

MAJOR CHALLENGES IN MULTI-CULTURAL VIRTUAL TEAMS

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Abstract: Some of the problems that multi-cultural virtual teams experience include: time delays in replies, lack of synergy among cross-cultural team members, communications breakdowns, unresolved conflicts among members, limited hours allowed to be worked and different holidays. This paper reviews major challenges faced by multi-cultural virtual teams and describes some managerial implications. Although many previous studies have focused in various factors such as telecommuting issues, there are few studies that investigate the issues in multi-cultural virtual teams. The main objective of this research-in-progress paper is to empirically investigate multi-cultural challenges in virtual teams and outline the proposed research.

INTRODUCTION

Previous studies have investigated issues in virtual teams (Yoong 2001, Suchan et. al. 2001). A multi-cultural team is a team whose members have different cultural backgrounds, for instance because they are from different countries. In a global marketplace, more and more companies need international presence; therefore the need for creating virtual teams exists. By dynamically allocating people to projects based on expertise rather than location, organizations can more easily assign the most qualified people to appropriate projects without concern for the expense and wasted productivity caused by extensive travel or frequent relocation (Goldman 2000).

Multi-cultural virtual teams are important in these days due to the increasing globalization of organizations and the proliferation of new network technologies (LAN, WAN, Internet, extranets). Some of the problems that multi-cultural virtual teams experience include the following: time delays in replies, lack of synergy among cross-cultural team members, communications breakdowns due to cultural variances, unresolved conflicts among culturally different members, limited hours allowed to be worked and different holidays. This paper reviews major challenges faced by multi-cultural virtual teams and describes some managerial implications.

MAJOR CHALLENGES

Multi-cultural issues in virtual teams are not always visible but definitely do exist. Several studies suggest that global virtual teams face significant challenges in four major areas: communication, culture, technology, and project management (Kayworth, Timothy and Leidner 2000). Current research suggests that virtual team failure is directly related to the difficulties of building trust, positive relationships across the three boundaries of geographical distance, time zones, and cultural differences (Kimble et.al. 2001).

Time difference is another problem for virtual corporations. Time becomes a problem when people who are not in the same place and need some of their activities to be synchronized. When working with different time zones, individuals can be a day behind of getting something done. Time zones need to be kept in mind when trying to stay connected with someone from another country.

The time difference becomes a greater concern as the distance between the virtual teams grows. All over the world we have different time zones and it may be difficult to get everybody on the right team. It may be midnight in one part of the world and it may be the rush hour in another business. This is a problem because everybody needs to be on the same page and doing the same thing. One would not want to schedule a meeting with a virtual team with one team meeting during regular business hours and the other team meeting at 2 a.m. Anytime that a communication for instance needs to be immediately connected to Japan from the United States, users will have a hard time to obtain communication because it will be a different time in Japan and people will probably be asleep and not receive the intended communication in time. The time difference makes it hard on virtual teams but is still an obstacle that can be overcome.

Another major barrier could be the available technology. The current state of technology is such that virtual teams can technically function well in large parts of the world. However, some employees living in different regions may not have access to new communications infrastructures like ISDN, especially in rural areas, and employees in other countries may be subject to later release dates for software. Some other problems include incompatible networks, slow computers, and traffic on the network. Video conferencing solutions are either: expensive and good quality only in a LAN but not in WAN or cheap and unacceptably but low in

quality. Broadband services may not be available everywhere and installing dedicated lines could increase the cost to the organization and therefore offsetting any cost savings from telecommuting or reduced travel.

One obvious problem that can arise is a language barrier. All over the world people have different languages. One of the main problems in virtual teams is the difference in languages that are spoken. When the team members speak different languages they have trouble communicating. Many things could go wrong if clear communication is not initiated then many problems could occur in such things such as orders, measurements, and prices. The language problem can be somewhat difficult to overcome if a common language is not agreed upon. The major languages used in businesses today are English, Spanish, Japanese and Chinese. If a common language can be agreed upon in advance, this problem can be alleviated. The language barrier is a small problem but will be overcome if management selects their virtual team members with great care.

Communications needs to be carefully managed to take into account the cultural differences among team members. Communication is not necessarily the same when you match virtual teams in a multi-cultural environment. A major problem deals with the geographically dispersed virtual team members and how precisely they address questions or pass on information to their colleagues. Because many of these members reside in different time zone areas, it is a “rule of thumb” to be precise in what each member wants to know and how well they ask a question. If team members phrase their questions carefully the first time, they will get their point across successfully without having to deal with sending changes and making up for the time lost (Alexander 2000). Writing clearly and not using acronyms is another way to deal with this issue.

Advances in technologies have increased each person’s ability and likelihood of interacting with people of cultural backgrounds quite different from their own. According to Visions Inc, “Multiculturalism is a process of change by which we learn to recognize, understand and appreciate cultural identities, as well as the similarities and differences of people from other cultural groups.”

