

**INTERCULTURAL COMPETENCE AS  
A SUCCESS FACTOR OF  
VIRTUAL MULTICULTURAL TEAMS**

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**A Case Study on the Team Effectiveness of  
Global HR Teams**

Master's Thesis  
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Tiivistelmä  This study's main objective is to construct a model of intercultural competence for global virtual teams in order to investigate the influence of intercultural competence on multicultural virtual team effectiveness.  This objective was investigated in two ways: Firstly, by reviewing existing models and concepts with the goal of listing contents of intercultural competence that improve the virtual multicultural team effectiveness sustainably. The findings in this section have been that all team members need to have a certain degree of intercultural competence. Intercultural competence is a set of skills, attitudes and knowledge which is developed gradually by experience and will never be complete. In virtual multicultural teams communication via technological channels are relevant as well as the degree of virtuality, i.e. in geography, time and culture.  In the empirical part of this study, the goal was to investigate which contents of intercultural competence are of particular importance for the virtual multicultural teamwork in Human Resources in this study's case. For this, ten interviews were conducted with employees in the field of Human Resources of the international IT company Tieto Oyj. In the qualitative content analysis according to Mayring it was found that soft factors such as motivation, awareness, open-mindedness, trust, cohesion and commitment are of higher value than hard factors, i.e. cultural knowledge.  Connecting intercultural competence to virtual multicultural team effectiveness sustainably, a positive gradual correlation has been found. Intercultural competence forms the internal team processes, such as communication, conflict management, cohesion, clarity of roles and goals. By forming a team culture altogether a healthy team climate (trust, cohesion, motivation) is reached which positively influences satisfaction and performance, i.e. team effectiveness.	
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*Coming together is a beginning, staying together is progress and working together is success.*

Henry Ford (Crainer, 1997:53)

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## 1. INTRODUCTION

Globalization has lost much of its novelty, glamour, and allure: it is now as much a condition of doing business as it is a condition of contemporary economic (and social) life itself (and an embattled condition at that). But that has not made the questions, issues, and challenges of globalization any less salient and more routine. (Walker et.al., 2003: xi)

In times of globalization, an increasing amount of multicultural teams work in internationally active companies. The issue of teamwork itself is not new to research, but with an increase in multiculturalism there are additional factors, chances and challenges involved in the dynamics of teamwork nowadays. Today's work ethos is characterized by technological development, "unpermanency, independence of place and multiculturalism" (Salo-Lee, 2006:80) and intercultural dialogue "has become the foundation on which global business succeeds or fails" (Adler, 2002:134). One strategy for improved functioning in a global business environment is developing effective multicultural teams (Maznevski and Chudoba, 2000:473). This can only be achieved if the development and communication among the team members is set up effectively, i.e. if the team is kept healthy (see Singh and Muncherji, 2007). An especially important factor for a team being healthy is intercultural competence, which refers to "intercultural awareness, knowledge and skills, i.e. both competence and performance" (Salo-Lee, 2006:81).

Therefore the aim of this study is to investigate the influence of intercultural competence on multicultural virtual team effectiveness. Previously a lot of research on defining intercultural competence has been done, however "an adequate understanding of intercultural competence in the context of multicultural teams has not been sufficiently developed" (Matveev and Milter, 2004:109). Thus, the main objective of this research is to construct a model of intercultural competence for global virtual teams. More specifically in this study I will redefine earlier definitions of intercultural competence and expand them with concepts of team effectiveness and team climate. In the second step, I conduct interviews with Human Resources employees in a multinational company to gain empirical insights into the necessity of intercultural

competence for team effectiveness. Consequently, the research question is the following:

**RQ1:** Which significance does intercultural competence have for the team effectiveness of virtual multicultural teams?

In order to get insights into this question, two more detailed questions are asked during this research:

**RQ1.1.:** Which contents of intercultural competence improve the virtual multicultural team effectiveness sustainably?

**RQ1.2.:** Which contents of intercultural competence are of particular importance for the virtual multicultural teamwork in Human Resources in this study's case?

Intercultural competence is not only defined as knowledge about various cultures, but also as the awareness of cultural differences, trust, tolerance and interpersonal skills in order to avoid misunderstandings, especially when the work environment is characterized by the limitations which are caused by local separation of the team members. Intercultural competence is a young, but significant factor for teamwork and this thesis claims that it is even a success factor for multicultural virtual team effectiveness. A lot of research has been done on the necessity of intercultural competence of team leaders, however, "to work effectively, everyone from the CEO to the lowest level worker must use cross-cultural skills." (Adler, 2002:136). Thus, not only the team leader needs to be interculturally competent, but also every single team member in order to become a successful team with high performance. Therefore this study takes the rationale of the importance of intercultural competence from the view of team members with various roles.

Besides the fact that the team members are from different cultural backgrounds, multicultural teams often share another characteristic, i.e. they work virtually, meaning that they are locally separated. This virtual factor emphasizes the importance of intercultural competence even more: "Although they (global virtual teams) play an increasingly important role in multinational organizations, little systematic is known about their dynamics or effectiveness" (Maznevski and Chudoba, 2000:473).

Especially for the Human Resources field, the concept of intercultural competence is of great importance because performance management is one area within Human Resources and one of its central tasks is to define criteria that are used as guidelines for reaching goals and for supporting the company's success, i.e. to work effectively together as individuals, in teams and within one company. In multinational companies intercultural competence should be one of these criteria and therefore this thesis contributes to the implementation of the concept of intercultural competence into performance management of global companies. In order to support this factor as a success factor for international companies, it is important that Human Resources employees are the first employees to fully perceive the necessity of intercultural competence for their company. Thus, interviews are conducted with people who are working in the field of Human Resources.

In the theoretical part of this study I discuss the concepts of culture, intercultural competence and effectiveness and connect them to virtual multicultural teams. After having reviewed earlier studies, the empirical part of this research is explained and carried out. Semi-structured interviews are conducted with ten employees working in the Human Resources field for collecting the data. Themes among others are intercultural experiences, the team atmosphere, trust, intercultural competence and communication within the team. For analyzing the interviews the qualitative content analysis is used and finally the results and discussion are presented in the end of this thesis.

## 2. THEORETICAL BACKGROUND

A definition of *culture* and *intercultural competence* is necessary since, according to the underlying assumption of this thesis, they form the basis for effective multicultural teamwork. Furthermore *multicultural teams* are closely defined with regards to *team effectiveness* and the *virtual character* of teamwork in order to gain a solid understanding for the case study.

### 2.1. THE CONCEPT OF CULTURE

The term culture, which is originally derived from the Latin term *colere* meaning to cultivate, has been extensively discussed among various academic disciplines like anthropology, sociology, biology, communication, economics and linguistics. Already in 1952 Kroeber and Kluckhohn (1952) have gathered a list of 164 definitions of the term culture. Table 1 depicts a number of different definitions of culture in order to identify characteristics of culture, which will be used as a working concept in this thesis:

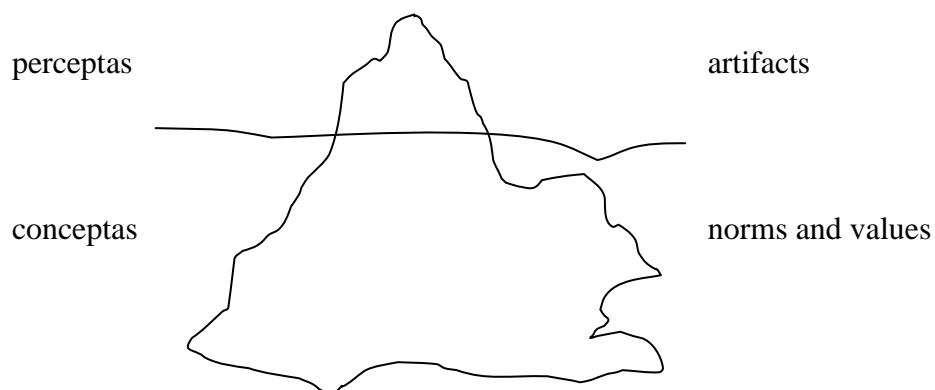
**Table 1: An Extract of Definitions of Culture (adapted from Apfelthaler, 1999:31)**

Author	Definition
Becker & Geer	Culture is a set of common understandings expressed in language. (in: Apfelthaler, 1999:31)
Douglas	Culture, in the sense of the public, standardises values of a community, mediates the experience of individuals. It provides in advance some basic categories, a positive pattern in which ideas are tidily ordered. (Douglas, 1966:39)
Geertz	Culture is a historically transmitted pattern of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which men communicate, perpetuate, and develop their knowledge about and their attitudes towards life. (Geertz, 1973:89)

GLOBE-Project	Culture consists of shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives and are transmitted across age generations. (Chhokar et. al., 2008:3)
Hall	Culture is communication and communication is culture. (Hall, 1959:186)
Hofstede	Culture is the collective programming of the mind which distinguishes the members of one human group from another. (Hofstede, 2001:9)
Kroeber & Kluckhohn	Culture consists of patterns, explicit and implicit, of and for behaviour, acquired and transmitted by symbols, constituting the distinctive achievement of human groups, including their embodiments in artifacts. (Kroeber and Kluckhohn, 1963:181)

First of all, these definitions identify various elements culture consists of. According to Bolton (2003:17), these definitions can be categorized as *perceptas* and *conceptas*, which he depicts in the model of an iceberg:

**Figure 1: Culture seen as an iceberg (see Sackmann 2002:27)**



Whereas *perceptas* summarize the visible part of culture, i.e. artifacts, customs, language and behaviour, *conceptas* on the other hand describe the invisible components, such as norms and values, basic assumptions and meanings. Accordingly, the underlying invisible concepts explain the visible perceptions of a culture (see Bolton, 2003; 16-17).

