

**Virtual teamwork in a multicultural context:
common issues, and strategies for success**

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Abstract

This paper deals with problems and solutions in a multi-cultural virtual team context. Virtual teams have become an increasingly common part of the 21st century workplace as a result of deepening global economic integration and advancements in information technology. An important component in the success of virtual teams is trust. However, trust can be difficult to establish and maintain when team members have different cultural and linguistic backgrounds. In a cross-cultural virtual team context, the most serious issues that can lead to a breakdown of trust are 1) lack of understanding of cultural differences; 2) differences in language and communication styles; 3) cultural barriers to the sharing of information; 4) differences in incentives and reward systems; and 5) differences with respect to ethical issues. This research note will explore a system of best practices that addresses each of these issues in turn. Research was based on a constructivist methodological approach, specifically through a synthesis of results from case study analyses found in the business management literature. Results indicated that the issues presented above could be mitigated by attention to the following points respectively 1) a deeper understanding of cultural taxonomies, and empathy for culturally different backgrounds and values; 2) openly articulated strategies for managing linguistic and communication problems; 3) recognition among team members of factors that can promote (or inhibit) successful sharing of knowledge; 4) understanding of cultural difference with respect to incentives and rewards; 5) structuring ethical guidelines that take into consideration differing culturally derived interpretations of ethical issues.

Key Words : virtual teams, cross cultural, global, management, communication, knowledge sharing, incentives, rewards, ethical issues

Introduction

Global economic integration and advancements in information technology have not only increased the amount of business done across borders, but are also changing the manner in which work is performed. In particular, teamwork has become a process increasingly carried out in so-called

“virtual” teams, where members are often spread out across the world. A recent survey of 1379 employees in over 80 countries found that virtual teams have become a ubiquitous component of the current workplace, with over 85% of respondents reporting participation in a virtual team of some kind (Culture Wizard, 2016). The advantages of virtual teams is that they pool together global

talent in a cost effective way, achieving outcomes that are often better than local, face to face collaborations (Horwitz, Bravington and Silvis, 2006).

In order for teamwork to function smoothly and effectively, it is important to establish trust among team members. In a cross-cultural context, establishing trust can be more important, yet more difficult to achieve. The difficulties become even more complex in a virtual environment (Han and Beyerlein, 2016). There are a number of issues that can lead to the breakdown of trust, which can cause a team to become dysfunctional. This paper identifies the most serious issues as 1) lack of awareness and knowledge of cultural differences, 2) differences in language and communication styles, 3) barriers to the sharing of information, 4) cultural differences in incentives and rewards, and 5) cultural differences with respect to ethical issues. These issues can be mitigated by laying a proper team foundation based on attention to:

- Empathy for, and understanding of culturally different backgrounds and values;
- Strategies for managing linguistic and communication problems;
- Recognition of factors that can promote (or inhibit) successful sharing of knowledge;
- Understanding of cultural difference with respect to incentives and rewards;
- Structuring ethical guidelines that take into consideration differing culturally derived interpretations of ethical issues.

To get the most out of a virtual team, it is important to structure the virtual environment in a manner that fosters trust and the active participation of all members by addressing the issues above. This paper explores these issues and presents solutions for each one in turn.

Methodology

This study is based on a qualitative analysis of primary data extrapolated from case studies in

the business management literature. The research method follows a qualitative synthesis approach. Qualitative synthesis involves surveying specific cases of qualitative data. The data is then synthesized for the purpose of generating new insights or theories on a specific topic of inquiry (Cruzes, et al. 2014). Controversy over the appropriateness of combining and synthesizing different cases of qualitative data taken from studies that may not be epistemologically consistent has led to a review of the process and the establishment of standards and good practices to guide researchers (Garside, 2008). As a result, various methods of case study synthesis analysis have been established. Prominent among these are meta-ethnography, thematic synthesis/analysis, and grounded theory to name a few. For the purpose of this study, a thematic synthesis approach was followed. Thematic synthesis involves identifying important and recurrent themes, which are then summarized into thematic headings identified by the researcher. The method has been applied in the nutritional sciences (Thomas et al., 2003), and in the social sciences (Harden et al., 2006), but has yet to be applied in a business management context. As such, this study is unique for its inclusion of a thematic case study synthesis approach.

