The Challenge of Multicultural Work Groups and Teams

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

Carlos Ghosn
Chairman and CEO, Renault; Chairman and CEO, Nissan; Chairman and CEO, Renault-Nissan Alliance

Groups are a part of almost every organization, and as jobs become more complex, groups will accomplish more of the world's work. Group behavior is more than the sum total of individuals acting in their own separate ways. When people must work together in groups to perform a task, the cultural differences among group members often become more apparent. Even within a single country, the reality of a multicultural workforce in most industrialized countries means that managers are now more than ever faced with the task of managing work groups composed of culturally different members. In addition, as collaboration across geographic boundaries becomes increasingly important in business, managers are finding themselves involved in work groups composed of culturally different members, which often function with little, if any, face-to-face contact (Leung & Peterson, 2010). This chapter explores the influence of cultural diversity on the way that work groups function and the role that managers can play in getting the most from both managing and being members of these groups.
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Work Groups

The types of work groups that are of most concern to managers have four distinctive characteristics (Cartwright & Zander, 1968; Hackman, 1991). First, work groups are social systems that have boundaries with members who have different roles and are dependent on each other (Alderfer, 1977). Both people within the group and those on the outside will recognize the group's existence and which individuals are members and which are not. Second, these groups have a task to perform. Third, work groups need to deal with the relationship between individuals and the group so that members contribute to the group and remain members. Finally, work groups function within and as part of a larger organization.

A useful categorization of work group types by Arrow and McGrath (1995) distinguishes among three primary types of work groups—namely, task forces, crews, and teams. Task forces focus on the completion of a specific project, typically within a limited time frame. The group comes together for the length of time required, and members are selected based on the task-related skills required by the group. A group of bankers who specialize in different national markets designing a new investment fund is an example. Crews, in contrast, focus on the tools required to perform a task, and the appropriate interaction with or use of a tool specifies the interaction among group members. Tools are defined broadly to include a wide variety of task-related implements or devices. For example, airline flight deck crews interact with each other in a very regimented way as dictated by the requirements of effectively operating the aircraft. The flight crew of one jumbo jet will behave in very much the same way as any other crew during routine operations. By contrast, organizational teams focus on the interrelationships among the group members. Teams are sets of people with specific skills and abilities who are provided with tools and procedures to address certain sets of tasks over a long period of time. Executives working for an international pharmaceutical company who are specialists in the economic situations of different parts of the world operate as a team when they work together on corporate financing strategies.

These differences in work group types highlight the need to recognize the structure of a work group when managing or working in intercultural organizational groups. However, as discussed in the following section, to understand and promote work group effectiveness, group structure must be considered in concert with other group characteristics. This is especially true when the group is composed of members from different cultures.

Work Group Effectiveness

Narrowly defined, the effectiveness of a work group depends on how well the group uses its resources to accomplish its task. However, not all organizational tasks have clearly defined correct or even best answers. The long-term effectiveness of a work group might not be assessed accurately by considering only how it is performing at a single point in time. Therefore, a broader definition of work group effectiveness that
more accurately portrays whether a work group is functioning well in an organization is suggested (Hackman, 1991).

- First, the output of the group must meet the quantity, quality, and timeliness standards of the organization.
- Second, the processes employed by the group should enhance the ability of the group members to work together.
- Finally, the group experience should contribute to the growth and personal well-being of the group members.

This broader definition encourages a longer-term view of work group effectiveness consistent with the requirement that work groups function within the confines of the larger organization. For example, in the late 1970s and early 1980s, a Japanese company would sometimes assign a group of production managers to run a facility in the United States or Europe more to learn how to operate in and adjust corporate practices to a particular part of the world than to promote immediate company profitability (Liker, Fruin & Adler, 1999).

To understand the relationship of culture to group effectiveness, it is first necessary to identify the underlying dynamics of work groups. Group dynamics are complex, and research has produced a number of group process models. Here, a model (shown in Figure 8.1) based on the work of Goodman et al. (1987) and Helmreich and Schaefer (1994) identifies six sets of variables that influence the process and performance of work groups. These variables are (1) the external or contextual conditions

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**Figure 8.1 Group Process Model**

![Group Process Model](image)

**SOURCE:** Based on Goodman, Ravlin, & Schminke (1987) and Helmreich & Schaefer (1994).
imposed on the group, (2) the resources of group members, (3) the structure of the group, (4) the group task, (5) the group process, and (6) the composition of the group.

Although international managers might be most concerned with the cultural composition and/or the geographic dispersion of the group, these factors cannot be understood in isolation and must be considered in the context of the dynamics of the group. Each of the six sets of variables that affect group processes and performance are discussed briefly in the following sections.

**External Conditions**

Part of group behavior is determined by the larger organization to which the group belongs (Friedlander, 1989). The strategy of the organization, the authority structures, and regulations employed to implement that strategy determine which groups in organizations get resources and dictate the type of behavior that receives rewards. Research indicates that contextual factors influence both the productivity of work groups and employee satisfaction with the group (Campion, Medsker, & Higgs, 1993). Furthermore, such organizational factors as firm strategy and human resource practices influence the impact of diversity in work groups (Jehn & Bezrukova, 2004). Obviously, large profitable organizations can provide more resources for any type of group that is consistent with the organizational strategy and culture. In addition, the composition of the group is dependent on the selection process of the organization, as group members must first be organization members. This selection process is critical in determining the skills, attitudes, values, and beliefs that organization members bring to work groups. And, of course, the geographic dispersion of the organization influences the manner in which work groups must interact (Leung & Peterson, 2010; Maznevski & Cudoba, 2000).