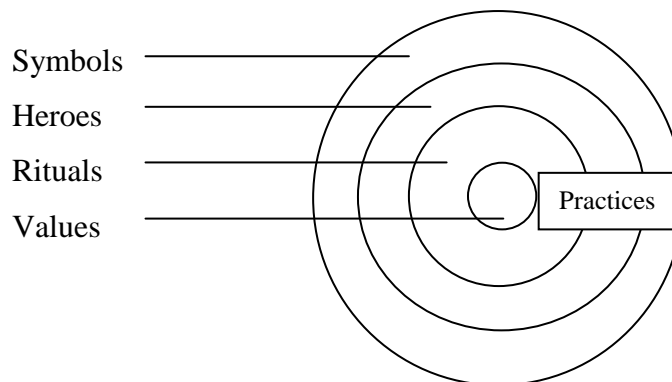
Secondly, the definitions above show the collective character of culture because it is the “collective programming of the mind” (Hofstede, 2001:4) and, therefore, is shared by a group of people. The collective preserves its culture as it is learned and passed on by the members of the group through

interacting and observing. This assumes that culture is a system, i.e. a set of competences (knowledge, beliefs, values), its members internalize.

Oposing the assumption that culture implies a collective character, it needs to be stated that cultures are no containers, but networks (see Bolton, 2003:13-15). Hence, in times of globalization, multicultural virtual team members interact, enlarge their behavioural spectrum and broaden their horizon towards different worldviews. Consequently cultures are interchanged and do not have strict borders anymore, but rather build networks between each other's members.

Both assumptions are combined in Hofstede's "onion model" (Figure 2) where culture is manifested in different levels of depth (layers): values, rituals, heroes and symbols. The inner layers are better protected against external influence than the outer ones. For this reason, culture preserves its core, but also changes its symbols and heroes due to networking (Hofstede, 2001:11).

**Figure 2: Culture depicted as an "onion" (Hofstede, 2001:11)**



The fourth assumption is that there is no culture without communication (see Hall, 1959). Bennett (1998:13) describes language "as a tool for communication, but in addition it is a system of representation for perception and thinking." The Whorf/Sapir hypothesis clarifies the interconnectedness between communication and culture with the strong form "Language largely determines the way in which we understand our reality" and furthermore in the weak form of the hypothesis: "Language, thought and perception are interrelated" (Bennett, *ibid*).

The last characteristic of culture is its occurrence in different areas of life. Since this thesis is dealing with multicultural virtual teamwork organizational, team and national culture will play the main roles. In contrast to national cultures “that are part of the mental software we acquired during the first ten years of our lives,” (Hofstede and Hofstede, 2005:284) corporate or team cultures are “acquired when we enter a work organization as young or not-so-young adults, without values firmly in place, and they consist mainly of the organization's practices – they are more superficial” (ibid).

To sum up, “culture is the knowledge people need to know [competence] in order to behave and act appropriately [performance] in a certain society/group of people” (Apfelthaler, 1999:35). Since culture is defined as a “force that operates deep in the shadows of our interactions” (Walker et.al., 2003:38), it is a basic concept for multicultural teamwork because each team member is influenced by culture in various forms.

## ***2.2. THE CONCEPT OF INTERCULTURAL COMPETENCE***

According to Walker and Walker (2003:33) “the desire to penetrate and capture foreign market space has started a journey that has increasingly moved cultural competence from the periphery of a company's business focus to the very center.” The importance of intercultural competence for business and within teamwork especially in times of globalization is growing, because as “research has [...] shown [...] the styles of planning, organizing, staffing, leading, motivating, making decision, and communicating vary worldwide” (Korhonen, 2002:30).

Researchers from various academic fields have been discussing about the term for this concept and have built “an unwieldy collection of terminologies” (Spitzberg and Cupach, 1989:242) ranging from cross-cultural adjustment, cultural sensitivity, global citizenship, intercultural communication effectiveness to transcultural communication appropriateness (Taylor, 1994:390). In this thesis the name *intercultural competence* will be kept because in multicultural teamwork people from different cultural backgrounds are interacting and therefore construct a third, so-called *interculture* between

their own cultures, in which they need to act appropriately and effectively with the help of a set of competences. Since the aim of this study is to connect team effectiveness to intercultural competence, the term competence is suitable, because “competence [depicts] an ability to perform satisfactorily, the task being clearly defined and the criteria of success being set out alongside” (Whitty and Willmott, in Glough and Holden, 1996:39-40).

As has already been mentioned, key terms for the concept of intercultural communication are *appropriateness* (Spitzberg 2000, Deardorff 2004, Vulpe et.al. 2000) and *effectiveness* (see Chen and Starosta 1996; Koester, Wiseman and Sanders 1993, Vulpe et.al. 2001). They portray the aim of intercultural competence, i.e. to adapt to a situation in the way that comforts all the participants. *Effectiveness* is “the accomplishment of valued goals or rewards relative to costs and alternatives” (Spitzberg, 1984:380). *Appropriateness* is described as “what is regarded as proper and suitable in a given situation within a particular culture” (Koester, Wiseman and Sanders, 1993:6). Resulting from these concepts, an intercultural communicator has to be aware of certain traits in order to act accordingly and reach the situational goals.

In order to fully grasp the concept of intercultural competence “much progress has been made in this area since Hall, [but] a satisfactory model of ICC [Intercultural Communication Competence] [...] is yet to be developed” (Arasaratnam and Doerfel 2005:138). The approach to intercultural communication research can be divided into two categories: structure-oriented models of the components of intercultural communication and process-oriented models with the components’ interplay in focus. One example for the more structure-oriented models is the definition of intercultural communication is that of Adler (2002:153):

Recent research suggests that all teams need the following communication skills to function effectively. They must be able to see situations from another person's perspective, create a shared social reality, explain problems appropriately, and establish agreed-upon norms for interacting. They must also be motivated to communicate, and have confidence that other team members are skilled enough to work effectively together.



In the same year the Finnish researcher Jokikokko (2005:82) defined intercultural competence as the “capacities that are needed for the achievement of mutual understanding as well as for functional interaction and co-operation between people who have different cultural backgrounds”. This latter one contains a more dynamic and process-oriented approach to intercultural competence. These two approaches are more specified in the following two chapters.

### **2.2.1. Intercultural Competence – A System of Building Blocks**

The structure-oriented models can be summarized in four building block areas: (a) motivation, (b) knowledge, (c) skills and (d) attitudes. *Motivation* as “the set of feelings, intentions, needs and drives associated with the anticipation of or actual engagement in intercultural communication,” (Wiseman, In: Deardorff, 2004:36) can be seen as the basis for intercultural communication because the communication with an unmotivated person rather fails (see Martin and Nakayama, 2004:407-410; Korhonen, 2002:35).

*Knowledge* contains various areas that researchers have explored. Vulpe et.al. (2003) have developed the “Profile of The Interculturally Effective Person” which consists of nine characteristics and two of them list knowledge, i.e. knowledge of the host country and culture as well as self- knowledge. Also one in three pillars of Matveev’s model of intercultural competence (2004:106) is *cultural knowledge* about the self- and other cultures. The reason for that is that “team members must acknowledge differences in communication and interaction styles of managers from different cultures, demonstrate flexibility in resolving communication misunderstandings, and feel comfortable when communicating with foreign nationals” (Ibid). Knowledge produces awareness to cultural differences, communication styles, the self-concept etc. Therefore it can be seen as a combined building block of knowledge and awareness (see Jokikokko, 2005:94).