There are a few issues that can arise from workers from different cultures. Maybe some workers will want to be aggressive about their work and others would not want to be like this because they do not believe in being that way. People from different cultures may tend to misunderstand each other’s behaviors or stereotype people from other countries and hence come to distrust one another (Dash 2001, Alexander 2000, Cascio 2000).

One cultural issue is the importance of social status within cultures. Americans have a “need for speed” and like the efficiency of targeted, sparse prose that is used when communicating by e-mail. They also like fast responses. In other cultures, such as the Japanese, this form of communication collides with their work ethic. The Japanese are correct and proper, expecting to carefully craft their responses, and the idea of a written message devoid of nonverbal, social and grammar is an incomplete message (Lipnack and Stamps 1997, Khaitan 1999). Virtual teams must recognize discrepancies between cultures in order to work efficiently and effectively. Working in a cross-cultural virtual team can create awareness concerning the principal cultural differences that affect communication and working situations, and it can provide techniques for lessening culturally-based problems. Eventually with the growing use of the Internet to conduct business to business transactions it is essential for cultures to learn to adapt and understand cultural issues.

MANAGERIAL ISSUES

Managing the virtual team is a task in itself. Team leaders and supervisors must be aware of particular issues in order to avoid any potential problems (Cascio 2000). In building the virtual corporations the managers must be able to understand the diversity in international cultures so that understanding the trait is a success (O’Hara 2001). If there is trust on a team, communication becomes simpler (Lipnack and Stamps, 1997, Jarvenpaa 1998, Dash 2001, Alexander 2000).

Managers must ensure that all parties in the virtual team can participate and benefit from the interaction. Some individuals need guidance and direction while others are more independent. For example Japan is one country who believes in working in teams and don’t seem to mind being directed and pushed. However in the U.S. it is the norm to go the extra mile alone and not need or expect a lot of direction and monitoring. This is important to remember when managing virtual teams (Atkins and Cogburn 2001, Kumar and Van Fenam 2001)

Lipnack and Stamps (1997) state that managing a successful virtual company requires 90% people and 10% technology. A virtual manager is faced with far more challenges of keeping members connected and communicating effectively across the network. Policies and procedures are also established and necessary for members to follow and respect. Management reluctance can also be a problem for virtual corporations. Not everyone embraces the virtual teamwork model around the world. Some developing country’s managers may like a traditional office instead of a virtual corporation.

SAMPLE CASES

Examples for the possible constraints that firms face due to virtual teams are as follows. A firm named BakBone Software located in San Diego faces some problems. The firm’s U.S. and Israeli members are in a virtual team that faces both a seven-hour time difference and cultural issues. Israeli team members do not work Fridays due to religion, thereby putting them out of synch with U.S.

team workers. The company tries to overcome obstacles via e-mail, a shared Web server, conference calls, and soon will incorporate videoconferencing to their communications tools. Such efforts can bridge cultural differences.

A good example of a communication issue in a virtual team is that of gathering people from different countries who speak a different language. For example, BakBone Software, located in San Diego, has implemented people from Japan in their virtual team.

The only problem is that the Japanese, who speak flawless English, think that their English is not understandable and will rather be more quiet and agree to many things without stating their own opinion about a company issue (Alexander 2000).

Microsoft uses virtual teams to support major global corporate customer sales and post sales services as do other organizations servicing global clients with interdependent customer needs crossing country boundaries. Companies such as Ford are using virtual global teams for designing the latest car models. In other cases, companies are operating on a 24-hour day in which the design of computer chips is communicated at the end of the work day to another part of the world where the work continues uninterrupted.

RESEARCH METHODOLOGY AND CURRENT STATUS OF THE PROJECT

Many studies have focused in telecommuting factors. There are few studies that investigate the issues in multi-cultural teams. The main objective of this research in progress is to empirically investigate multi-cultural challenges in virtual teams. Cultural differences play an important role in team communications (Thatcher 2001). Several studies have found that the difference between individualistic and collectivistic cultural values affects work-group composition, processes, and outcomes (Cox, Lobel, and McLeod, 1991; Earley and Gibson, 1998; Sosik and Jung, 2002). In addition, differences in national culture have an impact information technology (IT) implementation and acceptance (Veiga et. al. 2001). The technologies that enable virtual teams might be assimilated in a different way by individuals from different cultures.

We will use a comprehensive theoretical framework developed by Pare and Dube (2000) which includes the following factors: the project context (environment and group member characteristics), communication technology (choice and implementation), team processes, and project success (outcomes and satisfaction). Therefore the prominent research questions of this study are:

1. Is there a difference in the quality of the project outcome and the team members' satisfaction depending on the cultural distance?
2. What are the major challenges in the team process and its influences in project outcomes and member satisfaction?