In recent years it has become more and more common for individuals to be members of multiple work groups in organizations. In some cases, an individual might be a member of as many as twelve teams at any one time (Zika-Viktorsson, Sundstrom, & Engwall, 2006). Both the number of work groups to which a person belongs and their diversity in terms of task, technologies, and locations has an influence on the ability of individuals to effectively engage with the group and to process information and learn from the group (O’Leary, Mortensen, & Woolley, 2011). The number and variety of group memberships can have competing effects on group productivity and learning.

**Group Member Resources**

Group members bring two types of resources to groups: personal attributes, including personality, values, and attitudes, and their skills and abilities, both technical and social. In general and as one might expect, member skills and abilities are positively related to group performance (Szilagyi & Wallace, 1987; Taggar, 2002).

No single personal attribute has been found to facilitate group performance, and little research has examined the relationship between personality and group dynamics (Hoyle & Crawford, 1994). However, some evidence suggests that the characteristics of individuals in groups influence the overall affective tone or climate of the group.
This, in turn, relates to the extent to which the group engages in prosocial behavior (George, 1990). Moreover, some research argues that personality variables can be powerful predictors of some group outcomes, such as innovation (Bunce & West, 1995). A group member's cultural profile is one task-related personal attribute, as discussed in this chapter.

**Group Structure**

As noted previously, work groups can be categorized as task forces, crews, or teams. Each of these structures shapes the behavior of group members by prescribing the norms, role expectations, and status relationships shared by group members. Of particular importance to the effectiveness of work groups are norms about the processes related to task performance (Goodman et al., 1987). These norms specify such things as what methods and channels of communication are important and the level of individual effort expected, and they also provide group members with explicit guidance as to how to accomplish the task.

Although all groups share the same types of norms, the norms for a particular group are unique. Group norms can come from explicit statements made by group members, critical incidents in the group's history, an early behavior that emerges and persists, and from other previous group situations (Feldman, 1984). Group members from different cultures can vary in the source of their normative beliefs of how groups should function because of differences in their prior group experience. The importance of norms compared to other sources of guidance that influence managers in groups also varies among countries in ways that are associated with cultural value dimensions (Smith, Peterson, & Schwartz, 2002). And, the ability of work groups to adjust their role structure to changes in the context of their task influences their performance (LePine, 2003).

Group member roles are affected by the conflict created in the process of role assignment (Moreland & Levine, 1982). This is the conflict created by differing opinions about who should assume a role or how it should be played. Some anecdotal evidence suggests that cultural difference in preferences for different roles in multicultural groups exists (Schneider & Barsoux, 1997). Generally, examinations of the effect of role conflict have indicated a negative relationship to group effectiveness (Jackson & Schuler, 1985). However, not all conflict within a group has negative results (Kirchmeyer & Cohen, 1992).

The effect of status systems in groups can be summarized in three categories. First is the effect of a person's status on his or her relationship with other group members, such as emerging as a leader (see Kelsey, 1998). Second is the effect of a group member's status on his or her evaluation by others. Third is the effect of status on a group member's self-esteem (see Chattopadhyay, George, & Lawrence, 2004). In general, group members with higher status are more influential in the group, are evaluated more positively, and have higher self-esteem than group members with lower status. And, as discussed ahead, cultural differences can influence individuals' perceived status and legitimacy in their group (see Ravlin et al., 2000).
**Group Processes**

Group processes are *how* groups achieve their outcomes (Weingart, 1997) and involve such things as focusing group effort, the dynamics that occur during group functioning, and the relationships among group members. Because groups form their own social systems, the outcomes of work groups are not the same as the sum of their individual members’ efforts. When group processes such as communication patterns, decision processes, and conflict reactions cause a group to fail to meet its potential, it has suffered a process loss. When the efforts of the group exceed that of individual members, a process gain or synergy is experienced. This simple effect of group process is shown graphically in Figure 8.2.

Examples of process losses include *groupthink*, in which the norm for group consensus overrides the motivation to realistically appraise alternative courses of action (Janis, 1982), and *social loafing*, in which individuals reduce their effort on group tasks expecting that other members will do the work for them (Thomas & Fink, 1963). As discussed in more detail ahead, some process losses are dramatically influenced by cultural differences (Earley, 1989).

**Group Processes Over Time**

An additional element of group process is the change that groups go through over time. Early in the study of group process, Tuckman (1965) proposed that all groups go through five stages called *forming, storming, norming, performing*, and *adjourning*. In
the first or forming stage, group members just begin to think of themselves as part of a group and might be uncertain about the group and how they fit into it. In the second or so-called storming stage, the characteristics, attitudes, and expectations of individuals come into conflict with the structure of the group. In the third or norming stage, the group agrees on the expectations that specify the acceptable behavior (norms) of the group. In the fourth or performing stage, the efforts of the group shift to accomplishing the task at hand. As noted previously, some work groups, such as teams, would remain in this stage. Task forces and crews would proceed to the fifth or adjourning stage once the task was completed. Although this model of group development is informative, research suggests that groups do not necessarily proceed sequentially from one stage to the next and that several stages can occur at the same time (Gersick, 1988). In addition, groups can revert to prior stages.