Search process

The objective of the search was primarily to obtain results related to case studies of virtual teams to the broadest extent possible. Therefore, Google scholar was used to search multiple databases with the following search terms: *global + virtual + team + "case study"*, *cross-cultural + virtual + team + "case study"*, *cross-cultural + virtual + team + issues*.

Selection criteria

The search terms yielded a considerable number of hits. To narrow down the results, only publications with the words "case study" were

included in the selection and review process. Once this was complete, a scan of abstracts was performed to include only case studies that dealt with virtual teams in a cross cultural, or global context. Finally, all remaining publications were analyzed and screened in terms of the content and depth of analysis provided in the case study. Specifically, studies that contained a rich amount qualitative data in the form of verbatim comments from participants were highlighted. This yielded a selection of four case studies of the following organizations: Globecomm, a U.S. based telecommunications corporation; Alcoa, a U.S. aluminum industrial concern; BankCo¹, a large consumer banking corporation; DanCo, a Danish MNC. The following sections will present an analysis of common issues in virtual teams supported by qualitative data from these four case studies.

Empathy for different cultural backgrounds and values

Cross-cultural differences are a significant potential cause of problems in virtual teamwork (Symons and Stenzel, 2007). As such, it is important to have empathy for, and a solid understanding of, cultural differences and their impact on how individuals interact with one another in the virtual world. A good starting point for understanding cultural difference is the work of Geert Hofstede (1980, 2005) who developed a system of five dimensions that can be used to compare different cultural attitudes. Briefly, the dimensions are:

- *Power distance*, which measures the degree to which existing power structures and each individuals share of power is accepted by society;
- *Individualism/collectivism*, which measures a society's tendency to focus on the predominance of the individual or the group;
- *Uncertainty avoidance* deals with the level

of relative uncertainty a particular society is comfortable with;

- *Masculinity/Femininity* measures a society's level of assertiveness, and preference for achievement and material reward versus more cooperative and modest social tendencies;
- *Long-term orientation/short-term orientation* deals with a society's emphasis on perseverance and truth based on context versus a focus on quick results and a more rigid understanding of reality;

Familiarity with the five dimensions can assist team members in determining the nature of cross-cultural problems that may arise prior to a group's formation. For example, an analysis of group members' power distance score can yield some clues about their orientation toward hierarchies and authority. Teamwork, by its nature, involves working with others on an equal level. However, members from countries that have a high power distance score, indicating a strong deference to authority, may have trouble working within an environment that is authoritatively flat (Brett, Behfar and Kern, 2006). As such, team leadership structures should take into consideration these important cultural differences, and how to adapt leadership behaviors in a multicultural team context including members from both high and low power distance countries.

A look at the long-term/short-term orientation score can reveal team members' differing decision-making tendencies. Differences in this regard can lead to problems when some members require more time for analysis and decision-making than others. Issues of this nature surfaced for Globecomm in virtual teamwork involving Western and Arabic teammates, which elicited the following comment from one team member: "I'm not certain that the word 'deadline' exists in Arabic." Brett, Behfar, and Kern (2006) suggest that such problems can be resolved by timely

¹ BankCo and DanCo are aliases to protect the anonymity of the organizations

managerial intervention, where rules and norms are set out and clarified at the beginning. In more extreme cases, where the problems appear more permanent and beyond repair, the removal or reassignment of a team member is justified.

Similarly, BankCo's experience in cross-cultural virtual projects revealed that cultural differences were a source of problems. Differences in work ethics, approaches to problem solving, and the need to save face versus a frank and open appraisal of problems were identified as key culturally related issues. The consensus opinion of the group was that in the multicultural context, specific relational strategies that focus on unique cultural differences are necessary (Lee-Kelley and Sankey, 2008).

In a virtual teamwork setting, cultural differences can have a ruinous impact if they are not managed properly. Therefore, a thorough understanding of each member's cultural background is a necessary consideration prior to embarking on a virtual project. Although Hofstede's system is a good place to start, it is important to remember that differences that exist on a national level are broad generalizations that may not apply to each individual. Nevertheless, a clear framework established from the moment of the team's inception that takes into consideration the differing cultural tendencies of each member is the best way to lay the proper foundation for success.

