good problems if we are to find good solutions.” There seems to be a need among our pilot companies to get more information relating to the implications of virtual work group or team functioning. Also, there seems to be a call for understanding virtual team development functioning better in order to help teams to cope with the virtual nature of functioning, by for example providing them with appropriate information technology solutions. From a research point of view it is of interest to find out how companies can maximally benefit from the synergy that particularly diverse cross-cultural virtual teams seem to be able to offer (for further detail, refer to Part II of the report).

2. THE NEED FOR OPERATIONAL DEFINITIONS

In order for a phenomenon to be understood it needs to be modelled. By understanding a phenomenon, we refer to those aspects affecting and those affected by the particular phenomenon as well as understanding processes involved. In one of the pilot companies the need was expressed as follows: “Our need is to identify the multinational development processes taking place within our business within the context of customer service.” Process modelling allows companies to break down the phenomenon of virtual team functioning into factors which take into account both the core business processes as well as factors related to
advances in information technology solutions and human behaviour (reflected in levels of motivation and competencies). Also, according to one of the pilot companies confusion exists within the company in understanding what is really meant by the word “team” in their environment. From training programmes and literature there seems to be this trend to form teams in order to be able to benefit from the diversity of different know-how and personalities. Confusion exists in how this notion of a team composition fits their organisation as know-how is highly specialised and there seems to be little possibility in forming teams so that differences in individual capabilities can be acknowledged. Thus, existing general definitions of teams seem to offer very little in understanding team functioning in a particular organisation on an operational level. One of the pilot companies explains how definitions of teams on a general level have given them very little in terms of guidance when it comes to enhance actual team development on a daily basis. Process modelling of virtual team functioning can assist in achieving more understanding about the factors involved in team development on a virtual level.

3. MANAGING VIRTUAL WORK GROUPS OR TEAMS

When managing virtual teams of crucial importance seems to be both the project managers ability to predetermine the course of events and the availability of appropriate measures for following work progress. The success of a project seems to be to a large extent dependent on the ability of the project manager to be able to do accurate specification, knowing the customers process, and the keeping the customer up to date on project progress. If unforeseen situations occur affecting the project plan accurate information to the customer should be delivered as soon as possible. This can only be done if measurements of project progress are there to alert. Delays are easier for project managers to predict when all factors affecting the project plan are known.

Project management is especially demanding when work is carried out across cultural and national boundaries. The biggest challenge seem to be in getting everyone not only to agree on common goals, but to carry out tasks in a way that enhances reaching these goals. This is easier said than done, as one pilot company describes a situation they faced when working with their South European counterpart when specifications were not followed. The answer was always “Yes, yes, no problem” and there may well be a bomb exploding just before the deadline, that no one at the Finnish end was prepared for … It is of utter importance that the virtual team leader is able to bring forward clearly what is expected of the counterpart in accordance with agreed upon work procedures. Due to the virtual nature of the team, it is not possible for the project manager to oversee the work on location. This in turn exemplifies the importance of having some measures of performance to keep track of.

Also, good negotiation skills are essential when dealing with customers as well as when contracting and co-ordinating work within the virtual team itself. Cultural sensitivity is needed in order for the project manager to be able to assess the meaning and importance placed upon the counterparts message. The project manager has to be particularly careful that all essential information, both formal as well as informal is passed on between team members.
4. TECHNICAL SOLUTIONS

There is a need for the pilot companies to be able to work together as virtual teams. However, the technology solutions available to assist this type of communication and work is not reliable enough. There seems to be a multitude of "small" problems that are difficult to trace and hinder the flow of work on a daily basis. For example, there may be difficulties for a member of a work team to log-in or the system may collapse during a working session. What makes this issue particularly difficult is that in most cases the problem remains unsolved and it is not know what caused it.

5. COMPETENCIES

The pilot companies expressed a need for a structured way to gather and manage information related to competencies for more effective use of resource allocation. Now most of the information is available to project leaders, but they have not been recorded down in any systematic way. Knowledge is mainly kept in the memory of the project leaders and is based upon one person getting to know the work of the other over the years.

In the future, it can be assumed that working in a virtual team requires special professional know-how and behaviour related competencies. Some examples of important competencies within research and developments units were mentioned in the interviews:

- an ability to understand the business at large
- an ability to work together with people from different countries and cultures
- an ability to utilise current technical solutions in the best possible way
- an ability to communicate both face-to-face and through information technology
- flexibility
- innovative approaches to problem solution
- an ability to understand the process of communication within ones own organisation
- an ability to take risks and work in unfamiliar situations

One pilot company, also mentioned the need for the company to have at their disposal a competence assessment method which would be more powerful in predicting work performance than currently used methods.
6. TOPICS FOR VIRTUAL TEAM RESEARCH

In Table 1 a summary is presented of the possible future topics for virtual team research based upon the interviews of the pilot companies. Included are those topics that cover different areas of work psychology.

<table>
<thead>
<tr>
<th>Research Area</th>
<th>Research Topic</th>
<th>Pilot Company Information to be Gained</th>
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<tbody>
<tr>
<td>Communication</td>
<td>Development of an Effective System of Communication for Virtual Teams</td>
<td>Situation specific effective modes of communication</td>
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<td>Compensation</td>
<td>Pay and Benefits in Relation to Virtual Team Management</td>
<td>Effects of current compensation system on work motivation and quality of work</td>
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<td>Competencies</td>
<td>Defining Competencies</td>
<td>Defining critical core competencies needed on an organisational, team, and individual level.</td>
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<td>Compeence Assessment</td>
<td>Competencies needed for functioning in a virtual team</td>
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<td>Building a competence map giving information about current existing competencies</td>
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<td>Implementation of New</td>
<td>Competence Needs Analysis</td>
<td>Information about educational and recruitment needs</td>
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<td>Information Technology</td>
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<tr>
<td>Organisational Change</td>
<td>Implementing Organisational Change</td>
<td>Factors enhancing and stunting organisational change; operationalise organisational change</td>
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<tr>
<td>Processes</td>
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<tr>
<td>Virtual Team Development</td>
<td>Virtual Team Process Modelling</td>
<td>Factors specific to virtual and cross-cultural team functioning</td>
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<td></td>
<td>Defining the Boundaries of the Virtual Team</td>
<td>Who is included (customer, out-sourced work force?) and who should be included</td>
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<td></td>
<td>Group Cohesion in Virtual Teams</td>
<td>Factors enhancing or promoting virtual team development</td>
</tr>
<tr>
<td>Work Stress</td>
<td>Work Stress Assessment</td>
<td>Information about work stress related factors particular to virtual team functioning.</td>
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PART II

1. INTRODUCTION

Current Trends in Business

The current trend towards globalisation and cross-cultural encounters is becoming a part of daily business. People from different national backgrounds are joined together in work groups and teams in order to get things done across geographical boundaries (Hambrick et al., 1998). Organisations are reaching out to conquer the world markets aiming at the best resources available, the ultimate goal being a strategic advantage in producing value for customers. This brings many challenges to the corporate world and as Moss-Kanter already in 1989 visioned the future trends depend on how “giants learn to dance”. It is good to keep in mind, however, that not only corporate giants are moving towards multinational business environments. Most middle-sized companies have turned their looks outwards in order to survive in the more and more internationally turning rat race of commercial business. Wider areas of business are enlarging to international markets which in turn puts new demands on not only strategic choices, but also on how organisations are to be structured to better meet these new demands. With trends of business becoming more global the people who are to make things happen are moving closer into contact with colleagues, partners and customers from different parts of the world. As a reaction to the rapid expansion of global business local perspectives on business are also being highlighted. Terms such as globalization and taking into consideration the “glocal” (Hall and Whitlam, 1977) aspect of business have been coined to emphasise the importance of being able to cope with the demands of international business without undermining the power of the local labour and market potential.