For groups that have a deadline for the accomplishment of their task, another development model called the punctuated equilibrium model (Gersick, 1989) might be more helpful. In this group development model, the group sets its direction at the first meeting, and this pattern of behavior and approach to the task become firmly adhered to for the first one-half of the group's existence. Although group members might have alternative ideas about the group process, the group is often unable to act on these ideas. Despite the length of time the group has to complete the task, a transition seems to occur at about the midway point between the first meeting and the official deadline. At this point, the group seems to get a wake-up call and drops the previous patterns of behavior and perspectives in favor of a new direction and enhanced activity. Following the transition, another period of equilibrium ensues and the group focuses on implementing the direction set during the transition. At the final meeting of the group, a flurry of activity occurs as the group members press each other to make their contribution to accomplish the task. An issue in multicultural groups, however, is the well-established cultural variation in orientations toward time (Boyacigiller & Adler, 1991).

Finally, the virtual global teams, discussed ahead, seem to engage in specific patterns of temporal rhythms that involve face-to-face interactions interspersed with electronically mediated communication and telephone calls (Maznevski & Chudoba, 2000). While none of these patterns of interaction may be applicable to all work groups, in combination they provide some insight into the possible patterns of work group interaction.

**Group Task**

The nature of the tasks in which the work group is engaged influences both the processes and outcomes of the group (Goodman, 1986). Tasks relate not only to the end result of group activity but also specify such aspects of group processes as the degree and nature of interdependence of group members. Jackson (1992) provides a useful classification of group tasks into three primary types: clearly defined production tasks, cognitive or intellective tasks, and creative idea generation and decision-making tasks. Production tasks require motor skills, and some objective standard of performance is assumed to exist. Intellective tasks are problem-solving tasks with a correct answer,
whereas decision-making tasks are involved with reaching consensus on the best solution to a problem. In simple routine production tasks, group processes, such as communication, are less important. Therefore, in this type of task, a work group with potentially high process losses might still be effective. However, the same group involved in a problem-solving task might suffer the negative effects of those more important process activities. Because intellective tasks (that is, tasks with objectively correct answers) rarely exist in organizations, this type of task has few implications for managers and is not discussed further.

**Group Composition**

Members of work groups might be similar or different on a number of different dimensions (e.g., gender, age, experience, nationality) important to the performance of the group. Although the focus in this chapter is the cultural composition of groups, research on other dimensions of similarity and difference can shed light on how group composition influences group processes and outcomes. Group composition can be classified as homogeneous on a particular dimension, heterogeneous on that dimension, or minority-majority. Minority-majority groups consist of groups in which one or a few members are different on the dimension of interest. A single U.S. person in a group of Japanese would be a minority-majority group on the dimension of nationality, whereas a group of all Japanese would be classified as homogeneous on that dimension, and a group with a variety of nationalities would be heterogeneous. Much research on the effect of group composition on work group outcomes has focused on a comparison of homogeneous and heterogeneous groups. Recently, there has been an emphasis on differentiating between surface level diversity (gender, ethnicity, etc.) and deep level diversity (values, beliefs, etc.) (e.g., Mohammed & Angell, 2004). Results of this comparison have been mixed. Heterogeneity in observable attributes is generally found to have a negative effect on affective outcomes, such as identification with the group and satisfaction (Mannix & Neale, 2005; Milliken & Martins, 1996). In addition, group heterogeneity on underlying attributes, such as skills and tenure in the organization, has a direct relationship to the level of process losses suffered by the group (Milliken & Martins, 1996; Steiner, 1972). However, group heterogeneity on task-related abilities and skills is often positively related to group performance on the tasks typically found in organizations (Jackson, 1992), particularly if group processes are carefully controlled (Mannix & Neale, 2005). In summary, heterogeneous work groups probably have a higher performance potential but also a higher tendency to suffer process losses. Also, different types of diversity may have different effects on group processes and performance (e.g., Mannix & Neale, 2005; Jehn, Northcraft, & Neale, 1999).

Research on the special case of minority-majority groups has tended to focus on the influence of minority members on the majority. For example, some research has found that minority members can influence the majority if they are consistent and persistent in their arguments (Nemeth, 1992). Other research suggests that by expressing alternative views, minority members can improve the decision making and performance of the group by increasing the group’s attention to the process of decision
making (Nemeth, 1992). However, minority members are slower to express their opinions, but this speed increases as the size of the minority grows (Bassili, 2003).

**Culture’s Influence on Work Groups**

The general model of work group functioning described in this chapter makes it possible to examine the way in which culture influences work group processes and outcomes. While this influence is perhaps most apparent in the cultural composition of the work group, the organizational context in which the group functions, the work group structure, and the task in which the group is involved also influence how much cultural differences affect the work group. The cultural backgrounds of a work group’s members affect the way they function through three general types of mechanisms:

a. Cultural norms: the orientations of the specific cultures represented in the group toward the functioning of groups
b. Cultural diversity: the number of different cultures represented in the group
c. Relative cultural distance: the extent to which group members are culturally different from each other

These mechanisms are interrelated, but each affects the way groups operate in different ways.

**Box 8.1 Culture Clash in the Cockpit**

In a very famous case of drunk flying, Japan Airlines cargo flight 8054 carrying the pilot (a 53-year-old U.S. national), two co-pilots (both Japanese aged 31 and 35), two cargo handlers, and 65 beef cattle crashed shortly after take-off in Anchorage, Alaska, killing all on board. Postmortem analysis indicated the captain had a blood alcohol level of .29 percent (a U.S. driver with .08 percent is considered legally intoxicated). The captain’s preflight behavior included staggering and slurring his words and was noticed by the driver who took the crew to the airport. The National Transportation Safety Board determined that the probable cause of the accident was “a stall that resulted from the pilot’s control inputs aggravated by airframe icing while the pilot was under the influence of alcohol. Contributing to the cause of this accident was the failure of the other flight crew members to prevent the captain from attempting the flight.” The cockpit voice recorder data showed that neither the first or second officer remarked about the captain’s intoxication, nor did they try to deter him from controlling the aircraft. Subsequent investigation attributed the reluctance of the junior flight crew members to confront the captain to the fact that suggesting to the captain, their superior, that he delegate the takeoff to a junior crew member would have caused him to lose face.