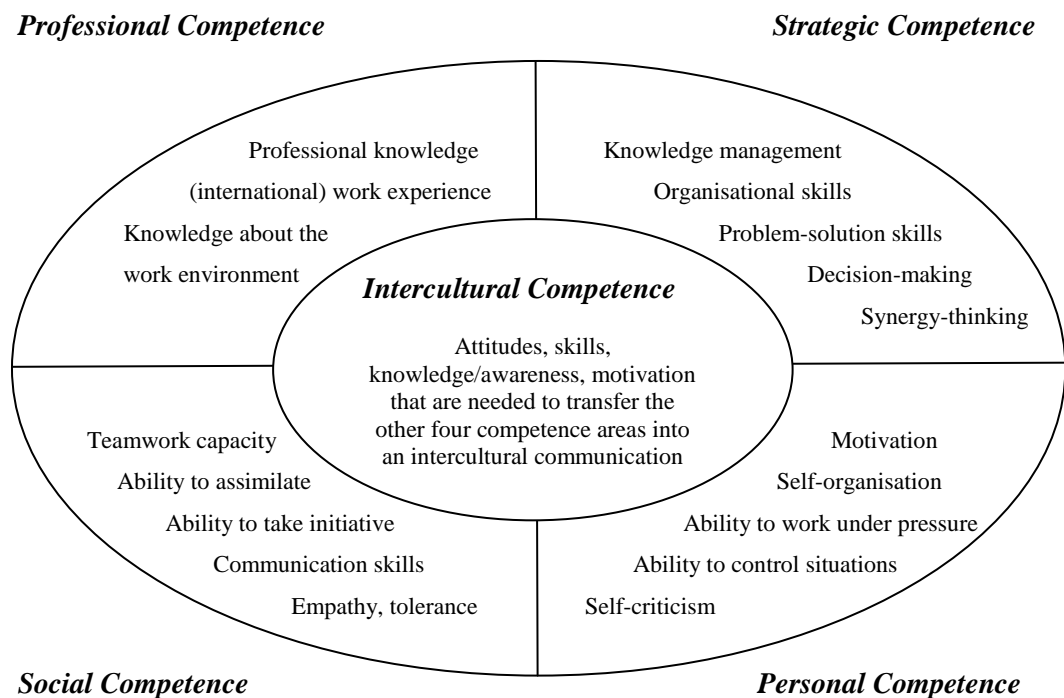
Resulting from Matveev’s statement a blurry border between knowledge, skills and emotions is noticeable. The category of *skills* ranges from communication skills, such as language, negotiation skills, conflict management skills to empathy, organizational skills, tolerance and adaptation skills (see Jokikokko, 2005; Vulpe et.al. 2001) that benefit appropriate and

effective behavior in an intercultural communication situation. Language plays a special role in this thesis because many researchers have been discussing to what an extent language skills are necessary to interact effectively with people having a different native tongue. Lewis (cited in Matveev and Milter, 2002:33) clarifies the meaning of language in this way: “Language is not merely a tool for delivering a message, [but it] is a reflection of national character, culture, and national philosophy.” Therefore, Hoecklin (1995:23) emphasizes: “if we are fluent in the local language, some of the more hidden differences become more apparent,” meaning that a part of the concepts of culture can be unlocked and a better understanding is supported by knowing the language of the communication partner. However, in international companies multicultural teams are often created for only a short-term project, which requires rather culture-general knowledge, attitudes and skills from its members in order to agree on a common work basis (see Bertelsmann Stiftung, 2006:8). Consequently, learning each others’ languages forms an impossible effort. Therefore, agreeing on a common language or forming a team’s own language, i.e. a *lingua franca*, adds up to a higher value for teamwork. Yet when people work closely, cultural knowledge gets transferred automatically and with that also linguistic knowledge or the other’s cultural perspective. Examples are addressing others, greetings, but also non-verbal communication like gestures and mimics (see Ferraro, 2002:46).

The last building block of intercultural competence is *attitudes* such as “a general openness for and appreciation of cultural diversity and an ability to encounter and deal with individuals from foreign cultures in an open, curious and unpredicted manner (i.e. withholding judgment)” (Bertelsmann Stiftung, 2006:8; see Matveev and Milter, 2004:106). The Profile by Vulpe et.al. (2001:9-10) adds the attitudes of modesty and respect as well as personal and professional commitment. With all these attitudes unified, the belief in “intercultural competence [and] diversity [becomes] a source of competitive advantage and adds value when attempting to reposition the company” (Korhonen, 2002:33). As a consequence, multicultural teamwork is strengthened and may lead to more effective processes.

Bolten (2003) has compiled an “Acting Competence Model” (Figure 3) combining several models and their intercultural competence components.

**Figure 3: “Acting Competence Model” (Bolten, 2003:88 translated from German by Kristin Zimmermann)**



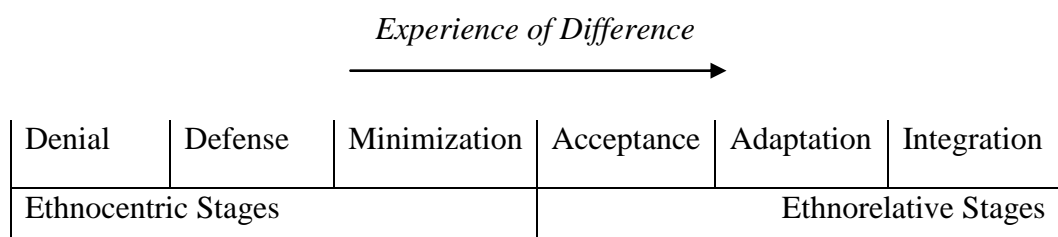
Bolten (Ibid) divided the acting competence into five sub-competence areas: professional, strategic, social, personal and intercultural, but he is also well aware of the fact that in reality these competences influence each other. For each of the competence areas he identified a set of knowledge, skills and attitudes that are applying to each and every situation when a human being is interacting. Bolten (2007:25-26) therefore defines intercultural competence as the competence that is needed to transfer the other four competence areas into intercultural communication situations. An example for this is teamwork capacity. In general, each member has his/her own tasks, everybody is contributing to the teamwork and there is a need for communication. However, if a multicultural team has been created, certain knowledge of the cultures involved and the connected communication styles, ways of negotiation, hierarchy systems etc. need to be considered and exchanged.

This model is more process-oriented than solely listing the abilities that are needed to act appropriately and effectively in an intercultural environment. However, this “Acting Competence Model” depicts a comprehensive overview of the competences needed when acting in various surroundings, such as in a team and therefore builds a practical basis for this research.

### 2.2.2. Becoming Interculturally Competent – The Way is the Goal

Additionally to the research analyzed above, intercultural competence has also been studied from the perspective of the process, i.e. how to become an intercultural competent communicator. Generally speaking “developing intercultural competence is a slow, gradual transformative learning process” (Taylor 1994 cited in Korhonen, 2002:36). A competence has different development stages, as intercultural competence also implies. One of the most popular models of this kind is Bennett’s (1998) “Development of Intercultural Sensitivity.” Bennett perceives intercultural competence as sensing cultural differences in order to behave appropriately and therefore calls this phenomenon intercultural sensitivity.

**Figure 4: Development of Intercultural Sensitivity (DMIS) (Bennett, 1998:26)**



The DMIS model contains ethnocentric and ethnorelative stages. *Ethnocentrism* means that other people’s cultural characteristics are judged on the basis of one’s own culture. The first stage is called *denial* and expresses the condition when no contact with any other culture has taken place or was not wished to happen. After some intercultural contact, the perspective of “us” and “them” is maintained and still the personal perspective is predominantly judged as the more elaborated one. This is called the *defense* stage. Following this one, *minimization* is seen as a transition stage to ethnorelativism. People at this

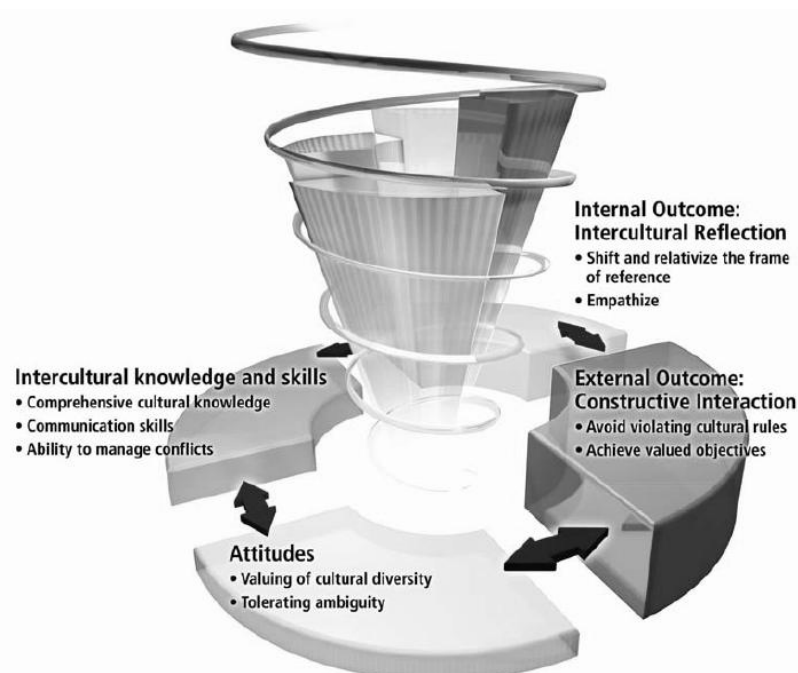
stage assume that human beings are all similar to each other. Hence, the awareness of other cultures slowly develops, but still the personal one is more present. Having arrived at *acceptance*, tolerance for and interest in other cultures is coined. The fifth stage is *adaptation* in which people put themselves into another person's shoes and therefore gain a wider choice of perspectives. The last stage named *integration* is the condition when a person fully understands another culture and behaves appropriately and effectively. i.e. a person can almost automatically integrate into another culture. The danger here is that the original culture, called home, may lose sight. Resulting from that, *ethnorelativism* "refers to being comfortable with many standards and customs and to having an ability to adapt behavior and judgments to a variety of interpersonal settings" (Bennett, 1998:25-30). Bennett's model provides a comprehensive understanding of the way to become interculturally competent. However it can be criticized, that the stages can be intertwined or leaped depending on one's own development of intercultural sensitivity.