Strategies for managing linguistic and communication problems

For a multinational corporation operating across different cultural and linguistic boundaries, the choice of language is recognized to be an important strategic decision with far reaching implications (Luo and Shenkar, 2006). In the context of a virtual team, the need for clear communication necessitates the use of a common language that all members need to be proficient in. Nevertheless, there are a number of issues

that can arise as a result of linguistic differences. Brett, Behfar, and Kern (2006) identify two cross-cultural communication problems that are common in virtual teams. First, in some cultures, messages are communicated directly, whereas in other cultures, a more indirect approach is preferred. Brett, Behfar, and Kern (2006, p.86) cite an example of an American manager directly pointing out a problem to her American boss and Japanese team members. While her boss appreciated her directness, the Japanese members lost face, which damaged their trust in the team. Second, problems with fluency and accents can be an issue when members lack the necessary proficiency in the team's chosen language. An analysis of Alcoa's experience with virtual teams revealed that an inability to understand the subtleties of language was a common problem, mainly as a result of the absence of body language and other emotional cues (Cordery et al., 2009). Brett, Behfar, and Kern (2006) suggest that problems of this nature can be mitigated by working around the challenges, or 'adapting' to them by acknowledging differences in communication styles, and linguistic limitations up front. Additionally, management can use a strategy of structural intervention by creating subdivisions within teams and tasks that create more alignment with similarly grouped members.

Promotion of knowledge sharing

Knowledge sharing is an important component in the success of a MNC (Zárraga and Bonache, 2003). Yet, difficulties with the sharing of knowledge remain, particularly in the virtual team context where cultural obstacles can hamper the free flow of information (Wei et al., 2008). Teamwork in a virtual context depends on fluid and barrier free sharing of ideas. As such, it is important to take steps to ensure that blockages in the sharing of knowledge are minimized to the greatest extent possible.

An analysis of Globecomm's experience with virtual teams revealed that cultural differences

were a barrier to the sharing of information and knowledge (Rosen, Furst and Blackburn, 2007). Aside from the expected linguistic misunderstandings, problems were found in the “willingness” to seek and share information, along with differences in structuring problems, archiving data, and response time to queries from teammates. Specific actions for dealing with these problems involve creating a cultural awareness from the outset on issues related to differences in communication and conflict style, minimizing the use of colloquialism in English-only environments, and offline communication between team leader and subgroups to ensure full issues and concepts related to cultural awareness are fully understood (Rosen, Furst and Blackburn, 2007).

Differences in the type of media used for communication can also have an impact on the flow of information sharing. Virtual teamwork between DanCo and its Indian subsidiary revealed that “lean media” such as emails, is better suited to certain types of messages, while “rich media”, such as video conferencing, is more suitable for others. For example, lean media should be used when sharing “canonical knowledge” such as facts and numbers, whereas rich media is preferable for discussions and communication of a more open-ended nature (Klitmøller and Lauring, 2013).

The importance of knowledge sharing cannot be underestimated. In the virtual context, cultural differences can present unique obstacles when it comes to sharing information. These problems can be mitigated by establishing a solid shared understanding of differing communication styles, and the strategic use of different types of media for different messages. An approach that takes these measures into consideration will enhance the level of trust and participation in the virtual environment.

Cultural differences in incentive and reward systems

In a cross-cultural setting, differences in work related values will have an impact on the appropriate structure of incentives and rewards (Elizur et al., 1991). In particular, members from collectivist versus individualist societies will be motivated for different reasons. A group member from a collectivist society will place greater emphasis on group rewards, and recognition among their peers, whereas a member from a more individualist society places greater emphasis on individual gain through promotion or financial reward (Elizur et al., 1991; Mead and Andrews, 2009). It is important therefore to recognize the role that intrinsic rewards can play in certain cultures, where peer-recognition can be a motivating factor. At Alcoa, rewards are based around the “sense of achievement” from having their ideas incorporated into company operations. Indeed, some members expressed feeling “uncomfortable” with tangible rewards (Cordery et al., 2009, p.208).