**SOURCE:** Strauch (2010) and NTSB.
Cultural Norms

One of the most important influences on group effectiveness is the mix of cultural norms represented in the work group. Different cultures have very different orientations toward what is appropriate in terms of work group function and structure (Thomas et al., 1996). As noted in Box 8.1, these beliefs are not checked at the workplace door but spill over into the work environment. For example, many collectivist cultures believe that maintaining a sense of harmony is extremely important in interpersonal interactions. This contrasts dramatically with notions of constructive conflict and devil’s advocacy popular in some individualist cultures, such as the United States. Cultural orientations such as individualism and collectivism have been shown to be related to the metaphors that individuals in different cultures used to describe their teams (Gibson & Zellmer-Bruhn, 2001). For example, metaphors in individualist cultures reflected clear team objectives and voluntary membership, such as sports teams, while metaphors in collectivist cultures emphasized a broad scope of activity and clear member roles, such as in families.

A number of studies support the idea that individuals bring such mental representations (metaphors or scripts) to the work group with which they interpret events, behaviors, expectations, and other group members. For example, research shows that group members initially base their actions on their previous experiences in other groups. In one study, members of new groups who previously developed norms for cooperation acted cooperatively in a subsequent similar situation (Bettenhausen & Murnighan, 1991). There is also evidence to suggest that people with different cultural orientations have different views of what are appropriate group processes. For example, the task-related norms of a group might be set based on the individual cultural backgrounds of group members (Hackman & Morris, 1978). In another example, individuals from a collectivist culture have been found to be less likely to engage in social loafing than were members from a more individualist culture (Earley, 1989). The reason that social loafing does not occur among collectivists is that they bring their norms for placing group goals ahead of their own interest to the work group situation. By contrast, the motivation for personal gain of individualists also carries over into the work group setting.

In summary, like other behavioral norms, the norms for interacting in a group can vary according to culture. Although the norms for any work group are unique, one of the bases for these norms in all groups is the individuals’ previous group experience (Feldman, 1984). Therefore, in multicultural work groups, individuals from different cultures are likely to have very different ideas, at least initially, about how the work group should go about its task, how they should behave, and how they should interact with other group members.

Cultural Diversity

A second influence on work group effectiveness is the number of different cultures represented in the group—its cultural diversity. Cultural diversity has been shown to have both positive and negative effects on work group effectiveness (see Stahl, Maznevski, Voigt & Jonsen, 2010 for a review). Culturally diverse groups, particularly
those acting face-to-face, are likely to suffer from increased process losses and have lower group performance than are homogeneous groups (Carte & Chidambaram, 2004; Hill, 1982; Staples & Zhao, 2006). These increased process losses result from the culturally different perceptions and communication patterns noted in previous chapters. Alternatively, because of the different perspectives of group members, cultural diversity should result in more creative and higher-quality group decisions (Earley & Mosakowski, 2000; Elron, 1997; McLeod, Lobel, & Cox, 1996; Thomas et al., 1996).

Another way in which cultural diversity affects group functioning is through the formation of subgroups within the task group. When group members fall into two, non-overlapping cultural categories, as opposed to many cultures, individuals sometimes identify more strongly with their cultural subgroup than with the task group as a whole. This causes cultural subgroup favoritism and negatively affects information flow across subgroup boundaries. In this case, it is not the overall amount of cultural diversity that affects group functioning but the extent to which the task group is divided along these so-called *faultlines* that affects group performance (Lau & Murnighan, 1998; 2005). This may explain, in part, why groups with either high or low cultural diversity seem to perform better than those with moderate amounts of diversity (Earley & Mosakowski, 2000).

The effect of process losses and gains is not consistent over the life of the group. Over time, culturally diverse groups achieve a reduction in process losses (Pelz, 1956; Watson, Kumar, & Michaelson, 1993). As groups age, members find ways of dealing with the problems of intercultural interaction, thus increasing the possibility that, given an appropriate task, they will demonstrate superior performance (Katz, 1982).

This can include the development of a *hybrid* team culture (Earley & Mosakowski, 2000) that emerges in similar fashion to the change of direction in Gersick’s (1988) model of team development and that facilitates the performance of culturally diverse work groups. In this case, the norms of the hybrid culture override the conflicting norms brought to the group by individuals. In addition, over time, work groups have the opportunity to receive feedback about both individual and group processes (Watson, Johnson, & Merritt, 1998). This feedback can come from both inside and outside the work group and might be particularly useful to culturally diverse work groups that are trying to overcome the problems of cross-cultural interaction (Ayoko, Hartel, & Callen, 2002; Baba, Gluesing, Ratner, & Wagner, 2004; Thomas, 1999).

The effect of cultural diversity in the work group clearly has both positive and negative elements (Stahl, Maznevski, Voigt, & Jonsen, 2006; 2010). On the one hand, it has the potential to increase group performance through a greater variety of ideas and perspectives and an increased focus on group processes by members. On the other, the probability of increased process losses exists, but this negative effect is likely to diminish over time, particularly if process-related feedback is received.