Bhawuk and Triandis identify four stages of the development of intercultural competence: (1) *lay person*, a person in an ethnocentric stage without having experienced much intercultural contact. (2) A *novice* has spend a couple of years abroad without having enjoyed intercultural education and has developed a certain degree of intercultural sensitivity. (3) The *expert* has studied intercultural communication and is therefore able to analyze cultural differences based on his/her theoretical knowledge. (4) The *advanced expert* underwent the highest development of intercultural sensitivity into ethnorelativism, which has been adopted from theory and practice and transferred into an unconsciously culturally appropriate behavior (Bhawuk and Triandis 1996 cited in Salo-Lee, 2006:89).

These developmental models show that intercultural competence is gained by getting practical experience as well as theoretical knowledge that provides tools for analyzing cultural differences and in this way increases the intercultural competence. However, these models perceive intercultural competence as one absolute competence and being fully competent is the goal. Deardorff's work differs from these concepts in the way that it "allows for degrees of competence" (Deardorff, 2004:193). This agrees with the assumption that a person can never be fully interculturally competent, because

of the great variety of cultural differences, intercultural encounters and also the steadily melting and changing cultures (Bertelsmann Stiftung, 2006:6). Deardorff (2004:198) has developed a circular model of intercultural competence (modified in Figure 5) consisting of four components: The starting point for developing intercultural competence is *attitudes* (Byram 1997 cited in Deardorff, 2004:193), i.e. the motivation, positive attributes and openness towards learning from intercultural encounters. Secondly, *intercultural knowledge and skills*, as have been identified as components earlier in this thesis, follow as the second building block. When having had intercultural encounters, these two areas develop and lead to the *intercultural reflection as an internal outcome*. Having developed internally also has an influence on a person's own behavior and, therefore, *constructive interaction* is the external outcome, i.e. an interculturally effective and appropriate behavior which shapes intercultural competence. Following this model “the more components are acquired/developed increases the probability of a greater degree of intercultural competence as an external outcome” (Deardorff, 2004:193). Figure 5 illustrates “the acquisition of intercultural competence [as] a continual, dynamic process” (Bertelsmann Stiftung, 2006:7) in the shape of a spiral where intercultural competence “moves through diverse dimensions while developing and enriching itself in an upward spiral” (Ibid):

**Figure 5: The Intercultural Competence Learning Spiral (Bertelsmann on the basis of Deardorff, 2006)**



As seen in Bolton's model various contexts have to be transferred to intercultural encounters. An example is teamworking skills. If one has gained experience in this already and is also effective in multicultural teamwork, this does not imply competence in other professional or personal areas. Therefore Deardorff's model expresses that while one person might be an advanced expert in intercultural teamwork, the same person might tend towards a lay person in certain situations where a high amount of strategic competences is required (see Deardorff, 2004:193-194).

For intercultural competence to improve gradually, intercultural encounters are necessary. This interactive side especially in the environment of multicultural teamwork requires another ability, which Salo-Lee emphasizes as *dialogical competence*:

Dialogue goes beyond discussion. It means interaction and orientation towards the other. Dialogue entails openness, empathy and trust. Dialogue both presupposes and creates an atmosphere where understanding can be reached and new ideas emerge. Listening is one of the key elements of dialogue. [...] In multicultural professional contexts true dialogue is a powerful tool for finding new perspectives, insights and innovations. (Salo-Lee, 2006:88)

Besides being composed of building blocks that have already been mentioned, the dialogical competence also contains *interactive translation* and *participative competence*, both having been defined by Holden. In his work *interactive translation* is the ability of multicultural teams "to negotiate common meanings and common understandings whereby the members also learn to work in those teams." (Holden 2002 cited in Korhonen, 2002:32) Furthermore, *participative competence* is the "adeptness in intercultural communication to engage in a discussion productively, even when using a foreign language [and being able] to contribute, to communicate experience, and stimulate team learning" (Ibid). Among capabilities as language and communication skills and motivation, networking skills are strongly required especially in teamwork, which is essential in this study.

In my opinion both structure-oriented and process-oriented concepts are of highest importance for this study, because virtual multicultural teams need to develop themselves throughout the process of performing. In this

process the components, such as communication and language skills or knowledge about other cultures can be developed. However, before starting to work in a group a set of components of intercultural competence, such as motivation, openness, flexibility and awareness need to be internalized already in order to enable a successful teamwork and a high-performance outcome. For this reason it is of an advantage for the members of virtual multicultural teams to be familiar with both concepts.

In order to understand how intercultural competence as has been explained affects multicultural virtual teamwork, the mechanisms of these teams and their effectiveness will be explained in the next section.

### **2.3. *THE CHARACTER OF A VIRTUAL MULTICULTURAL TEAM (VMCT)***

In this chapter the character of a virtual multicultural team is gradually build up. First of all the term *team* is defined and characteristics are elaborated. This first step serves as a basis for the underlying assumptions of multicultural teams, i.e. chances and challenges in that kind of teamwork. Additionally the virtual character of a team is highlighted in order to gain comprehensive insights into the processes of virtual multicultural teams (VMCT).

#### **2.3.1. The Team – General Assumptions**

Similar to the term culture, *team* has various approaches and definitions (see Table 2). Researchers have argued about the terminology itself. As a result it can be stated, that the word team and group do not show a clear distinction (Köppel, 2007a:11-12). Therefore the terms are both used synonymously in this thesis.



**Table 2: Overview on definitions of a team (adapted from Jedrzejczyk, 2007:20)**

<b>Author</b>	<b>Definition</b>
Bender	A team is a group of employees, that are responsible for a specific working process and that is delivering its product or service to an internal or external receiver (Bender, 2009:17)
Bratton	Teams [are] groups of two or more people who interact and influence each other, are mutually accountable for achieving common objectives and perceive themselves as a social entity within an organization. (2007:300)
Katzenbach and Smith	A team is a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable. (Katzenbach and Smith, 2006:45)
Podsiadlowski	A team is to be interpreted as a functional organized working group that differs and therefore becomes a team by the interdependent roles and complementary skills of the group's members. (Cited in Jedrzejczyk, 2007:20; translated from German by Kristin Zimmermann)
Bailey and Cohen	A team is a collection of individuals who are interdependent in their tasks, who share responsibility for outcomes, who see themselves and are seen by others as an intact social entity, embedded in one or more larger social systems and who manage their relationships across organizational boundaries. (Bailey and Cohen, 1997:241)
Rosenstiel	A team is a well functioning team with a good cooperation, flat hierarchies and an intense bond of the members on the common goal. (Cited in Jedrzejczyk, 2007:20; translated from German by Kristin Zimmermann)
Stock	A team consists of at least two people that are working towards a common goal and therefore are interdependent on each other. (Cited in Jedrzejczyk, 2007:20; translated from German by Kristin Zimmermann)

In this list, general characteristics of teams become apparent. First of all the *team size* is addressed. Generally speaking a team should not consist of more than 25 members. If the size exceeds the possibility of building subgroups, i.e a team is split up into certain other units (see Katzenbach and Smith, 2006:45).

Secondly, the common *goal* is decisive for a team. On the one hand this emphasizes the team as being performance-driven. On the other hand a team goal avoids conflicts due to the necessity of agreeing on common ways of working and activities to work into the same direction towards reaching the

goal. Also this commonality provides the team members with motivation to succeed within the team (Köppel, 2007a:50).