It is also important to be mindful of the influence cultural difference can have on loyalty to local managers versus headquarters. This was an issue at Globecomm, where some members noted the existence of intense loyalty to on-site managers, and a reluctance to commit fully to the virtual team (Rosen, Furst and Blackburn, 2007, p.266). An analysis of different members’ power distance scores can help prepare for the possibility, and extent to which conflicting loyalties may present problems in incentivizing team participation.

Understanding cultural differences in motivation is an important element in eliciting participation and performance from team members. Therefore, it is crucial that a culturally sensitive reward system is put in place that incorporates cultural differences and the need for virtual team loyalty.

Ethics and culture in the virtual team context

Conducting business ethically in the context of a virtual team is a complex issue given the differing cultural backgrounds and interpretations of what constitutes ethical behavior, and the increased chances of misunderstandings that can occur when communication is not face-to-face. In this regard, it is important that a code of ethics is established from the outset, and enforced throughout the team's existence with effective leadership. Lee (2009) identifies several ethical issues that have relevance for virtual team leaders, some of which are relevant to this discussion. For example, team leaders are ethically responsible for establishing a caring environment that focuses on people over profit. Additionally, there is a responsibility to curb unethical behaviors, such as aggressive and disrespectful communication. As noted earlier, empathy for different cultural backgrounds is essential to avoiding misunderstandings. Therefore, a proper code of ethics must include regulations on what constitutes acceptable and appropriate communication, and what does not. This will be useful in setting out strategies for dealing with linguistic problems, where misunderstandings due to fluency issues can elicit harmful responses without the proper ethical guidance and framework in place.

Another issue cited by Lee (2009) is using and sharing sensitive material unethically. In the virtual team environment, it is important that knowledge and information is shared smoothly and with as few impediments as possible. However, this can lead to ethical problems, particularly in a multi-cultural context where sharing sensitive information is a grey area in certain societies. For example, sharing information that will have an impact on a company's stock price before it is released to the public is strictly forbidden in the West by legal and ethical codes. Although it surely occurs in Western societies, it is more commonly done in emerging economies (Budsaratagoon, Hillier and

Lhaopadchan, 2012), which can be a problem if some virtual team members are from these locations. There are various ethical codes, such as the OECD guidelines (OECD, 2013), that can point virtual team leaders and members in the right direction when confronted with ethical issues. However, issues can still arise as a result of differing cultural norms and interpretations of what is ethical. Hamilton, Knouse and Hill (2009) developed a decision tree that balances cultural difference, organizational values, industry standards, and international norms, which is particularly useful when managers encounter "questionable" practices in a cross-cultural setting.

Lee (2009) also refers to the issue of stakeholder dissatisfaction and lack of involvement as an important ethical concern. The ethical issue surfaces when tactics that may be ethically questionable are employed, such as controlling and deceptive behavior, to drum up stakeholder support for the project. Therefore, in order to avoid ethical problems, it is important to motivate and engage group members with ethically appropriate incentive and reward systems. Alcoa's practice of balancing intrinsic and extrinsic rewards, such as formal recognition for members that added the most value, along with goal setting and enthusiastic leadership was found to be an effective way to raise participation levels Cordery et al. (2009).

Conclusion

Managing a multicultural team in a virtual setting is a complex undertaking which requires attention to a number of issues. This paper has identified the salient issues as misunderstandings due of cultural difference, fluency problems in the common language, inefficiencies in the sharing of information and knowledge, cultural differences in incentive and reward systems, and virtual work in the context of culturally different ethical codes. As virtual teams become a more common aspect of work in today's global economy, it is important that employees receive proper orientation that

can provide guidance for managing teamwork effectively in a cross-cultural virtual environment. Students in business management programs could also benefit from the inclusion of lessons on virtual teamwork in their cross-cultural business training modules. This paper has brought forward a system of best practices that addresses the issues that are commonly experienced in virtual teams. The solutions presented in this paper are by no means an exhaustive list, but are rather intended as a set of propositions that will hopefully stimulate further discussion of the issues and best practices of conducting teamwork in virtual teams.

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