**Relative Cultural Distance**

A third way in which the cultural composition of the group influences group effectiveness is the extent to which each individual in the group is culturally different from the
other group members. Culturally different work group members are aware that they are different (Randel, 2003), and this awareness causes them to compare themselves to the other members of the group (Bochner & Ohsako, 1977; Bochner & Perks, 1971). Based on this comparison, they evaluate the appropriateness of their behavior and their status in the work group. If group members perceive their status in the group favorably, they are likely to participate more fully and to perceive the group more positively (Mullen, 1987; Mullen & Baumeister, 1987; Tajfel & Turner, 1986). For example, a study of multicultural work groups in Japan (Thomas et al., 1996) found that the extent to which individuals were culturally different from other group members affected their assessments of group cohesiveness and satisfaction with the group process.

The relative difference of individuals from other group members also influences the extent to which they identify with the task group versus their cultural group. And, in general, group members' willingness to participate depends on the salience of the task group identity versus that of their cultural group (e.g., Wit & Kerr, 2002). A common group identity seems to be important to group processes and outcomes (Salk & Brannen, 2000; Van der Zee, Atsma, & Brodbeck, 2004).

The extent to which group members differ from other members of the group affects their assessment of the level of conflict in the group and their willingness to express their ideas (Thomas, 1999). Greater cultural difference between an individual and the rest of the group makes it more likely that the individual's cultural norms for group behavior vary from those of the group. Also, relative cultural difference influences the extent to which individuals will be competent in the language or communication style of a multicultural group (Brett & Gelfand, 2006; Elron, Halevy, Ben-Ari, & Shamir, 2003). These differences can result in a lower expectation of a successful interaction with the other group members and a higher estimate of the effort required for achieving success. Individuals might be reluctant to invest high amounts of effort in interacting with other group members who are very different, because these interactions might be viewed as costing more in time and effort than the potential benefit (Thibaut & Kelley, 1959).

In summary, the influence of culture is evident through three related mechanisms. These are the culturally based norms that the group members bring to the work group situation, the cultural diversity or number of cultures in the group, and the degree of cultural difference of group members relative to the group. Each of these mechanisms has different effects on work group processes and outcomes.

**Culture’s Effect in Different Group Structures and Tasks**

The nature of the task and the structure of the work group influence the extent to which the cultural composition of the work group affects its outcomes. Previously, group structures were classified as crews, task forces, or teams, and group tasks as production or creative idea generation and decision making. Both the structure of the work group and the task with which it is involved specify the nature of the relationships among work group members. Group tasks that allow little employee discretion, are not sensitive to
variations among group members, and are not controlled by the group offer very limited opportunities for the characteristics of group members to influence outcomes (Goodman, 1986). Therefore, production tasks would generally offer less opportunity for the effects of cultural composition (either positive or negative) than would creative idea generation and decision-making tasks. Crews, task forces, and teams differ in terms of the importance of member composition to their functioning (Arrow & McGrath, 1995). Because the nature of the interaction of crews is through the tools that they use, who the members are as people is of little importance to the function of the group. For example, an airline copilot from one culture could replace another from a different culture on short notice with little effect on the routine operation of a flight deck crew. In contrast, the structure of a team makes it very sensitive to member differences. These groups require highly developed intermember relationships and are therefore very sensitive to cultural differences among group members. For task forces, group composition is more important than for crews but less important than for teams. Because task forces are temporary and project focused, member interactions are limited in both intensity and time. The influence of cultural composition in different group structures and tasks is depicted graphically in Figure 8.3.

In summary, both the types of group task and the group structure can affect the extent of influence that the cultural composition of the work group has on group outcomes. For example, a product development task force engaged in planning a product introduction to a foreign market might benefit substantially from having foreign nationals represented in the group. In this case, the national culture of group members might be viewed as a task-relevant skill that members bring to the group and that can be used to the advantage of the group. In contrast, the potential influence of cultural diversity among production workers in a vehicle assembly team is limited by the nature of the task. When this same group is involved in solving problems associated with designing the production process, as in quality-improvement teams, the

**Figure 8.3  Effects of Cultural Composition on Different Tasks and Group Types**

<table>
<thead>
<tr>
<th>Task Type</th>
<th>Team</th>
<th>Task Force</th>
<th>Crew</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision Making</td>
<td>Very High</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Production</td>
<td>Moderate</td>
<td>Low</td>
<td>Very Low</td>
</tr>
</tbody>
</table>
opportunity for cultural differences to influence the group process (either positively or negatively) is enhanced.

Global Virtual Teams

A key underlying assumption about the discussion of work groups to this point is that they interact face-to-face. This might have been true for the majority of work groups in organizations in the recent past and may still be relevant for some work groups. However, one way in which many organizations are dealing with the challenges of globalization is by forming work groups with geographically dispersed structures (Greiner & Metes, 1995; MacDuffie, 2008). Called, variously, virtual teams, ad hoc networks, and electronically mediated groups (Gibson & Cohen, 2003), a key characteristic is that they interact primarily by electronic networks. Therefore, work group members can be separated by time, geography, and culture but also by work practices, organization, or technology. All of these elements can contribute to the degree of distance (discontinuity) between work group members (Chudoba, Wynn, Lu, & Watson-Manheim, 2005). These virtual teams can span the globe and are possible because of recent advances in computer and telecommunications technology (Leung & Peterson, 2010). Teams can use a variety of technologies, such as desktop videoconferencing, collaborative software systems, and Internet-Intranet systems. The proposed advantages of global virtual teams focus on the ability to choose the best group members regardless of geographic (MacDuffie, 2008; Townsend, DeMarie, & Hendrickson, 1998) or organizational (Maznevski & Chudoba, 2000) boundaries and also to allow knowledge workers to operate from remote locations (Cascio, 2000).