Groups and Teams in a Cross-Cultural Context

As organisations are becoming flatter, team-management has come up as a viable alternative in organisational development. Some specialists claim that concentrating on the development of teams distinguished by high performance results is the only successful way in order to secure an advantage in toughening business pressures. Team is a term which has become familiar in the -90s. Moving from functional organisations to organisations that are structured around processes in has accelerated the interest in groups and teams. The literature on teams is overwhelming, both in the amount of popular literature as well as academic research. A great deal is known about how teams develop and function. A lot less is known about cross-cultural teams and how they work and how they should be trained.

Groups and teams are powerful ways to organise people around performance goals (Katzenbach, 1993). Individual contributions will never match the combined performance in a real team. Usually, the need to form a team arises from the need either to get things done.
more efficiently, faster, better or at all. This places responsibility on corporate management to lay out clearly the purpose and goals of an assignment by a team to be carried out. Creating the needed sense of urgency to make things happen and to happen on schedule is an art of management skills in itself. If corporate needs are expressed without creating a sense of urgency, the job may not be considered important enough to battle for (Kotter, 1996). Creating teams without a significant job to be done is pointless. The price to pay for teams without goals may be at worst to retard performance below what each individual could accomplish alone. There exists research, however, which critically look at the effectiveness of teams over time. For example McGrath and O’Connor (1996) has observed that whether assessing the effectiveness of Quality Circles or Self-Managing Teams, performance seem to decline after a period of time. When future scenarios are visioned (see for example, Hale and Whitlam., 1998, p. 8) it appears that in the future the team will be the most likely working unit within the organization.

The Need for Cross-Cultural Teams

There is an acute need to enlarge our understanding of teamwork at the cross-cultural level, particularly from the European perspective. Firstly, in order to understand cross-cultural teams we have to be familiar with the team development process in itself. Why choose teamwork? How do we make teams to come about? What do we know about managing teams cross-culturally? And how are we to train cross-cultural team trainers? Secondly, we have to appreciate the uniqueness of each existing team. There are no two teams alike and team compositions cannot be duplicated. Teams do not become teams just because they are called teams. In fact, teams are not even worth pursuing unless they add something to company performance. Teams work only when the people in it get together and make them work. Thirdly, multicultural teams are characterised by features unique to the cross-cultural context in which they function (Skromme et al, 1997), regardless whether they be managerial, marketing, research and development, virtual, product development, production teams or a combination of the above.
Work Group

In considering definitions to be used for describing cross-cultural work groups the one by Guzzo (1996) will be used as a base for discussion. His definition is derived from a combination earlier works (Alderfer, 1997; Hackman, 1987; both cited in Guzzo, 1996) and encompasses all the essential concepts in understanding work group functioning. The reason why this definition is chosen to be appropriate in this context is because it is important to consider the concept of work group in its wider application, so that the concept of team may be extrapolated as representing one form of work group.

According to Guzzo’s (1996, p.8) definition work groups the following attributes are to be present concurrently:

- They are social entities embedded in larger social systems (i.e. organisations).
- They perform one or more tasks relevant to their organisation’s mission.
- Their task performance has consequences that affect others inside or outside the organisation.
- They are made up of individuals whose work roles require them to be, to some appreciable degree, interdependent.
- They have membership that is identifiable not only to those in the group but also to those outside it.

Team

According to Katchenbach and Smith (1993, p.45) “a (real) team is a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable”. Culture has been defined as “the collective programming of the mind, which distinguish the members of one human group from another (Hofstede, 1980, p.21). This distinguishing factor is further expanded upon in the following statement: “Although, in cross-cultural teams national, professional, corporate, and functional types of cultures are blended it may still be acknowledged that each of these have their own set of rules for the creation, transmission, storage and processing of internally defined critical information (Duffy, 1997, p. 122)”.

A Model of Team Basics

Katzenbach an Smiths (1993) model on team basics (Fig. 1) has been widely used in the literature on teams. This model offers a presentation the basic elements of teams and the central issues of team foundation. The model is useful, in particular when the development of the “high performance” team is a priority.
According to this model teams have to focus their direction on performance results. As earlier noted it is the task of management to set the purpose and goals - teamwork per se gives no added value to the organisation. Because it is both motivating for team members as well as important to follow up, the progress of a team performance goals should be measurable. The responsibility for personal growth is on the individual, seeking out information, learning from and with colleagues, and developing new skills in order to enhance performance of the group as a whole. In teams there is an emphasis on measuring the collective work products instead of focusing only on individual performance. For a team to function optimally the following are criteria are also to be taken into consideration: team member skills, accountability and commitment:

**Team member skills** can be divided up in the skills that are needed for problem solving, technical and functional skills, and interpersonal skills. Most studies show that it is not necessary to master all of them completely if the ability to learn them exists. Working in a real team inevitably leads to the development of skills in all three areas mentioned.

**Accountability** refers to the team’s sense of being responsible together for the end result of the team. No single individual can take the credit for success or failure alone. When things go wrong, the team looks within itself for reasons as opposed to blaming organisational structures or other obstacles. Team members feel that they are all “in the same boat”

**The necessity of commitment** to a common purpose should not be undermined. Commitment means sticking together and solving problems when things get tough. It means flexibility, long hours of work, and commitment to each other. Without commitment there is no team.

**Cross-Cultural Work Group or Team**

A cross-cultural work group or team is one in which variety in terms of cultural and national origins exist in addition to those inherent in definitions of work groups and teams. Persons from different cultures are likely to differ in the “mental programs” that they possess as a
result of the socialisation process (collective level) they have been exposed to, as well, a combination of genetic programming (universal level, e.g. physical reactions to fearful situations) and individual traits or characteristics (individual level) (Fig. 2). The aspect of mental programming which is explained by nationality and culture is what is referred to when talking about cross-cultural differences (Hofstede, 1980).

Figure 2. Three Levels of Uniqueness in Human Mental Programming (Hofstede, 1980, p.8).
2. Types of Work Groups and Teams

In the literature on work groups several different theoretical models to distinguish between different types of groups and teams have been identified. The notion of groups and teams has grown a vast body of research from the 1930’s onwards. Approaching cross-cultural teams of the 21st century is becoming more and more common (Hambrick et al., 1998). According to the International Migration Review and International Journal of Intercultural Relations (cited in Moghaddam, 1997) there is a world wide shift towards a “global village”.

In order to understand some of the issues particular to cross-cultural teams a few concepts in the development of models of group functioning and teams are important to be familiar with. In the cross-cultural context different names such as cross-cultural work groups, multinational teams and task groups, and internationalists seem to be used somewhat interchangeably.