Resulting from the last issue, two further issues are emphasized in a team: creating norms and cohesion. *Norms* are understood as guiding principles for the group's behaviour (Ibid, 10-11). Examples are regular meetings, media used for communication and the language used. These norms are either constructed by the team leader or the team members form them altogether. If the latter is the case the *cohesion* within a team is stronger because the team members themselves chose their ways of working, so a common sense is build instead of being forced into a pattern of behaviours.

Cohesion or cohesiveness "refers to all the positive and negative forces or social pressures that cause individuals to maintain their membership in specific groups" (Bratton, 2007:306). Also responsibility-taking is strengthened by cohesion (Bender, 2009:17) because the members aim at contributing their part to the team's work and achieving high performance and consequently the recognition by the other team members. Furthermore, Köppel (2007a) states that cohesion is stronger the more homogenous a team is. A homogenous team implies similar interests, i.e. the team members easily agree with each other and therefore quickly feel a sense of belonging.

Contradictory to a strong cohesion is the variety of *roles* needed in a team. If a team is completely homogenous, the members do not bring a variety of perspectives into the team that among others is required for creativity and innovative ideas. For this reason Katzenbach and Smith (2006) emphasize the importance of complementary skills within a team. Those skills are divided into three categories: (1) technical or functional expertise, (2) problem-solving and decision-making skills and (3) interpersonal skills. Also these skills secure different roles within a team. An example is the role of the teamworker. This person's strengths are cooperativeness, successful conflict management, and sensitivity. On the other hand this person easily be can influenced by someone else and is slowly decisive in critical situations. Complementary to the teamworker a team needs the role of the creator, who is less socially competent, but understands how to convince others and works effectively under pressure (see Köppel 2007a). The example demonstrates that a mixture of characters within a team is needed in order to reach goals, mediate within

the team and to get creative outcomes. The second reason for this mixture is that a purely homogenous group might tend to groupthink (Steward et.al., 1999:84), i.e. manifold perspectives are eliminated because no team member disagrees anymore. As a conclusion from the considerations of team roles, it must be advised that synergies in a team should be used, i.e. the overall performance of a team is higher than the sum of the individuals' performances (see Bender, 2009:17).

In many team characteristics *communication* plays a central role. Köppel (2007) states that “there [would not be] a team without communication because communication determines norms, commitment, goals and realizes that the team members work together on the same task” (Köppel, 2007a:43). In a team communication creates mutual understanding and supports information exchange, i.e. a team develops by communicating and acting.

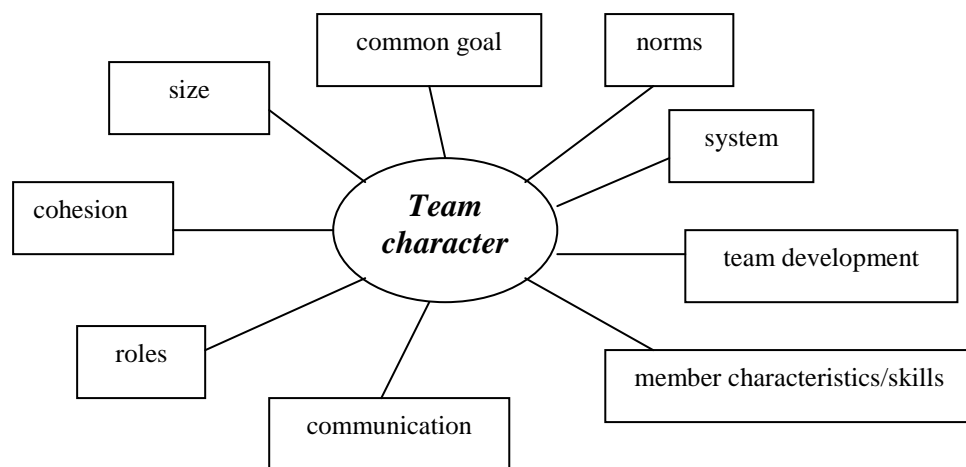
Tuckman (cited in Steward et.al., 1999) has created a well-known model of team development that consists of four stages, i.e. forming, storming, norming, performance. *Forming* “occurs when a group of individuals come[s] together and begin[s] to think of themselves as members of a team” (Ibid 82), i.e. the first meeting of a team with a high degree of uncertainty due to unknown team processes. The uncertainty of roles, processes and the task distribution leads to conflicts which characterize the *storming* stage. Resulting from the conflicts, these lacking processes and norms are created in the third, i.e. the *norming* stage, in which the uncertainty decreases a lot and cohesion increases. *Performing* names the stage in which the actual task of a team is fulfilled, where each member knows his/her responsibilities and the common ways of working. Later on Tuckman added *adjourning* as the fifth stage, i.e. when working together as a team ends (Köppel, 2007a:58).

The last, yet not less important, is the assumption that a team is a system. In general, as Schmid (2003) states, the systems approach points out that a construct is influenced by various inner and outer factors. Also a system is assumed to contain a great variety of perspectives of a problem or an issue. Schmid (Ibid) transferred this approach to teams. A team is a social construct, i.e. a living system, in which human beings are involved and therefore not everything is predictable. In consequence each member brings various perspectives into a team, i.e. actions, thoughts and cultures. Besides also

external factors, such as the organizational culture or local laws influence a team process and outcome. Certainly this provides a lot of potential for conflict, but also a great variety of chances, especially in the specific form of multicultural teamworking.

The result of this chapter is a list of characteristics of a general team that is illustrated in figure 6. This list serves as a basis for the next issue which argues the influence of cultural diversity in a team.

**Figure 6: Team Characteristics**



### 2.3.2. Multicultural Teams – Cultural Diversity in the Team

According to Halverson and Tirmizi (2008:5) a multicultural team is

[...] a collection of individuals with different cultural backgrounds, who are interdependent in their tasks, who share responsibility for outcomes, who see themselves and are seen by others as an intact social entity embedded in one or more larger social systems, and who manage their relationships across organizational boundaries and beyond.

The presence of cultural diversity in a team influences the internal processes that are depicted in this chapter.

According to Jedrzejczyk (2007:21) cultural diversity is the difference between people with various national or ethnic backgrounds. However, culture cannot be limited to nation or ethnicity, but culture further also among others is the profession, age, gender or an organization. Culture may vary in values, patterns of behaviour etc. These differences “can deeply affect organizational and team structures, rewards and motivation,

interpersonal interactions, decision making, and team effectiveness” (Halverson and Tirmizi, 2008:21). In order to make cultural differences visible, researchers have been investigating cultural dimensions. Hofstede’s (2001) five value dimensions are probably the most famous findings in this process. Throughout his survey of approximately 1,660,000 IBM employees from 40 countries, he has developed the following dimensions on the basis of national differences in the 1980s: (1) Individualism-Collectivism, (2) Power Distance, (3) Masculinity-Femininity, (4) Uncertainty Avoidance. In 1991 Hofstede added the fifth dimension of Long-Term Orientation. Adler (2002:141) gives an example to apply Hofstede’s dimensions:

Team members from more collectivistic cultures – such as those in China and the Middle East – work more cooperatively with each other, seem less likely to ‘free ride’, and enjoy working together more than most of their counterparts in more individualist cultures – such as those in Australia, Canada, and the United States.

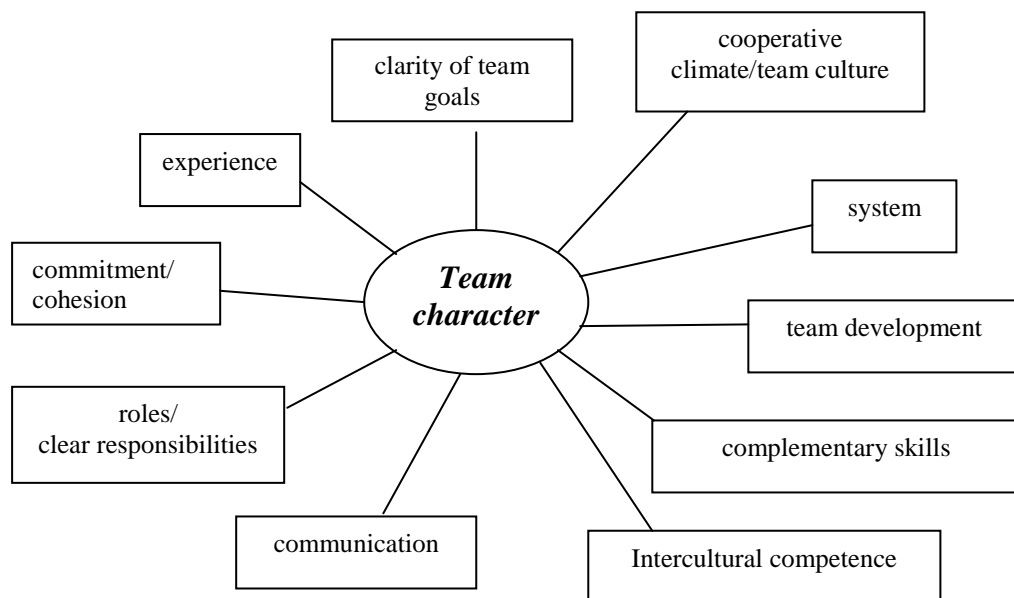
A table of the most significant cultural dimensions is added here in order to have a comprehensive overview of the research that has been done in this field:

**Table 3: Key Dimensions of Culture (based on Schneider & Barsoux, 2003:31)**

<b>Schein</b>	<b>Trompenaars</b>	<b>Kluckhohn and Strodtbeck</b>	<b>Adler</b>	<b>Hall</b>	<b>Hofstede</b>
<ul style="list-style-type: none"> <li>- Relationship with nature</li> <li>- Human activity</li> <li>- Human nature</li> <li>- Relationships with people</li> <li>- Time</li> <li>- Truth and Reality</li> </ul>	<ul style="list-style-type: none"> <li>- Relationship with nature</li> <li>- Relationship with people</li> <li>- Universalism vs. particularism</li> <li>- Individualism vs. collectivism</li> <li>- Affectivity</li> <li>- Diffuse vs. specific</li> <li>- Achievement vs. ascription</li> <li>- Relationship with time</li> </ul>	<ul style="list-style-type: none"> <li>- Relationship with time</li> <li>- Human activity</li> <li>- Human nature</li> <li>- Relationships with people</li> <li>- Time</li> </ul>	<ul style="list-style-type: none"> <li>- Human nature</li> <li>- Relationship with nature</li> <li>- Individualistic/collectivistic</li> <li>- Human activity (being/doing)</li> <li>- Space (private/public)</li> <li>- Time (past/present/future)</li> </ul>	<ul style="list-style-type: none"> <li>- Space (personal/physical)</li> <li>- Time (monochronic/polychronic)</li> <li>- Language (high context/low context)</li> <li>- Friendships</li> </ul>	<ul style="list-style-type: none"> <li>- Individualism/collectivism</li> <li>- Power distance</li> <li>- Uncertainty avoidance</li> <li>- Masculinity/femininity</li> <li>- Long-term orientation</li> </ul>

In their study of Russian and American managers, Matveev and Milter (2004) identified key characteristics of multicultural teams. Figure 7 provides an overview of these characteristics:

**Figure 7: Multicultural Team Characteristics (based on Matveev and Milter, 2004:107-108)**



When comparing this figure with Figure 6, which depicts the general team characteristics, one can see a lot of similarities, but also a few additional factors evoked by cultural diversity in teamwork. The factors: goal, size, team development, roles, system and communication appear in both concepts. However, in Figure 7 it becomes apparent that a few factors need to be considered additionally when dealing with multicultural teams. It is important to create an overall cooperative climate/ team culture where cohesion and commitment are essential as well as clarity of the responsibilities and intercultural competence. Finally, experience is of great advantage for multicultural teamwork because of its complexity of tasks, team members and cultural differences.

Considering the systems approach for teamwork, it is important to point out that in multicultural teams there is a great variety of perspectives due to different cultural origins. Those perspectives can be differences in understanding the time concept, gender differences, individualistic or collectivistic working styles or communication styles. Matveev and Milter

(2004:105) depict that: “Mobilizing the energy and synergy of managers from various cultures to work as a team can lead to multiple perspectives and more creative approaches to problems and challenges.” Also Maznevksi (1994:534) emphasized the advantage of multiple perspectives for teamwork: “Research has shown that multicultural groups develop more and better alternatives to a problem and criteria for evaluating those alternatives than do culturally homogeneous groups.” Besides creating this variety of perspectives, this also means that “[...] effective teams need to perceive, interpret, and evaluate situations in numerous ways and then agree on the best options and directions” (Adler, 2002:145). This statement implies that “members of multicultural teams [disagree] more frequently [...] on expectations, the appropriateness of relevant information, and the need for particular decisions, they generally increase the ambiguity, complexity, and inherent confusion in team processes” (Ibid:142). Apparently, next to exceptional chances that cultural diversity offers, “diversity makes team functioning more challenging because team members find it more difficult to see, understand, and act on situations in similar ways” (Ibid:141).

Resulting from that view, the second characteristic of the systems approach depicts that a team as a system is embedded in an environment consisting of various layers, e.g. the organization. In order to limit the heterogeneity of perspectives within a multicultural team, the organizational culture builds common ground rules, e.g. norms and laws. Hofstede and Hofstede (2005:284) define the organizational culture as the “social glue for identification with the organization.” By behaving according to the organizational culture, the variety of perspectives that is brought into a team by its members is narrowed. Consequently, fewer conflicts arise and the team can make decisions easier by having a smaller choice. However a strong organizational culture might limit creativity and innovations.

Besides the organizational culture, the team culture might be a success factor within a multicultural team. Earley and Mosakowski (2000:27) define the [hybrid] team culture as “consist[ing] of an emergent and simplified set of rules and actions, work capability expectations, and member perceptions that individuals within a team develop, share, and enact after mutual interactions.” The team culture is critical to the team’s success since according



to Earley and Mosakowski (Ibid) it creates mutual understanding and positively contributes to trust building. Matveev and Milter (2004:108) specifies team culture as the cooperative climate, i.e. openness, patience, an ability to learn from each other and enjoyment. Köppel (2007a) shows that the cultures of the team members define the hierarchy of the team roles due to their communication styles or behavioral traits. Therefore it is necessary to create a third, i.e. an intercultural, for all team members to be equal.

As a starting point to a cooperative climate Zeutschel and Thomas (2004) emphasize the aspect of motivation. As has been stated earlier in this thesis, without motivation intercultural contact cannot be successful and thus will not be multicultural teamwork. Also according to Zeutschel and Thomas (2004), in the beginning it is important to spend time together as a team to create common norms, rules and behaviors that build up a strong team culture.

A strong team culture supports the identification with the team, i.e. cohesion. Schneider and Barsoux (2003:242, 244-245) evaluate cohesion, i.e. “being able to establish a shared meaning [as] essential for a multicultural team’s success,” as does Uber Grosse (2002:33). However, Adler (2002:142) clarifies the challenge: “due to their lower level of similarity, multicultural teams initially exhibit less cohesion than most homogeneous teams.” Lee and Gudykunst (2001 cited in Jedrzejczyk, 2007:59) have explored a positive correlation between the perceived similarity and attractiveness of the interaction partners of different cultural origins. This implies that “team members often find themselves more attracted to people from their own culture than to people from other cultures” (Adler, 2002:142). Therefore it is important for the team members to clarify team goals, roles and responsibilities in order to have a “common course of action” (Matveev and Milter, 2004:107) and to know where to go together. Additionally, cohesion can be strengthened by creating personal contact across the limitations of teamwork, i.e. the team members may spend free time together as well (see Zeutschel and Thomas, 2004:11).

Resulting from that, multicultural teams need more time to develop cohesiveness and trust, therefore cultural diversity also influences team development. Multicultural teams work effectively later, because the norming phase takes a longer period of time, due to the great variety of perspectives that is brought into such a team (see Köppel 2007b).

As Katzenbach and Smith (2006) stated, complementary skills are essential to effective teamwork. In multicultural teams intercultural competence plays an important role and is therefore highlighted as an extra characteristic of that kind of teamwork. Uber Grosse (2002:34) clarifies that intercultural competence is crucial to multicultural teamwork by defining it as the “awareness that differences exist in cultural values and beliefs, communication styles, and approaches to decision making, problem solving, and conflict resolution [. It] also helps to overcome cultural differences.”

Since intercultural communication has been extensively defined earlier only the communicative competence aspect will be emphasized at this point. According to Uber Grosse (Ibid:36) “effective communication in a multicultural team occurs when team members hear what was intended to be said.” On the one hand, it is suggested to make communication as easy as possible in order to avoid miscommunication. This for example means that “team members should be specific in their requests and never assume anything” (Uber Grosse, 2002:36). On the other hand, language is a central topic in multicultural teamwork since nowadays mostly English is used as the team language in multinational companies, English is a foreign language to the team members. To Köppel (2007a) these language differences could be a risk since they might define a hierarchy in the team by separating native from non-native speakers of English. Besides communication skills, experience of the team members is one result of Matveev and Milter’s (2004) study on multicultural teams. Experience means the degree to which a person is interculturally competent depending on earlier intercultural encounters that have been managed effectively.