Teams in organizations that do not at some time interact through electronic media are increasingly rare (Bell & Kozlowski, 2000). It is therefore important to understand the special challenges that confront virtual teams. These challenges can be categorized in terms of communication, relationship building and conflict management, and task management (Jonsen, Maznevski, & Davison, 2012).

Communication

The electronic communication tools used by virtual teams differ in their media richness as communication channels (see Chapter 6). They provide a foundation for group work but do not truly replicate face-to-face interaction. And people seem to prefer face-to-face communication to electronic media for complex, innovative, subtle, or ambiguous messages (Allen & Hauptman, 1990; DeMeyer, 1993; Treviño, Lengel, & Daft, 1987). Communication using this type of technology takes place in an asynchronous manner with a lag between one message being sent and another received. Electronically mediated groups tend to form more slowly (Kraut, Egido, & Galegher, 1990) because of asynchronous communication, and the electronic media reduces the ability to sense the social presence of other group members. While this virtuality may improve the sharing of unique information, it seems to hinder the openness of sharing.
that is important to the effectiveness of virtual teams (Mesmer-Magnus, DeChurch, Jimenez-Rodriguez, Wildman, & Shuffler, 2011). However, it may be that the social information difficulties experienced because of electronic intermediation dissipate over time (Chidambaram, 1996) and the reliance on communication technology may itself impose more structure on the team (Guzzo & Dickson, 1996). A final important aspect of communication in virtual teams is that current technologies rely heavily on the written word and the language in use is most often English (Jonsen, Maznevski, & Schneider, 2011). This can facilitate communication by aiding those who are working in a second language and are conversationally weak. However, it does not eliminate the problems of second language use (see Chapter 6).

**Relationship Building and Conflict Management**

Good relationships among team members characterized by trust, respect, cooperation, and commitment are desirable in all teams. The ability to develop and maintain these relationships in virtual teams may be affected both by electronic intermediation and cultural diversity. Because of electronic intermediation there is a lack of evidence of cultural differences, including language differences that might make culture a somewhat less salient dimension in these groups (Jarvenpaa & Leidner, 1999). Some research indicates that these reductive effects of collaborative technologies are beneficial for culturally diverse teams in reducing the process losses from diversity (Carte & Chidambaram, 2004; Staples & Zhao, 2006). For example, some studies have reported less conflict in virtual than in face-to-face teams (e.g., Mortensen & Hinds, 2001; Stahl, Maznevski, Voigt, & Jonsen, 2010). However, the lack of physical contact in these groups highlights the importance of identification with the team that is required for cohesion building (Fiol & O’Conner, 2005). The fact that members of virtual teams may have little in the way of shared context makes the development of team identity more difficult (Canella, Park, & Lee, 2008). Research indicates that a shared team identity moderates the effects of interpersonal conflict (Hinds & Mortensen, 2005). In combination, the characteristics typical of global virtual teams (electronic communication, cultural diversity, lack of onsite monitoring) decrease the salience of the work group identity and may result in team members withholding effort (Shapiro, Furts, Speitzer, Von Glinow, 2002). Regardless of cultural background, team members tend to report less confidence in their ability to work in virtual team environments than in face-to-face teams (Hardin, Fuller, & Davison, 2007).

**Task Management**

Different virtual team tasks require different strategies and processes. The degree of task interdependence and urgency influence the frequency of communication required (Maznevski & Chudoba, 2000). Highly interdependent and urgent tasks require more frequent interaction. The extent to which the task requires the exchange of tacit as opposed to explicit knowledge influences the characteristics of the interaction required among team members. Explicit knowledge is more easily transferred in the absence of shared background and experience (Nonaka & Takeuchi, 1995). The importance of
defined roles, a clear task strategy, and explicit interaction norms is heightened in virtual teams. As opposed to face-to-face teams where these issues can be resolved on a continuous basis as team members interact, virtual teams have little opportunity to manage task processes in this way (Jonsen, Maznevski, & Davison, 2012). An important element is, of course, that the team members must be capable of using the technology involved in task management (Townsend et al., 1998). Research has consistently found that virtual teams take more time to complete their tasks than do face-to-face teams (Martins, Gilson, & Maynard, 2004). However, research findings about the effects of virtualness on the quality of team’s decisions have been mixed. In some cases, virtual teams made more effective decisions or generated more unique ideas, while in others, very similar results for face-to-face and virtual teams have been found (see Martins, Gilson, & Maynard, 2004 for a review). These mixed findings may be due to moderators of virtual team performance, such as the team’s task (as discussed previously) and the extent of performance monitoring provided by the interaction context (Aiello & Kolb, 1995). Additionally, opportunities for the influence of culturally based characteristics, such as differences in tolerance of ambiguity and explicitness (high-versus low-context) of communication styles, are apparent.

In summary, the use of electronic media allows firms to build work groups with optimum membership without regard for the restrictions of time and space. However, the ability of these work groups to work effectively requires overcoming the additional barriers presented by the discontinuity among group members and by electronic mediation. Global virtual teams seem to perform best when they use a coordination mechanism that accommodates both the time frames and interdependence required by the task, they have participation norms that allow the skills, abilities, and knowledge of group members to be leveraged, and they develop a strong group identity and trust among group members.