Groups and teams have been differentiated according to the following seven dimensions:

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<td>Formality</td>
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<td>2.</td>
<td>Work Mode</td>
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<td>3.</td>
<td>Function</td>
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<td>4.</td>
<td>Self-governance</td>
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<td>5.</td>
<td>Competency</td>
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<td>6.</td>
<td>Temporality</td>
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<td>7.</td>
<td>Geographical Location</td>
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1. The Formal and Informal Group

A distinction is usually made between formal and informal groups. According to Buchanan and Huczynski (1997, p. 190), formal groups “are those groups in an organisation which have been consciously created to accomplish the organisation’s collective purpose. The formal group functions are the tasks which are assigned to it, and for which it is officially held responsible”. The formal group structure is visualised in an organisational chart, from which it is clear to see who is responsible for which division or group as well as the formal chain of command. Our knowledge of the informal organisation tells us much more about how things are actually done and decided upon within a company. Informal leaders and influential opinion holders may be the most important ones to identify, because they can influence what is going to be done, which policy is going to be adhered to and during what time span. This especially in the case when managing change and action in a cross-cultural organisation these informal channels of information are essential to identify, in order to get things done efficiently (Moghaddam, 1997).
2. Work Mode

Work groups and teams can be differentiated according to the work mode in which they are engaged. For example, a group working as a work group differs from that striving to work as a tightly nit high performance team (Katzenbach, 1983).

3. The Function of the Work Group or Team

Another way to look at teams is by classifying them, as Lawler & Cohen (1992) have done according to function. Using this differentiation system, the following types of teams have been identified: work teams, parallel teams, and project teams. Work teams are usually put together to produce a particular service or to manufacture certain components. Parallel teams are those that function at concurrently with the “main” team providing it with a support functions. An example would be a human resources team assisting the existing team with a recruitment process. The third type of team is the project team characterised by the notion of a clear task with a beginning and an end. A project team may be put together to plan for example the implementation of a new logistics programme in a factory, for instance.

4. Self Governing Work Groups and Teams

One way of distinguishing between different work groups and teams is too look at the amount of independence that is allowed for in applying working methods, schedules, and decision making. Cascio (1995, cited in Moghaddam, 1997) lists a number of names that these teams have been designed in different organisational settings: autonomous work groups, process teams, and self-managing work team. Moghaddam (1997) argues that these self governing teams are still embedded in the hierarchical structure of the organisation in which they exist. The culturally dependent differences are reflected in how “independently” teams actually work as cultural differences in regards to authority relations are rather stable and do not seem to change as a function of time.

5. Multiskilled or Complementary Teams

One way of distinguishing between types of groups is whether they are multiskilled or complementary. Multiskilled teams are composed of members that have a large variety of skills. Employees can take turns at doing each others jobs and job rotation is one method of increasing skills in complementary teams, on the other hand, members complement each others know-how. An example would be a university research team consisting of work psychologists, engineers, soft ware programmers, and translators.

6. Temporal Dimensions of Teams

Team vary both according to the types of tasks they carry out, as well as, for the amount of time the team is intended to work together. Fisher (1994, cited in Vartiainen et al. (1998, p. 3) has divided up team into four different categories: natural work teams, cross-functional teams, small projects teams and special purpose teams.
"(1) Natural work teams are individuals that form around normal work processes and work regularly together in the same organisational unit, for example, assembly groups or insurance handling groups.
(2) Cross-functional teams are organisational units with an ongoing purpose that crosses multiple organisational boundaries, for example, safety teams that have representatives from different departments.
(3) Small project teams are a temporary collection of people formed to work on a particular task until it is completed, for example, a group creating a personnel development plan.
(4) Special purpose teams also disband upon the completion of the task. The scope of their task is bigger than that of small project teams, for example, new product development."

7. Geographically Dispersed Work Groups or Teams

In order to adapt to rapidly changing nature of business and to allow for fast responses to new opportunities company employees are working together in teams that may be spread across geographical locations in what one may call virtual organisation (Hale and Whitlam, 1997, p.1). The trend is towards organisational management having to more and more be able to manage virtual individuals, groups and teams (Oravec, 1996). A virtual team may consist of a product development team working together through a computer-generated environment in different locations. The boundaries of a virtual team are not as clearly defined as those in the more traditionally hierarchical organisation, and may include customers and out-source labour as well as collaboration with members of educational and government institutions. (Hedberg, et al., 1994). Words used as synonyms for virtual organisations are dispersed organisations, distributed organisations, network organisations and telework (Jackson and van der Wielen, 1998)

Communication, trust and integrity arise as especially noteworthy issues to be considered when talking about virtual teams and their ability to function (Hale and Whitlam, 1997). Building trust is a many faceted process, where each of the subparts of the virtual system has to be addressed on its own, but which can be monitored and is not out of the boundaries of control (Brigham & Corbett, 1996.) As Suomi et al. (1996, p.499) states “Without any major misconception, we can assume that virtual work arrangements, which include telework by definition, are based not only on intensive use of information and communications technology but also on innovative organisation of work, new perceptions of management culture, and effective use of human intellect.”

The role of communication technology is essential for virtual teams to be able to communicate since face-to-face meetings are more difficult and costly to arrange for the dispersed or virtual team. The most common groupware or “software for groups of workers” (Dvorak, 1988, p.71) used today is Lotus Notes (Oravec, 1996). These types of interactive computer systems tend to rely heavily on semantics and can usually be accessed both synchronously and asynchronously (Jones 1996, cited in Duffy, 1997).

O’Hara-Deveraux and Johansen (1994, in Duffy. 1997) has extrapolated the following five different factors that enable the comparison of cultural diversity in virtual environments: language, context, equality, power, and information flow. Duffy (1997) has included the factor of self-representation to this list when addressing issues of pertaining to cross-cultural crisis action teams in virtual space. Resistance to use available groupware usually pertains to security
risks in handling sensitive material and the fear of it getting in the wrong hands, who is to access the system, and matters related to privacy (Oravec, 1996).

3. Typical Examples of Cross-Cultural Work Groups and Teams

Below will be listed a discussion of different types of teams or work groups usually referred to in the everyday language of organisations. It is common to talk about production teams, management teams, and so on. Each type has some characteristics of its own, as well as a unique cross-cultural aspect. One very important aspect to note is the fact that some cross-cultural teams function just like any other (or no other) mono-cultural team. It is a problem, however, when cross-cultural teams do not achieve what they are supposed to. It is then we need the knowledge of how to deal with teams in a cross-cultural environment. In order to understand what might possibly have gone wrong we need to look at the disparities between well functioning and disruptively functioning cross-cultural teams.

Management Team

According to Maznevski and Peterson (1997), management teams are becoming increasingly cross-cultural and therefore allow for a wider spectrum of problem solving orientations in a global business environment. These authors refer to the management teams as “multi-national executive teams”. The challenge of the cross-cultural management team is to find a way to build up a valid representation of the business situation. From the fragmented pieces of information each manager within the group offers through his/her cultural lens an effective consensus of what the actual problem to be acted upon is. This may not be an easy task to do. However, the key to successful answers lies in two things. Firstly, in the groups’ ability to recognise the situations in which cross-cultural differences play a particularly big part in social interactions. Secondly, in the degree to which team-members are able to recognise differences in dealing with issues and learning from each other (Maznevski and Peterson, 1997).

The following anecdote describes the types of issues management teams have to overcome in order to function effectively (From Moran, Kersche, Rosier & Wagner, with permission cited in Smith and Noakes, 1996, p. 490)

“The European management team of EUROSYS”

EUROSYS, the Association of European Office Systems Wholesalers, is a coalition of eight national market leader companies from Switzerland, UK, Denmark, Germany, Greece, Turkey, Spain and the Netherlands. The aim of the coalition is to enhance members’ profitability on an international level by sharing information and management expertise.

The management team encountered several difficulties. Initially, they used simultaneous translators to communicate with one another, but this was found to hinder discussion and communication. The shift to English as the team’s official language proved equally problematic, due to the variance in language competency. The key cross-cultural issues for the group concerned national differences in management style, relationships between the older and younger members of the team, and between the companies, owners and managers.