As a result of language differences,

[...] in culturally diverse teams, misperception, miscommunication, misinterpretation, and misevaluation are abundant. Because members of multicultural teams more frequently disagree on expectations, the appropriateness of relevant information, and the need for particular decisions, they generally experience higher level of stress than do homogeneous teams. Diversity increases the ambiguity, complexity, and inherent confusion in team processes. (Adler, 2002:142)

The higher risk of miscommunication easily causes conflicts within a team. Adler (2002:145) explains one strategy of avoiding stress which causes conflicts within a team by “show[ing] a quiet climate of politeness and gradually increasing friendliness.” But Adler further explains that this artificial politeness will also cause conflicts due to non satisfaction of the team members. Therefore conflict skills are of greatest importance to multicultural teamwork. In order to avoid conflicts communication needs to be easy, hierarchies should be flat in a team and feedback should be used as a valuable instrument and betting back on the right track altogether within a team. Zeuschel and Thomas (2004:14-15) emphasize this, because teamwork is a process that always needs to be reviewed and evaluated.

Leadership also plays an important role in multicultural teamwork, because the team leader is responsible for creating a good team climate. However it can be argued that each team member is responsible for taking care of a good climate within the team, contributing positively and communicating effectively. Therefore leadership is not of the primary concern in this thesis, and the focus is on teams and its members.

To sum up this chapter, an overview on the advantages and disadvantages, i.e. chances and challenges of multicultural teams is provided:

**Table 4: Diversity in Multicultural Teams: Advantages and Disadvantages (Adler, 2002:143)**

Advantages	Disadvantages
<p><b><i>Diversity permits increased creativity</i></b></p> <ul style="list-style-type: none"> <li>- wider range of perspectives</li> <li>- more and better ideas</li> <li>- less groupthink<sup>1</sup></li> </ul> <p><b><i>Diversity forces enhanced concentration to understand others' ideas, perspectives, meanings and arguments</i></b></p> <p><b><i>Increased creativity can lead to generating</i></b></p> <ul style="list-style-type: none"> <li>- better problem definitions</li> <li>- more alternatives</li> <li>- better solutions</li> <li>- better decisions</li> </ul> <p><b><i>Teams can become</i></b></p> <ul style="list-style-type: none"> <li>- more effective</li> <li>- more productive</li> </ul>	<p><b><i>Diversity causes a lack of cohesion</i></b></p> <ul style="list-style-type: none"> <li>- mistrust (lower interpersonal attractiveness)</li> <li>- miscommunication</li> <li>- slower speech: non-native speakers and translation problems</li> <li>- less accuracy</li> <li>- stress</li> </ul> <p><b><i>Lack of cohesion causes an inability to</i></b></p> <ul style="list-style-type: none"> <li>- validate ideas and people</li> <li>- agree when agreement is needed</li> <li>- gain consensus on decisions</li> <li>- take concerted action</li> </ul> <p><b><i>Teams can become</i></b></p> <ul style="list-style-type: none"> <li>- less efficient</li> <li>- less effective</li> <li>- less productive</li> </ul>

Since in times of globalization multicultural teams become more and more frequent, team processes have to be designed in the way that those teams can work effectively and successfully. How team effectiveness works will be discussed after the virtual character of team is added in the next chapter.

<sup>1</sup> Groupthink expresses the state in a team when the team members adapt their opinion to the general opinion of the group and do not approach the opinion critically anymore (see Adler, 2002:139-140).

### 2.3.3. The Virtual Character in Multicultural Teams

In recent years virtual multicultural teams or global teams, as they are called synonymously, are frequently created in international companies. Lipnack and Stamps (2000:18) define them as “a group of people who work interdependently with a shared purpose across space, time, and organizational boundaries using technology.” Zakaria et.al. (2004:16) quotes Cohen and Gibson’s summarized attributes of virtual teams as follows:

- 1) It is a functioning team – interdependent in task management, having shared responsibility for outcomes, and collectively managing relationships across organizational boundaries, [...]
- (2) team members are geographically dispersed, and
- (3) they rely on technology-mediated communications rather than face-to-face interaction to accomplish tasks.

Resulting from these definitions, Krämer and Deeg (2008) identify three areas of limitations in global virtual teams, i.e. space, time and relationship limits. Consequently, they defined different factors that determine the degree of a team’s virtuality (Table 5).

**Table 5: Degree of Virtuality in a Team (based on Krämer and Deeg, 2008:170)**

Extent of Technology Use	Barriers of Space	Barriers of Time	Barriers in Relationships
communication technologies with less social cues than in face-to-face contact	national and/or international spatial dispersion	project based team, differences in time zones	intercultural, interorganizational, interdisciplinary and/or interfunctional composition

Virtuality defines physical dispersion through geographical distances and different time zones. Furthermore technological devices do not completely replace face-to-face contact because nonverbal communication is lost when communicating virtually. Finally, relationship factors such as trust, closeness and understanding take a longer time due to cultural differences which might create barriers. Smith and Blanck (2002:302) state that “the more dispersed the team is, the more cultural variation it is likely to have, and thus the harder the team will have to work and appreciate and deal with these variations.”

This assumption brings up additional chances and challenges of multicultural teams that are working in the virtual mode, i.e. their communication mainly flows through technological devices rather than through face-to-face interaction. Starting with the advantages a global virtual team depicts, Krämer and Deeg (2008) list the shortage in money and time as the first aspect. On the one hand by using technology the reachability of the team members is higher, so that communication flows more easily. On the other hand exactly this factor is critical, because the team members need to be more sensitive towards the work-life-balance. For this reason gaps or silence within the communication process can arise due to a team member not having access to the computer or having an appointment the other members cannot see. This silence is critical to interpret, because it might be assumed to be an agreement or that the person has not yet had the chance to reply.

Besides reducing costs in terms of travel expenses, local expertise is much easier available when setting up global virtual teams, so that the right competences and knowledge can be put into the right place at the right time. The latter one is crucial because even though this kind of team works globally, each member is consciously chosen on the team also because of the local knowledge, i.e. laws, rules, language. Another advantage of using communication channels throughout teamworking is that these support the documentation of information (Krämer and Deeg, 2008). Hence, is it easier to follow the work processes and store results and decisions in such a working environment.

Furthermore Zakaria et. al. (2004:17) emphasize that these teams “create culturally synergistic solutions, enhance creativity and cohesiveness among team members, promote a greater acceptance of new ideas and, hence, provide a competitive advantage for multinational companies.” As has been illustrated in the last chapter about multicultural teams, these aspects of plural perspectives, creativity etc. also display challenges to teamworking.

Based on Zakaria et.al. (Ibid) the challenges of global virtual teams can be categorized into four categories:

1. Creating effective team leadership
2. Managing conflict and global virtual team dynamics
3. Developing trust and relationships
4. Developing intercultural competence

According to Köppel (2007b:283-284 translated from Germany by Kristin Zimmermann) “leadership is challenging, because traditional ways of controlling the performance and checking the current work situation cannot be used.” This means the leader cannot have face-to-face meetings with his/her employees or can see when the person is working in the office. However, coordination is of greater necessity than in traditional teams, especially in communication and agreeing on working processes. Otherwise frustration among the team members can arise, the members are skeptical towards each other if the working processes and responsibilities are not clear. Therefore a success factor for virtual multicultural teamwork is the definition of communication channels, ways and contents, goal definition, competence sharing, which means that a basis of common rules is built (see *ibid*).

Resulting from the first challenge, i.e. effective leadership, the virtual team dynamics, i.e. communication processes, agreement on ways of working etc., need to be optimized. That is due to a high probability that conflicts often arise from the various cultural, professional backgrounds, varying expectations etc. How to create effective team dynamics will be explained in the next chapter in order to build up a model of virtual multicultural team effectiveness.

As has already been explained before, in multicultural teams it is more difficult to build relationships and trust due to fewer similarities. However, when working virtually, the additional reason for difficulties in relationship building is the lack of personal interaction through which trust is built. Hence, the level of trust that can be built in virtual teams is limited because informal conversations or informal parts of meetings are mostly missing (see Köppel, 2007b:279-280). Additionally, when working locally dispersed, the team members might feel isolated and their “perception might be manipulated, and as a result their interpretation of reality may be distorted”

(Korhonen, 2002:34). Therefore, trustworthiness plays an essential role for trust building in virtual multicultural teams. Trustworthiness is influenced by factors such as professional competence, personal attitudes and characteristics, participation and behaviors (Ibid). Trustworthiness results in trust, which “concerns the willingness of one person or group to relate to another in the belief that the other’s actions will be beneficial rather than detrimental, even though this cannot be guaranteed” (Child, 2001:275). Järvenpää et.al. (1998) separate swift trust from trust that is developed through social cues and emphasize its importance for global virtual teamwork. Swift trust is trust that is just there, i.e. it “ignores interpersonal dimensions, instead relying on the perceived reputation of the team members and the willingness of the team to refer to the ‘experts’” (Smith and Blanck, 2002:296). Hence, swift trust assumes right from the beginning of the team work that it will be successful and the team members can trust each other to deliver good quality. Since virtual teams are often created for a limited time, real trust would take too long to reach the state of working effectively. Therefore, swift trust is essential to multicultural virtual teamwork.