Organizational Context and Culturally Diverse Work Groups

Work groups are influenced by the larger organization of which they are a part. The dominant characteristics of the organization influence the types of goals and methods that are acceptable for work groups (Campion et al., 1993). In addition, management controls the resources required for work groups to be effective. Apart from the technological and geographic issues mentioned previously, key organizational factors that influence the effectiveness of work groups are the level of management support, the extent to which individual rewards come from the group, the status afforded the group, the amount of training provided to the group, and the extent to which the organization allows groups to be self-managed.

Management Support

It might seem obvious that the most effective work groups exist in organizations that provide high levels of organizational support, such as making sure the work groups have the materials and information necessary to achieve their goals. However, numerous
examples exist of organizations setting challenging goals for work groups and then failing to provide adequate support (Hackman, 1991). The success of globally dispersed teams is likely to be greater when management has fostered an organizational culture that supports flexibility over control and an internal focus over an external focus (Kara & Zellmer-Bruhn, 2011). An additional element of support required for work groups composed of culturally diverse members is an organizational culture that supports diversity as indicated by an organizational culture that treats people of all cultures with respect (Cox, 1993) and has an integration and learning perspective (Ely & Thomas, 2001). Research with culturally diverse manufacturing teams indicates that the level of management support is positively related to the task performance of the work group and work group member attitudes, such as satisfaction with the group, group cohesiveness, commitment, and trust, and negatively related to the amount of conflict felt by group members (Thomas et al., 2000). With regard to global virtual teams, management support may be even more important in that the team rarely meets face-to-face and requires management to provide the information and reinforcement necessary to achieve their goals (Maznevski, Davison, & Jonsen, 2006).

**Group-Level Rewards**

The effect of rewards on individual performance is much better understood than the relationship between rewards and work group performance. Some research has suggested that a mix of individual and group rewards will be most effective with work groups, particularly the self-regulating variety (Pearce & Ravlin, 1987). More recently, however, others suggest that these hybrid reward systems can lead to lower individual effort and hence poor group performance (Wageman, 1995). One study of culturally diverse teams found that the extent to which individuals derived their rewards from the team was positively related to both team performance and team member attitudes (Thomas et al., 2000). However, these results must be treated with some caution based on what we know about preferences for reward allocation across cultures. For example, we know that individualists and collectivists are guided by different reward allocation norms (Leung & Bond, 1984). Individualists are typically more comfortable with rewards based on equity, in which rewards depend on the level of individual contribution. The norm for collectivists is more likely to involve equality of reward allocation in which all group members share equally in group rewards. And, as noted in Chapter 7, it is clear that more egalitarian societies have a preference for equality over equity in reward allocation (Fischer & Smith, 2003). The effectiveness of a particular reward allocation system is likely influenced by the cultural composition of the work group and the preferences of group members. For example, in egalitarian individualist cultures, making the ability to work well in a group a key component in an individual’s performance review might be more acceptable than tying rewards more directly to work group performance.

**Work Group Status**

The argument that the status of a work group in the organization will influence its performance is based on the idea that being a member of a high-status group will
increase members’ feelings of self-worth and effectiveness. As in other groups, individuals are motivated to maintain and enhance their work groups and hence their own standing (Tajfel & Turner, 1986). The positive effect that high-group status has on the individual improves both individual and work group performance (Ravlin et al., 2000). Successful work groups get the recognition that signals to the rest of the organization that they are an important element of organizational success. However, the extent to which individuals from different cultures derive their self-esteem from work groups can vary considerably (Erez & Earley, 1993). For example, people from collectivist cultures are likely to identify more strongly with their cultural or family group than they are with a work group composed of relative strangers (Triandis, 1995). Therefore, the status of work groups might have a greater influence on the feelings of self-worth, confidence, group potency, and desire to work in the group for some cultures, such as individualists, as opposed to others, such as collectivists. However, affording work groups high status in the organization would seem to make sense in terms of making group membership desirable, regardless of culture.

Training

The concept that work group success requires training in interaction skills as well as technical skills is well established (Wagner, Hibbits, Rosenblatt, & Schulz, 1977). Often, however, managers seem to assume that employees automatically have the skills to be effective work group members (Hackman, 1991). The need for training in the specific electronic tools required for interaction in global virtual teams should be obvious. However, in situations in which all work group activities and tasks cannot be specified in advance and in which individuals can have different assumptions about how the work group should operate, training in interaction skills is especially important. Communication training has been found to be effective in improving interaction processes, trust, and commitment in virtual team environments (Warkentin & Beranek, 1999). Cross-cultural training has the objective of bringing the expectations of individuals from different cultural backgrounds in line with the reality of working in a multicultural context. The effectiveness of cross-cultural training programs on improving interpersonal interactions is documented in a number of studies (e.g., Black & Mendenhall, 1990) and recent research suggests that multicultural experience can have a super-additive effect on the performance of culturally diverse work groups (Tadmor et al., 2012).

Self-Management

The argument for self-managing work groups (teams) stems from the idea that the benefits of group work are related to the delegation of a substantial amount of authority to the work group or team (Barry, 1991; Pearce & Ravlin, 1987). However, if too much authority is delegated, work groups can charge off in inappropriate directions. Research on multicultural work groups has failed to show clear support for self-management as a determining factor in work group effectiveness (Thomas et al., 2000). Setting the direction for a work group might empower it, but dictating
work processes and procedures can actually inhibit group performance. Alternatively, insufficient direction can result in work groups with an unclear sense of appropriate task-related processes. This may be particularly true of global virtual teams (Lurey & Raisingham, 2001; Maznevski et al., 2006). Recent research in a single culture has suggested that it is the extent to which work group members feel empowered rather than the degree of self-management that might be most important to group effectiveness (Kirkman & Rosen, 1999) and that empowerment stems from more than just the degree of self-management. In addition, other research (Ayoko et al., 2002; Baba et al., 2004; Thomas, 1999) argues that process-related feedback could be the key factor in determining if culturally diverse work groups overcome the process losses associated with diversity. Therefore, achieving an appropriate level and type of delegation for multicultural work groups can be a particularly difficult management task (see Kirkman & Shapiro, 1997).