The underlying problem facing team members was their resistance to sacrificing national independence in order to achieve international cooperation. At the same time there was some agreement that there
was a need for greater co-operation and that the conflicting styles were obstacles. An international management consultant was asked to conduct a series of interventions to enhance collaboration. The intervention enabled the majority of members to see the futility of attempting to change one another and enabled the team to use their energies instead to work more effectively toward joint goals.

Research and Development Team

The success of research and development teams are based upon how well new innovations are developed for existing markets. According to Shane (1997) studies on the innovation process seem to support the notion that innovations rarely happen without inclusion of a “champion.” A champion in this context refers to a person who takes on the task to actively bring forward the innovation, through persistent promotion. Shane himself carried out a large scale survey across 32 countries, focusing on organisations in financial services, electronics, consumer product, chemicals, and insurance (Table 1). Four questions related to championing innovations concerning work outside company rules, appeal to the organisation as a whole, close monitoring of the innovation process and equal treatment of innovation team members.

Table 1. Championing Preference Scale for some European Countries (Shane, 1997, p. 298)

<table>
<thead>
<tr>
<th>Country</th>
<th>Work outside the rules</th>
<th>Appeal to the organization as a whole</th>
<th>Closely monitor the innovation process</th>
<th>Treat all members of the innovation team as equals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Denmark</td>
<td>Medium</td>
<td>Medium</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Finland</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>France</td>
<td>High</td>
<td>Medium</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>Germany</td>
<td>Medium</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Ireland</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Italy</td>
<td>Medium</td>
<td>Low</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Norway</td>
<td>Medium</td>
<td>Low</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Portugal</td>
<td>Low</td>
<td>High</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>Spain</td>
<td>Low</td>
<td>Medium</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Switzerland</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Turkey</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>UK</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>Medium</td>
</tr>
</tbody>
</table>

According to the author (Shane, 1997) this study reflects how culturally different approaches are preferred in relation to innovation processes across countries. For example, when comparing German and French managers’ perceptions on how innovation process should be monitored differs substantially. According to the French and Portuguese the “champion’s” primary job is to get the acceptance of budget and higher authorities one step at the time, as the innovation develops and discourage subordinates to move ahead on their own initiative before approval has been give. In many other European countries such as Germany, Switzerland and Germany the close monitoring of an innovation process is considered inappropriate.
Additionally Shane (1997) made the observation that cultural values override factors such as corporate culture, industry, gender, level of education, functional area, age, length of work experience.

Production Team

Production teams usually consist of teams, rather stable over time where their task is to produce something, either as part of a production process or in charge of the process as a whole. Production teams are most likely to be find in industries where something needs to be put together and shipped forward. Usually, production teams vary in the amount of self governance and responsibility over the production process given to team members.
4. Group and Team Development

Group and Team Development Stages

At the end of this section an introduction to the multinational team development model will be made. In this model the term multinational is interchangeable with the term cross-cultural. Since this introduction of the multinational builds upon earlier research and theories, some general knowledge about the theories related to group and team development is useful.

Tuckman and Jensen (1977) have suggested that groups go through different stages in their development, which are quite clearly distinguishable from each other. These five stages are called forming, storming, norming, performing and adjourning. The first stage is referred to as forming and at this stage group members are not quite clear of personal relations and roles in relation to each other. The leaders’ position is usually looked for guidance in reaching a goal. The second stage called storming is characterised by confusion and role finding. There may be tension, hostility and a battle for the leadership position. The third stage, norming refers to a stage in which the group is in a state of momentary calmness, conforming to existing norms that have been formed within the group. At this stage, trust has usually been established between team members and co-operation exist. The group has settled on a leader and the group is ready to move on wards. The fourth stage, performing is one in which the group has clear goals, roles, and set rules and is ready to give perform results. The fifth stage, adjourning refers to the point at which the group has completed its mission and is to be dissolved. This stage is characterised by a certain amount of sadness and appraisal of work carried out.

According to the Katzenbach and Smith (1993) team development model the aim of the team is to develop into the “high performance” team characterised by outstanding performance (Fig. 3) Most teams which work satisfactory are “real teams”. Both types of teams are included in Tuckman & Jensens (1977) group stage four, performing.
Stage 1. Working group

The working group is characterised by a group of people who work together but are individually responsible for their results. Especially board members often function this way. Executives have their own areas of special responsibility (financial, production, marketing) and common things that are decided upon. There is a clear distinction to be made between work groups and teams, though there is a tendency for organisations to refer to teams when they are actually referring to work groups.

Stage 2. Pseudo-team

Pseudo-teams are the horror of all organisations. They are referred to as teams, but they fill none of the criteria. Without a clear purpose they don’t get much done and when a purpose exists the lack of commitment kills the rest of the doing. They spread around them bad morale and they cost the organisation large amounts of money, in terms of lost time due to inefficient meetings or overly bureaucratic procedures. High performance organisations and pseudo-teams are teams as far apart as possibly could be.

Stage 3. Potential team

The potential team is the team that hasn’t yet realised its full potential and usually exhibits some degree of confusion and finding ways to work together. It is usually a very critical stage in team development - a sink or swim situation in which the team faces the major obstacles to be overcome in order to be able to perform. It is common that the potential team faces
confusion as team roles may be forming or changing. The potentially delicate situations are easy to give rise to conflict between team members. Constructive conflict resolution is likely to strengthen the team and give it the extra push in its development as a well-functioning.

Stage 4. Real team

The real team, is the one we in the definition of teams refer to. Real teams are characterised by the right number of members with complimentary skills aimed at a common purpose, having decided upon a common way to work. Work is meaningful and group members can depend upon each other. Work is distributed in somewhat equal amounts among team members.

Stage 5. High performance team

High performance teams are characterised by outstanding performance results. These teams may exist at any level in the organisation and they usually tend to display an extraordinary amount commitment, not only to the common purpose, but also expressed towards each other. High performance teams are a rare luxury and highly valuable intangible asset (Sveiby & Mellander, 1994 for any company. The dilemma of high-performance teams is, that they can hardly be trained to their high performance. Leadership is usually shared and the bond between members is beyond reach of traditional ways of training.

Multinational Team Development Model

The multinational team development model (Fig. 4) by Smith and Noakes (1996) is based upon the Tuckman and Jensen (1996) and issue regarding the temporal development of groups according to McGrath & O’Connor (1996). The model is composed around four different dimensions. The first is the Formation dimension in which group development has been divided into four different distinguishable phases. Phase 1 is concerned with Establishing fit between the members of the team. Phase 2 is occurring when team members have come to agree upon tasks and procedures. Phase 3 is marked by an increased association between individuals which surpasses stereotypic notions of members from different cultures. Phase 4 is attained when team members work together with a notion of participative safety, where by there has been attained a sufficient amount of mutual trust and understanding for members to express their views as respected and valued members of the team, independent cultural origin. Three dimensions associated with critical issues such as: key processes the whole team has to deal with, outcome likely to predominate, and the level of involvement of the team member (individual-dyadic-team) has been included for each phase.

The reason why Smith and Noakes (1996) have preferred to give their stages of development (Fig. 4) different names to those used by Tuckman and Jensen (1977) is “because although there may be some universality to the themes which emerge in teams, these themes will be handled differently depending upon cultural values”(p. 488).
A more detailed account of the different development stages in relation to phases, key processes, outcome, and level will be discussed below.