The first step of this exploratory research consists as field study/"multiple" case studies. The sample will consist of supervisors and middle level managers in maquiladoras and managers at their related owner firms. Maquiladoras are manufacturing and assembly plants located on the Mexican side of the U.S.-Mexico border. The maquiladora program was set up in 1965 in order to create jobs in Mexico. The Mexican government was interested in establishing maquiladoras because of the high unemployment rate in the northern Mexico area. The program was designed in order to encourage U.S. firms to open plants in Mexico that use American-made parts (Feinberg et. al., 2002). The sample will include nationals from at least three countries. The majority of the maquiladoras are U.S. or Japanese owned. The sample will include supervisors and managers in maquiladoras located in the states of Tamaulipas, Mexico- Texas and Baja California, Mexico- California. These two borders are located in the boundary between the United States and Mexico.

Data will be gathered by using a questionnaire and coded semi-structured interviews. The interviews will be transcribed and we will use coding and content analysis to identify the key challenges faced by multicultural teams. We hope to develop deep insights of the problems faced by multi-cultural virtual teams from which hypotheses may evolve.

The importance of rigorous research methods in IS has been emphasized in previous studies (Robey and Markus 1998). Ours in an example of cross-cultural IS research. An important methodological issues is the validation of the survey instrument. (Boudreau, Gefen, and Straub, 2001). A particular validation issue in cross-cultural research, it is the adaptation of a general mono-cultural instrument to ensure its validity (Thatcher 2001). The original instruments in the English language and will be translated into Spanish. In order to prevent any reliability and/or validation problems related to the translation, we will use standard blind translation procedures (Brislin 1986). The original instrument in English, will be translated into Spanish, and then translate it back into English by a second independent translator. The first original instrument and the back-translated one should have the same basic meaning.

The second stage of the study is a controlled experiment involving virtual teams. Virtual teams will be composed of graduate students from the U.S. and Mexico. Half of the groups will be control groups and will be made of students from the same country. The other teams will be culturally-diverse teams and will be composed of students from both countries. Members will be assigned at random, and they will communicate using asynchronous (e-mail, and an electronic bulletin board) and synchronous communication tools (chat, GDSS software).

The most important independent variable is the cultural distance (CD) construct (Shenkar 2001). It is important that ensure that the constructs are equivalent across cultures (McLeod et.al. 1996, Rojas-Mendez et.al 2001). The dependent variables include performance and satisfaction. Performance of virtual teams has been commonly studied by assessing outcomes such as decision time, member satisfaction, participation, consensus, and perceived decision quality (Chidambaram and Jones, 1993; Lurey and Raisinghani, 2001).

We will use the widely used framework developed by Hosted, that has been used in comparable studies. In addition, to increase validity, we will measure each subject's cultural-orientation rather than assuming cultural orientation (i.e. individualistic-collectivistic) on the basis of country of residence. A recent study by Straub et. al. (2002) addresses the absence of theory on the role

of culture and explores the theory-based measurement of culture via social identity theory and the methodological and practical implications of theory-based definition of culture. It is clear that there are many methodological issues in information system cross cultural research (Karahanna and Evaristo, 2002).

CONCLUSION AND EXPECTED RESULTS

Virtual teams have the advantage of global benefits in this area simply because they have international partners in the area of business. All partners are, in a sense, experts in their own economy and each one contributes a large part to the virtual corporation, or group of corporate partners involved (Hofstede, 2001, Dessert, 2001).

Virtual teams bring together different cultures in order to provide their company with a competitive advantage when they form virtual corporations with other companies to have their product succeed. Multicultural teams may allow a company to think about going global or even how to differentiate its product to different segments of its domestic population. Multicultural teams can also help avoid obstacles that may not be obvious to a group from the same background.

Multicultural issues arise with time, politics/governments, language and cultures. Working virtually, and today's communications tools, mean that more and more people encounter the difficulties of working across national cultures. Global virtual teams and distributed groups bring us in close working contact with people from different national cultures that we've rarely a chance to get to know. Virtual corporations must be able to demonstrate ways to deal with the impact of culture on team performance, trust and dynamics (Hansen 1999). There are still many areas in the incorporation of these virtual teams that need extra attention and discussion in order to make them successful in the future.

This study is one of the first empirical investigations designed to study the challenges of multi-cultural virtual teams. This study will provide insights for developing a list of critical success factors in managing multi-cultural virtual teams. This research is a step in a new direction for the study of virtual teams which include members from multiple cultures, which will result in an improved knowledge of global virtual teams. This study has implications for the field in two major terms. First, it will provide a deeper understanding of the managerial issues in multi-cultural virtual teams. This study is particularly important because it will provide insights for managers faced with the challenge of managing a multi-cultural virtual team. The results of this study should be available in time for the conference presentation and will be relevant for managers of business organizations who rely on the virtual enterprise model. It will also benefit IS researchers and practitioner managers alike.

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