Managing Multicultural Work Groups

Even if it were possible to determine the optimal cultural mix in a particular work group situation, it is unrealistic for managers to control the cultural composition of work groups. Instead, they must try to find ways to maximize the positive consequences of both homogeneity and diversity while minimizing the negative consequences of both (Jackson, 1992). The complexity of this endeavor suggests that there is not a universal prescription that can be applied to every multicultural work group. The following ideas are derived from our current knowledge about this management challenge.

Work Group Task and Structure

The research to date suggests that both the positive and negative effects of cultural diversity depend on how the work group is structured and the nature of the task. Work groups with high degrees of interpersonal interaction, such as teams, will be more susceptible to both the process losses and process gains produced by cultural differences among members. In addition, less structured tasks, such as creative problem solving and decision making, are more open to the influence of cultural differences than are highly structured and regulated-production tasks. For example, cultural differences might be masked on the production line only to become apparent in a weekly team meeting at which improvements in the production process are being discussed. In another example, airline flight deck crews might operate very similarly across cultures under routine conditions, but the influence of cultural differences becomes apparent when handling emergency situations (Merritt & Helmreich, 1996). Finally, some tasks may lend themselves better to virtual environment than others (Hollingshead, McGrath, & O’Conner, 1993), and an important element of group structure in the virtual environment is matching the communication channel to the task environment (Maznevski et al., 2006). Therefore, one avenue for
intervention is matching the task and work group structure with other characteristics of the situation.

**Broad Evaluation Criteria**

Multicultural work groups should be evaluated in terms of group processes and individual outcomes as well as task accomplishment. The long-term effectiveness of a work group depends on its ability to help individuals meet their personal goals and to maintain group processes to facilitate performance. Multicultural work groups often take longer to reach their potential than do homogeneous work groups (Watson, Kumar, & Michaelson, 1993). Considering broad performance criteria means encouraging what has been called exploration activities as opposed to exploitation activities (Mannix & Neale, 2005). Exploration involves experimentation, innovation, and divergent thinking, while exploitation focuses on production, efficiency, and convergent thinking. Thus, taking advantage of the benefits of cultural diversity in teams may require a significant broadening of evaluation criteria.

**Composition and Task Requirements**

Multicultural work groups are very sensitive to the need for resources, including member resources. The guiding principle for work group organization should be to ensure that the work group has the task-related knowledge, skills, and abilities required to complete the group tasks (Hackman, 1987). These task-related requirements can also include culture, in that characteristics of specific culturally based knowledge and skills might be appropriate to certain tasks. For example, some research with Japanese teams found that when culturally based tacit knowledge or *in the bones expertise* was made explicit, greater gains were made in productivity and knowledge (Nonaka, 1994). And the cultural composition may allow culturally diverse groups to adapt to changing task contexts (LePine, 2003).

**Common Purpose**

Creating a shared sense of purpose among work group members can be especially important in multicultural work groups. The idea that groups with goals that transcend the individual differences of group members (superordinate goals) have better group processes is well established (Sherif, Harvey, White, Hood, & Sherif, 1961). Establishing this shared sense of purpose among individuals with different values, attitudes, and beliefs is challenging. It requires managers to understand and be sensitive to the values, attitudes, and beliefs of culturally different work group members. However, establishing these overarching goals can be an important way for managers to bridge cultural differences by focusing on commonalities, while allowing individuals to maintain their cultural distinctiveness (Mannix & Neale, 2005). The existence of common goals can also facilitate a positive work group identity, which is important to the functioning of work groups of all types but seems to be especially critical for global virtual teams (Martins et al., 2004).
Summary

This chapter explored the management challenge of effectively managing culturally diverse work groups and teams. The effective performance of work groups, in general, is affected by six sets of factors; the external or contextual conditions imposed on the group, the resources of group members, the structure of the group, the group task, the group process, and the composition of the group. Cultural diversity in work groups influences the group through three distinct but interrelated mechanisms of the cultural norms of group members, cultural diversity or the number of different cultures represented in the group, and the extent to which group members are culturally different from each other. In addition, the nature of the task and the structure of the group influence the extent to which the cultural composition of a group affects its processes and outcomes. One way in which many organizations are dealing with the challenges of globalization is by forming work groups with geographically dispersed structures that operate through electronic networks. These global virtual teams present the opportunity for selecting the best members without regard to location but also present an additional set of challenges. Their ability to work effectively depends on overcoming the additional barriers presented by the discontinuity among group members and by electronic mediation. Key organization factors that influence work group effectiveness are the level of management support, the extent to which individual rewards come from the group, the status afforded the group, the amount of training provided to the group, and the extent to which the organization empowers the group. In short, managing multicultural work groups involves trying to find ways to maximize the positive consequences of both homogeneity and diversity, while at the same time minimizing their negative consequences.

Questions for Discussion

1. How do you know if a work group is functioning well in an organization?
2. What effects do factors external to the work group have on its functioning?
3. Explain how the cultural composition of work groups affects the way they function.
4. How do the group task and the structure of the group influence the extent to which cultural composition has an effect in work groups?
5. Discuss the advantages and disadvantages of global virtual teams.