**Phase 1 Establishing Fit**

As in the models of Tuckman and Jensen (1977) and Katzenbach and Smith (1993) the beginning phase of team development is the most sensitive and difficult to overcome. According to Smith and Noakes (1996) the individuals who are to work together have very little knowledge about each other and make their assumptions on a first impression, which often can be highly stereotypically loaded will most likely be involved with the key process of resolving these matters (stereotyping, task vs. person orientation and attitudes towards time). At this phase some level trust has to develop between members and the key processes are
related to solving issues regarding: which language to use (language orientation); and coming to terms with the fact that people from different cultures tend behave and react in different ways from those one is used and that the situation may appear ambiguous (culture shock, high levels of ambiguity). The way in which persons from different cultures go about to establish and maintain trust varies culturally.

In terms of expected outcome it can be assumed that there occurs development of interpersonal knowledge, as issues outlined in the key processes have been resolved. The level at which the processing take place is primarily individual, as the person has to reflect upon his/her own notions of others. Other issues surfacing at this stage are dealing with differences in value orientation.

**Phase 2 Tasks and Procedures**

During this the second phase of group development, the team is to agree upon common tasks and procedures. In a cross-cultural work environment a particular need for clarity is present. As in Katzenbach and Smiths' (1993) work group stages procedures relating to meeting scheduling and mode of working together are be established. Cross-Cultural expectations differ depending on the country of origin of participants. In highly individualistic countries members expect that each will contribute through open discussion, whilst in high power distant countries such as France it is assumed that speeches and opinions are formed before getting together (Smith and Noakes, 1996).

The key processes that need to be considered are hierarchy/group rules and issues regarding leadership directive behaviour. Also differences in cultures on the prioritising of short vs. long term plans in decision making become relevant. Evaluative issues relating to selection, appraisal and promotion need to be agreed upon. In some countries seniority, age, and status rank higher than competence for the task at hand. The outcome for a successfully handled phase 2 should thus be task orientation. The level at which key processes occur are mainly individual, as each member of the team has to adjust and commit to common procedures.

**Phase 3 Associations Between Individuals**

Phase three in the multinational team development model is concerned with those social bonds and interactions that take place within the developing team. It is common that those members who find each other alike, are more drawn to each other than those that find each other very different, these similarities being easily based on nationality and perceived cultural closeness. Aspects of ethnocentric behaviour may be present, with culturally polarised opinions. Apart from the key process of subgroupings based on nationality to be resolved are also deeper development of trust. Another key processes to be dealt with is that of role vs. individual responsibility. According to Smith and Noakes (1996) these processes take mainly place at the dyadic level and the outcome of phase three is the development of rules.

**Phase 4 Participative Safety**

The development phase four of participative safety has been achieved when the team has been formed and functions effectively. Many of the problems of team development has been
resolved on a cross-cultural level and the energy of the team can focus on tasks to be performed utilising the benefits of cultural synergy. Key processes take place at the team level and the outcome of team development has been adaptation to the team.

One can say that the team has succeeded in turning differences into strengths when this phase has been reached. According to the authors (Smith and Noakes, 1996) the definite advantage of cultural-teams reaching this point is their greater chance of not falling in the trap of “group think” due to the diversity of view points expressed in an mutually created safe and respectful atmosphere. Group think is a phenomenon in which groups tend to develop the same views and express their approval for a group solution, event though the solution may be totally inappropriate (Janis, 1982).

5. **Empirical Research on Cross-Cultural Work Groups and Teams**

In this section of the paper the intention is to present a framework for the study of cultural issues pertaining to work groups and teams. Implications for cross-cultural research training will be drawn on the basis of empirical studies existing. The focus will be primarily from a European context to the extent that such research is available.

**Central Concepts of Culture**

Earlier on when defining what a cross-cultural work group or team is, Hofstede’s (1980) notion of the individual, collective, and universal dimensions of human behaviour were used as a basis for understanding issues to be considered in studying and dealing with cross-cultural groups. Other authors and researchers of cross-cultural studies have also discussed and expanded upon the cross-cultural phenomenon. A few such concepts will be introduced briefly.

In the cross-cultural research people coming from different cultural and ethnic backgrounds are referred to as having different mindsets (Fisher, 1988; Tung, 1997; Funakawa, 1997). Mindsets include all those concepts related to cultural similarities and differences. The following illustration (Fig. 5) by Funakawa (1997) demonstrates well this differences in mindsets and its bridging. According to him, there is a common ground for all people “human nature”. Each culture has its own Custom, Frame of Reference, Assumed Rules, Beliefs and Values. The visible part of the iceberg is the language and Behaviour/Style of persons communicating with each other. The important part is to show build New Rules upon Shared Strategic Intents that may meet on the Language/Style level.
Globokar (1997) mentions the importance of differentiating between "changeable" and "lasting" behaviours. Manners and habits are examples of the easily changeable matters, whilst behaviours patterns fundamentally related to cultural references are lasting. It is thus the challenge for management to understand how these cultural aspects are present in action in daily work.

Culture can be defined as (Schein, 1992, p. 12) "A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. Schein (1992) explains culture in terms of three different levels (Fig. 6):"
Cultural Differences in Cross-Cultural Research

Between the years 1968 - 1972 Gert Hofstede (1980) carried out his classic survey on cross-cultural differences in 40 different countries in one large multinational company - IBM. The results of the study based upon the questionnaire responses totalling more than 116 000 revealed that there are four consistently distinguishable dimensions on which cultures either differ or are similar. He named this dimensions Power Distance, Uncertainty Avoidance, Individualism, and Masculinity. Hofstede (1980) developed a system by which each country can be given a score on these dimensions.

The dimension of **Power Distance** refers to how much within a society inequality between people is considered to be acceptable. In high power distant countries social status and power exertion by those in higher authority are more easily accepted than in countries were the value on equality is high. In the organisational context hierarchy is unavoidable, there is always someone in charge of the larger issues and those who assert authority at a middle management level. How strongly these hierarchies are reinforced and the distances reflected in boss-subordinate relations appears to be a function of culture. The lesser power distance the more subordinates are involved in decision making.
**Uncertainty Avoidance** refers to the amount of tolerance there is between societies in adapting to ambiguous situations (Hofstede uses the term uncertainty and ambiguous interchangeably). In an organisational context there is a greater tendency to accept authoritarian leaders in cultures where uncertainty is high. Reliance is on norm, rules, rituals, and strictly set codes for behaving for diminishing feelings of anxiousness and dealing with the unknown.

The dimension dealing with issues of regarding working for an individual benefit, as opposed to for a collective good (including one’s organisation, family) has been termed **Individualism**. In an organisational context the amount of individualism or collectivism emphasised in a particular culture has a direct bearing on behaviour. The underlying assumption in a collective culture is that, the collective good is also in the best interest of the individual. The control comes to a larger extent from the surrounding environment to a much higher degree than in individualistic countries where the drive to succeed is more an inner motivational process (see e.g. Maslow, 1954). Central to the dimension of individualism-collectivism is that of “Face” which predominates in particular in the collective Asian countries. The loss of face in front of one’s reference group is an utter source of anxiety and shame (Early and Randell, 1997).

The fourth dimension of **Masculinity** refers in this context to behaviour which is attributed to females and males. Feminine behaviour is characterised by showing emotions, sensitivity, nurturing and caring. Masculine characteristics are those designated to be assertive, forceful, and action centred. Masculinity deals with the extent to which different countries consider behaviour to be natural on a femininity-masculinity axis and is culturally determined.

Below is a presented a categorisation of Hofstede’s (1980) four dimensions on some European countries (Table 2) based upon the work of the Open University (1985, cited in Buchanan & Huczynski, 1997).

*Table 2.* Classification of Some European Countries by Hofstede’s Dimensions (adapted from Open University, 1985, cited in Buchanan & Huczynski, 1997, p. 537).

<table>
<thead>
<tr>
<th>I more developed Latin: Belgium, France, Spain</th>
<th>II less developed Latin: Portugal, Yugoslavia</th>
</tr>
</thead>
<tbody>
<tr>
<td>high power distance</td>
<td>high power distance</td>
</tr>
<tr>
<td>high uncertainty avoidance</td>
<td>high uncertainty avoidance</td>
</tr>
<tr>
<td>high individualism</td>
<td>high individualism</td>
</tr>
<tr>
<td>medium masculinity</td>
<td>whole range of masculinity</td>
</tr>
<tr>
<td>VI Germanic: Austria, Germany, Switzerland, Italy</td>
<td>VIII Nordic: Denmark, Finland, The Netherlands, Norway, Sweden</td>
</tr>
<tr>
<td>lower power distance</td>
<td>low power distance</td>
</tr>
<tr>
<td>high uncertainty avoidance</td>
<td>low to medium uncertainty avoidance</td>
</tr>
<tr>
<td>medium individualism</td>
<td>medium individualism</td>
</tr>
<tr>
<td>high masculinity</td>
<td>low masculinity</td>
</tr>
</tbody>
</table>

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When interpreting the effects of Hofstede’s (1980) dimensions on behaviour it is important to keep the following matter of individual characteristics in mind. Though Table 2 implies that in Portugal and Yugoslavia, people on the average are more individualistic in their approach than individuals from the Nordic countries, this assumption may not hold true on an individual level. In fact some individuals in the Nordic countries may lie far ahead in behaving individualistically than the average Portuguese or Yugoslavian making prior identification of such differences difficult. (Hambrick, et al, 1998)

Globokar (1997, pp.77-78) carried out a study in at a Slovenian car plant in which two workshops were run by French men. When interviewed one of the workshop employees expressed his concern about the situation in which the manager tries to maintain a hierarchical structure, keeping a distance to subordinates as follows

“If the person I’m working for doesn’t convince me that he knows as much as I, if not more, how can he pass on information and tell me what to do? If I can’t share my own knowledge I have no role here. I feel excluded. I have no professional dignity”.

In the successfully run workshop the manager described his own behaviour in the following way:

“Well, you know. I’m not really one for hierarchy. We all work together here, we talk to each other all the time, we pool our knowledge and we have meetings were everyone can say what he or she likes. I let people talk so that they feel part of things”.

One of the key factors in determining the difference between the successful and unsuccessful workshop is the power distance aspect of leadership. The Slovenians have the inclination to view authority as those who are to possess more expertise in the area of knowledge than themselves. Only thus, can the managerial status be achieved. This example illustrates how in one country (France) status is achieved through the hierarchical position in an organisation and in the other through expertise. The notion that France is a high power distance country and Slovenian one with less power distance is reflected in real actions on the workshop level.

**Cross-Cultural Work Behaviour and the Issue of Ethnocentrism**

According to Hambrick et al. (1998, p. 198) nationality is defined as the “country in which an individual spent the majority of his or her formative years. It is a matter of fact that nationality and culture affects individual ways of functioning. According to research observations have been made: Firstly, the effect of nationality on individual behaviour is based upon values, cognition, as well as, demeanours such as eye contact, punctuality, conversational style, interruption patterns, physiological reactions to emotional stimuli (Hambrick et al., 1998, pp. 182-183). Secondly, the impact of cross-cultural team functioning is dependent on how diversity of nationality is taken advantage of within the group. Here, it is notable that the diversity aspect can either enhance a barrier towards achieving group goal, depending on the type of task to be achieve.

Elaboration on types of cross-cultural tasks to be inserted from (Hambrick, et al., 1998, p. 193)
These authors find the notion of nationality more powerful when distinguishing between cultural differences than the notion of ethnicity. Based on nationality cross-cultural distinctions are clearer. Hofstede (1993) whose cultural dimensions were described earlier in the text bases his distinction of cultural differences on nationality.

In some European countries, such as Holland, people are chosen to their positions on the basis of affirmative action policies that have been installed in order to assure a fair representation of minorities in the work force. Studies by Pettigree & Martin (1987, p. 300) have shown that minority workers are apt to encounter the following issues, referred to as the triple jeopardy and the following problems are included:

1. the “normal” prejudice and discrimination that most minority employees face;
2. the strain of the solo role among those minority employees who are the only minority worker in their group; and
3. the token role - the special role that arises when one is an affirmative action candidate

Differences in Relation to Nature, Time, Human Nature, Relationships between People and Mode of Activity

According to Kluckhohn and Strodbeck (1961) there are five dimensions which differ for people across cultures, although several of these may be embedded in the individual. These are in relation to nature, orientation to time, the basic nature of humans, relationships between people and preferred mode of activity. Maznevski and Peterson (1997) has reflected upon how these differences in relations to these five aspects are reflected in cross-cultural work groups and are summarised in Table 3.

<table>
<thead>
<tr>
<th>Orientation</th>
<th>Variation</th>
<th>Assumption</th>
<th>What is Noticed</th>
<th>Sources for Interpretation</th>
<th>Preferred Response</th>
<th>Potential Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relation to nature</td>
<td>Mastery</td>
<td>Control nature and environment</td>
<td>Events implying loss of control</td>
<td>Control procedures, problem-solving experts</td>
<td>Active interventions designed to increase control</td>
<td>Identify and implement potential interventions to improve</td>
</tr>
<tr>
<td>Subjugation</td>
<td>Controlled by nature or supernatural</td>
<td>Unavoidable constraints</td>
<td>Cultural norms, supernatural</td>
<td>No attempt to change the unchangeable, “do one’s best” to address the rest</td>
<td>Prevent wasted effort at attempting to change relatively fixed constraints</td>
<td></td>
</tr>
<tr>
<td>Harmony</td>
<td>Balance relations among elements of environment, including self</td>
<td>Imbalances in organisational systems</td>
<td>Sources with holistic approaches</td>
<td>Restore and maintain harmony and balance</td>
<td>Identify and implement whole system, synergistic approaches</td>
<td></td>
</tr>
<tr>
<td>Time</td>
<td>Past</td>
<td>Respect for past and tradition</td>
<td>Discrepancies with past and tradition</td>
<td>Traditions, stories, records</td>
<td>Consistent with past practice</td>
<td>Identify similarities between past and current situations; learn from the past</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Present</th>
<th>Today's needs most important, also short-term future</th>
<th>Failure to address immediate concerns</th>
<th>Current data, short-term projections</th>
<th>Address immediate criteria, little concern for past or future</th>
<th>Promote sense of urgency, address immediate threats and opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future</td>
<td>Focus on long-term future</td>
<td>Potential long-term applications</td>
<td>Forecasts of trends into future</td>
<td>Sacrifice today for long-term future benefits</td>
<td>Draw attention to events with long-term implications, incorporate into current planning and action</td>
</tr>
</tbody>
</table>

| Nature humans* | Evil | Humans' basic nature is evil, harmful acts are normal and expected | Harmful an untrustworthy behaviour; situations with potential for such behaviour | Those harmed by an action, sources designed to prevent harm (e.g., legal and corporate control systems) | Little or no trust until relationships well established; continual monitoring | Monitor people and behaviour, prevent team/company to be taken advantage of |
| Good | Humans' basic nature is good, harmful acts are anomalies | Helpful and trustworthy behaviour | For harmful events – external situational explanations | Trust, little monitoring | Encourage trusting environment within group; encourage information sharing, non-personal explanations |

| Relationships among people | Individualistic | Responsibility to and for self, immediate family | Will not notice those who do not make themselves noticed explicitly | Topic experts, regardless of group membership or status | Preserve own self-interest first | Expect self and others to contribute fully, uniquely, and in important ways |
| Collectives | Responsible to and for larger group, for example, extended family, peer group | Whether other respect lateral group relations | Sources that would not cause loss of face for anyone | Preserve interests of group, if necessary at expense of own self-interests | Maintain group relations, promote active listening |
| Hierarchical | Unequal distribution of power and responsibility, those higher have power over and responsibility for those lower | Whether deference is offered to senior people, offered by junior people | Supervisors, senior team members, those with high status | Senior members to control group; junior members to obey others in group | Make good use of senior members', supervisors', and outside experts' knowledge and experience |

| Mode of Activity | Doing-achieving | Constantly strive to achieve goals and continually engage in productive work; live to work | Discrepancies between plan and actual | Anything that provides satisfactory, immediate meaning; may skip explicit interpretation | Immediate action to achieve goal as quickly as possible | Set goals, ensure goals are achieved |
| Being-feeling | Do what you want when you want; work to live | Feelings, intuitions at least as much as external events | Own and others' intuitions, feelings; trusted sources | Response that feels right, when time is right | Maintain group relations, draw attention to affective information |
| Thinking-reflecting | Rational, developmental approach; think through everything carefully | Evidence that plans have or not been thought through carefully | Wide variety of sources rationally justified; extensive interpretation | Rational response, may be delayed due to interpretation | Ensure multiple analyses and explanations are considered |

*A third variation is “mixed,” which assumes that humans’ nature is a mixture of good and evil. A fourth variation is “neutral,” which assumes that humans’ is neither good nor evil and behavioural tendencies are determined by the environment. Their implications can be seen as a combination of those outlined for “good” and “evil” here.
Depending on one's own cultural background there are different ways of relating to matters at hand. In a cross-cultural work environment it makes a notable difference in reaction behavior towards a current problem (e.g. sharp turn in sales for a certain product) reflected in the schedule and types of actions depending on which orientation towards nature, time, nature of humans, relationships among people or mode of activity is culturally inherent. (pertaining to important factors in interpersonal relations) Kluckhohn and Strodbeck, 1961; Lane et al., 1997).

The Effects of the Situational Context and Types of Cross-Cultural Task

According to Mazevski and Peters (1997) this can best be understood when we are aware of which social or cultural situations are most likely to give rise to differences. These authors differentiate between situations which are ambiguous and unambiguous. The more ambiguous the situation the more room there is for interpretation and during these circumstances those socialisation processes which persons have mostly been familiar with surface.

To further complicate matters, what is and what is to be interpreted as ambiguous situations is open to interpretation. Cross-cultural diversity is inevitable and organisations wishing to operate on global markets need to identify which type of environment personnel is to work in.

Hambrick et al (1998) has categorised types of tasks existing in multinational working environments as creative, computational and coordinative. According to these authors creative tasks (e.g. product development, market planning, and global strategy) are those mostly benefiting from cultural diversity since different views to problem solving brings forth a diversity in solution possibilities. Computational tasks are restricted to a limited variety of information (e.g. global inventory and logistics planning) and thus it is primarily the task of ensuring that all necessary information is available, rather than cross-cultural problem solving which is of importance. Coordinative tasks which implement already made decisions and strategies are those which benefit the least of cultural diversity, since the emphasis on implementation and execution. Diversity is generally a source of difficulties which are to overcome.

Communication and Language

Communication is an exchange happening between the sender of the message and the receiver of the message. It has been noted that about 30 percent of communication is verbal, the rest being non-verbal (Hall, 1976). Daniel Goleman (1995), the author of the book “Emotional Intelligence” goes as far as to state that 90 percent of our emotions are non-verbally expressed. Intended meanings and interpretations run the risk of being misunderstood, causing conflict and faulty communication.

Axtell (1988) gives an illustration of the differences in meaning attached to different symbolic gestures, and how using these in a different cultural context can cause much frustration and embarrassment. For example, the sign in which a circle is created by forming a circle with the thumb and forefinger with the other fingers splayed upward. In the United States this is indicative of an “OK”, however displayed in France, the same sign indicates “zero” or “worthless”, whilst in Japan the sign it can mean “money”. In countries like Brazil, Russia, and Germany the sign is used to indicate a grave insult.
How messages are sent and received are culturally determined. In high context cultures such as the Mediterranean implicit messages are a much more frequent way of communicating than the Nordic low context countries.

Tung (1993) has applied a five stage model of the process of communication in the inter- and intranational context. The five stages on the continuum are as follows:

1. unconscious incompetence
2. conscious incompetence
3. conscious competence
4. unconscious competence
5. unconscious super-competence

On the one hand there may be the ignorant person who insults another without knowing it (stage 1) to the truly multilingual person who naturally and perfectly switches from one cultural mode to the other like fish in water (stage 5). On this continuum it would be recommendable that the person working in a cross-cultural environment achieve the conscious competence level in communication. According to past research (see for example: Ronen, 1989; Hannigan, 1990; and Kealey, 1996) communication competencies rise as a central factor predictive of success in cross-cultural work environments. To which extent a person can be trained to move from one stage to another in this process of communication will be discussed in section X, Research Implications for Cross-Cultural Team Trainer Training.

Cross-cultural communication in work groups consisting of highly culturally diverse has not yet been fully understood. As Larkey (1996, p. 463) comments “Missing is a comprehensive set of theoretical predictions about important communicative behaviours in work groups with culturally diverse membership.”

**Cross-Cultural Teams and Total Quality Management (TQM)**

According to Thomas (1995, p. 185) “the principal focus of a TQM organisation is to provide goods, services or both that meet or preferably exceed the external (or final) customer’s expectation in terms of functional requirements, value and cost.

Moghaddam (1997) criticises current organisation research procedures, on the basis that although they state that the organisation has to be studied as a whole in order to create a TQM system, much of the TQM research approaches neglect the importance of the informal organisation. This problem is exemplified when we focus on cross-cultural groups as the informal structures exert more power on how things are actually being done, than the formal structure does. This is because cross-cultural influences are usually only taken into account when inefficiencies occur. Instead of focusing on the variety of perspectives of customer satisfaction handling and creating good practices the cross-cultural dimension could contribute to, this variety in perspectives is viewed as something negative and often ignored. Moghaddam (1997) goes as far as to state that the formal organisation increases in importance in relation to increasing cultural diversion.
Issues of Leadership

A multitude of research has been carried in an attempt to establish what a successful leader is. Starting with trait theories (see e.g. McGregor, 1960) of the -60’s a continuing with the popular grid-techniques for conceptualising leadership behaviour. Already in the 1970’s there existed some 300 different models of leadership to choose from (Peltonen, 1990). Though thousand of studies have concerned themselves with issues on leadership, regrettably very few have touched upon the aspect of Cross-Cultural Leadership and no acceptable model or theory of cross-cultural leadership exists. (Bass, 1990).

Katzenbach and Smith (1993) state that in team work the clear set goals of the task to be tackled is even more important to focus on than whether the leadership style of the team leader is autocratic or democratic. Leadership in their view is more dependent upon the development stage of team development. The newly formed team looks for purpose and goal setting from the leader if they are unclear about it themselves. Taking into account the differences in skills and motivational aspects of team members can definitely enhance team performance.

However, cultural aspects of leadership are important to take into consideration. As already mentioned the higher the score on Power Distance in a specific culture, the greater is the need for directions at the work place. Expectations of management behaviour in different countries were studied by Laurent (1986) by asking respondents to mark if they agree on the following statement “It is important for a manager to have at hand precise answers to most of the questions that his subordinates may raise about their work. The countries which least agreed with this statement were United States (13%), Sweden (13%), Netherlands (18%). Those agreed the most with the statement indicating that managers should know most things when asked by subordinates were Japan (77%), Indonesia (67%), Italy (59%) and France (59%). Obviously, such differences have to be taken into account when establishing leadership status in the country concerned. Another study by Merritt and Helmreich (unpublished manuscript, cited in Oransanu et al.,) further supports the notion that expectation of leadership behaviour varies across cultures in a study of pilots. Those coming from Anglo cultures showed a preference for consultative leaders as opposed to authoritarian leaders preferred by those from non-Anglo countries.

In one research by Dorfman and Howell’s (1997) common and differing leadership attributes between two culturally different countries (United States and Mexico) were studied in order to determine which positive leadership factors are those that appear to exist in both countries and which are culture specific. Support, contingent reward, and charisma were shown to have a positive impact in both countries, whilst other attributes differed depending on which country was considered. The study raises the question of whether there are cultural similarities in positively enhancing leadership behaviour that could be applied universally, and which these behaviours could be.

Cross-Cultural Competence Studies

A general trend in competence studies regarding functioning in cross-cultural environments is the shift from a focus on trait theories and skill assessment to consider competencies on a larger scale. The problem with earlier competence assessment, using for example tests of aptitude and self-assessment personality inventories are their lack of predict successful performance in cross-cultural work environments (McClelland, 1993). In a large study...
conducted during the 1970’s a competency model was created for those to be recruited to international assignment within the Foreign Service, using the Behavioural Event Interview (Spenser & Spenser, 1993). The following competencies were found to predict success as a diplomat: Cross-Cultural Interpersonal Sensitivity, Positive Expectations of Others, and Speed in Learning Political Networks.

Mäkirinne (1997) has compiled a summary of the research carried out by Hannigan (1990), Ronenin (1989) and Kealy (1996) where an attempt has been made identify and categorise factors predictive of success in international assignments (Table 4).

Table 4. Factors Predictive of Success in International Work Assignments (Mäkirinne, 1997, pp. 24-26)

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>1. Skills</strong></td>
<td><strong>1. Work Related Factors</strong></td>
<td><strong>Adaptive skills</strong></td>
</tr>
<tr>
<td>a) skills in social interaction and communication</td>
<td>? professional skills</td>
<td>? positive attitude</td>
</tr>
<tr>
<td>? ability to listen</td>
<td>? knowledge about ones own country of origin</td>
<td>? flexibility</td>
</tr>
<tr>
<td>? ability to initiate and maintain social interactions</td>
<td>? leadership skills</td>
<td>? ability to handle stress</td>
</tr>
<tr>
<td>? ability to handle misunderstanding in communication and to understand different styles in communication.</td>
<td>? management skills</td>
<td>? patience</td>
</tr>
<tr>
<td>? ability to direct social interactions</td>
<td>?</td>
<td>? marital stability</td>
</tr>
<tr>
<td>? professional skills</td>
<td>?</td>
<td>? emotional maturity</td>
</tr>
<tr>
<td>b) ability to organise</td>
<td>?</td>
<td>? self-efficacy</td>
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<tr>
<td>c) communication skills</td>
<td><strong>Personality Factors</strong></td>
<td><strong>Cultural Skills</strong></td>
</tr>
<tr>
<td>d) an ability to handle stress</td>
<td>? ability to deal with uncertainty</td>
<td>? realism</td>
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<td></td>
<td>? flexibility to act in different situations</td>
<td>? acceptance</td>
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<td></td>
<td>? non-judgemental attitude</td>
<td>? cultural involvement</td>
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<td></td>
<td>? interest in local people</td>
<td>? political understanding</td>
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<tr>
<td></td>
<td>? respect and appreciation toward different cultures</td>
<td>? cultural sensitivity</td>
</tr>
<tr>
<td></td>
<td>? understanding social contexts</td>
<td>? low ethnocentrism</td>
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</table>
### 3. Personality Traits
- patience
- acceptance of differences
- politeness
- stamina, persistence
- energetic
- self-confidence
- respectful attitude

### Motivational Factors
- believing in the task at hand
- establishing a connection between an international assignment and one’s career development
- interest in gaining international experience
- interest in the target country
- wanting to learn new functional methods and ways of thinking.

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### Skills Related to Social Interaction and an Ability to Work with Others
- openness
- professional commitment
- persistence
- ability to create and maintain social interactions
- self-confidence
- problem-solving skills

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According to Tung (1997, p. 169) three core competencies will be required of the person managing the international as well as local business environment. These competencies include the following:

(a) an ability to balance the conflicting demands of global integration versus local responsiveness

(b) an ability to work in teams comprised of people from multiple functions/disciplines, different companies, and diverse industry backgrounds

(c) an ability to manage and/or work with peoples from diverse racial/ethnic backgrounds.

According to Hale & Whitlam (1997, p. 2), “True leaders will not only shape the future by creating a powerful vision behind which others can unite, they will also be capable of mobilising people to challenge attitudes, develop new abilities, form teams and ultimately create new organisations.”

In summary, competencies needed to function in international assignments seem to emphasise interpersonal skills and the ability to communicate with people from different nations.
Essential seems to be an ability to “put one self in the others shoes” and sensitivity and respect for cultural differences, being able to put aside ethnocentric attitudes of one’s own cultures superiority. It may be noted however that there exists for example cognitive styles that seem to be independent of cultural variables, such as for example the Adaptive-Innovative cognitive style, which differentiates between persons who are comfortable in working in rather unstructured innovative environments as compared those that do not (Tullet, 1997).

**THE FUTURE OF CROSS-CULTURAL TEAMS**

As already noted earlier it is of utter most importance that cross-cultural teams not only develop as social units, but also in adherence to clear strategic strategies and goals. Without clear goals there is no function for the group. In fact, there is a tendency for cross-cultural training to focus on issues of cultural differences on a social level. Management and business considerations are often excluded in the cross-cultural “training package” organisations offer employees. In layman terms these issues are often dived into the soft (personnel) and hard (technology, business) aspects of running a business.

![Diagram: Areas of Cross-Cultural Training and Consulting](image)

When looking at trends towards which cross-cultural training should the model of Funakawa is (1997) presented below (Fig. 8) different areas of Cross-Cultural Training and Consulting. According to this model training can focus on either Cultural Implications or Business Implications. What really is needed in the future is more knowledge about Area II, where both matters that both high cultural and high business implications. According to Funakawa (1997) representatives of these issues tend to work fairly independently within organisation, though successful integration of the two is what will distinguish between successful and mediocre companies in the future. This type of training is a challenge for cross-cultural team trainers.

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both now and in the future. It is also important to note that accumulated research on cross-cultural work groups and teams is currently insufficient (Hambick et al, 1998) and predominantly North American (Smith & Noakes, 1996). This places an urgent need to further explore cross-cultural issues particular to the European context.
REFERENCES