Consequently, trust building is a critical process within global virtual teams. Without trust misunderstanding and miscommunication occur and therefore decision-making processes would be more time-consuming, stress and conflicts among team members would arise and consequently the group’s mission would fail (see Zakaria et.al. 2004). Therefore it is crucial to understand trust building, which is a factor of virtual multicultural team effectiveness and for this reason will be explained comprehensively in the next chapter.

The last general aspect that is challenging and necessary in virtual multicultural teams is the development of intercultural competence and following this, understanding cross-cultural differences. Intercultural competence is a decisive factor, because “technically transmitted forms of communication are filtered forms of communication, they only transmit language or text and often are of limited interactivity” (see Offelmann and Zülch, 2006:121). That means since “nonverbal cues, tone of voice, and body language account for over 90% of the impact of communication, much important information is lost” (Halverson and Tirmizi, 2008:185). For those



representatives of cultures that express a lot through body language it is a challenge to be able to “successfully decode and encode messages so that they are understood within the others' cultural contexts.” (Zakaria et.al., 2004:18). Hence, Zakaria et. al. (2004:23) state that “global virtual team group members need to possess both appropriate information technology and intercultural communication competence in order to be effective.” Therefore, global teams need to be “open-minded, embed appropriate behaviors, and [they] are sensitive to the divergences they encounter during the communication and collaboration processes” (Ibid:24), i.e. interculturally competent. Based on a list of intercultural competence components by Uber Grosse (2002), intercultural competence has been categorized into knowledge, attitudes and skills specific for global virtual teamworking:

**Table 6: Intercultural Competence in a Virtual Multicultural Team (based on Uber Grosse, 2002:31)**

<b>Knowledge</b>	<b>Attitudes</b>	<b>Skills</b>
<ul style="list-style-type: none"> <li>- Understand how diversity strengthens a team</li> <li>- Understand pros and cons of intercultural teams</li> <li>- Understand cultural values and beliefs, communication styles</li> <li>- Understand approaches to decision-making, problem-solving, and conflict resolution</li> <li>- Knowing how to handle communication channels (<i>computer literacy</i>)</li> </ul>	<ul style="list-style-type: none"> <li>- Be open to learning about other cultures</li> <li>- Show respect for other cultures and languages</li> <li>- Overcome cultural differences</li> </ul>	<ul style="list-style-type: none"> <li>- Build trust and understanding,</li> <li>- Develop intercultural sensitivity</li> <li>- Develop a network of good relationships</li> <li>- Balance distance work with face-to-face meetings (communicate appropriately)</li> <li>- Use appropriate communication channels</li> <li>- Check for understanding</li> </ul>

Resulting from this table, most components of intercultural competence are similar to the general acting competence by Bolten (2007) that has been explained earlier in this thesis. During virtual multicultural teamwork one competence additionally becomes essential, i.e. *computer literacy*, as Korhonen (2002:34) names it. Computer literacy, i.e. knowing how and when to use communication technology, is essential, because of the high influence of technology on communication. By being technologically competent, risks of

misunderstandings, conflicts and less cohesion can be avoided in virtual teams. Hofstede (2005:330) states that “the software of the machines may be globalized, but the software of the minds that use them is not.” He expresses that technology being in place does not make a person a good communicator, but an open mind towards working with this technology. Zakaria et.al. (2004:15) emphasize the need for computer literacy: “computer-facilitated technologies are only as effective as those using them.”

In order to build relationships and with that effective global virtual teamworking through communication channels, the strengths and weaknesses of communication technologies need to be understood. Nowadays there is a great variety of communication technology, such as electronic meeting system, virtual whiteboards, chat, intranet, databases, etc. (see Smith and Blanck, 2002:299; see Lee-Kelley and Sankey, 2008). The following table explains the chances and challenges of the most used communication channels in current virtual multicultural teamwork:

**Table 7: Strength and Limitations of Communication Channels (based on Uber Grosse, 2002; Smith and Blanck, 2002)**

<b>Communication Channel</b>	<b>Characteristics</b>
<b>Face-to- Face</b>	<ul style="list-style-type: none"> <li>- socially oriented</li> <li>- synchronous</li> <li>- participants get all the nuances</li> <li>- important for keeping up relationships and to get to know somebody</li> <li>- nonverbal communication transmitted</li> </ul>
<b>Email</b>	<ul style="list-style-type: none"> <li>- information oriented</li> <li>- allows time to compose and process messages</li> <li>- asynchronous communication</li> <li>- no time pressure</li> <li>- better clarity</li> <li>- receiver has time to consider meaning before reacting</li> <li>- supports non-native speakers</li> <li>- overcomes language barriers</li> <li>- avoids losing one’s face by asking questions</li> <li>- easy to ask for clarification</li> <li>- importance of brevity</li> <li>- spontaneity and immediacy</li> </ul>

<b>Phone</b>	<ul style="list-style-type: none"> <li>- socially oriented</li> <li>- synchronous</li> <li>- no visual cues</li> <li>- harder for non-native speakers</li> <li>- more direct and personal contact than email</li> <li>- facilitates dialog</li> </ul>
<b>Videoconference</b>	<ul style="list-style-type: none"> <li>- socially oriented</li> <li>- synchronous</li> <li>- quality is often bad and more technical knowledge is necessary</li> <li>- very good for group discussions</li> <li>- quite close to face-to-face communication</li> <li>- nonverbal communication visible</li> </ul>

This table illustrates that the less personal the communication channel is, the more social cues are lacking. That means phone conversations are more personal because the voice can be heard which contains nonverbal communication such as pauses or rising and lowering the voice. In the email contact only the written communication can be transferred, i.e. via email all the nonverbal aspects of communication are lost.

Additionally, the table above does not rank the communication channels according to importance or necessity. It rather points out that it is important to use the adequate technology which is appropriate for specific purposes and can also be combined, for example during meetings (see Smith and Blanck, 2002:299).

The following table gives an overview of the added-value of using technology in virtual teamwork as well as the efforts that have to be taken in such a team to work effectively:

**Table 8: Advantages and Limitations of Using Technology in Virtual Teamwork (based on Uber Grosse, 2002)**

Advantages	Limitations
opportunity for frequent, easy, low-cost, around-the-clock communication and collaboration	when technology is not working properly
provides competitive advantage in the international environment	team members need further training and ongoing technical support
helps people in distant places to connect and build relationships without travel	enables companies to accomplish things more quickly and efficiently
higher willingness of providing feedback than uttering it face-to-face, but type it in programme	face-to-face communication helps building trust and easier understanding

Resulting from this table and from the fact that communication is a success factor for global virtual teamworking, communication technology is essential. However, no matter which communication channel is used, the nonverbal communication, which also transmits information, is less effective in virtual than in face-to-face contact. Therefore strategies and attitudes for improving the communication in virtual multicultural teams are necessary. Besides that “virtual team members use personal touches [celebrating birthdays, exchanging pictures] in their communication” (Zakaria et.al., 2004:26) or the importance of having face-to-face meetings especially in the beginning of the team work, there is a great variety of strategies how to make technology usage effectively. These will be discussed in the chapter following the analysis of the team dynamics leading to virtual multicultural team effectiveness.

## **2.4. VIRTUAL MULTICULTURAL TEAM EFFECTIVENESS – THE HEALTH OF A TEAM**

Generally speaking, “a team is effective if it meets and exceeds the need(s) for which it was established” (Kohn and O’Connell, 2007:38). Hence, the effectiveness of a team expresses if it is productive in its actions and produces good quality in its results. This depicts the goal-oriented approach to team effectiveness. Adler (2002:139), however, points out that the “actual productivity depends on how well the team works together and uses its resources to accomplish the task.” Following this assumption team effectiveness contains both performance (i.e. quantity and quality) as well as human dimensions (e.g. satisfaction, health) (see Krämer and Deeg, 2008:174). Hackman (1990:6-7) shows these different factors in his 3-dimensional approach to group effectiveness:

- 1) The degree to which the group's productive output (that is, its product, service or decision) meets the standards of quantity, quality, and timeliness of the people who receive, review, and/or use that output.
- 2) The degree to which the process of carrying out the work enhances the capability of members to work together interdependently in the future.
- 3) The degree to which the group experience contributes to the growth and personal well-being of team members.

Even though these dimensions show both factors, the team processes are stressed and are especially pointed out. Therefore, Krämer and Deeg (2008:175) suggest that well-functioning team processes, i.e. the human dimensions, are a presupposition for team effectiveness. Adler (2002:139) summarizes these as “includ[ing] all intrapersonal and interpersonal actions used by people to transform their resources into products and services, along with all nonproductive actions prompted by competing motivations, frustrations, and inadequate understanding.“

Moreover, further researchers have been discussing team effectiveness and have been emphasizing the importance of effective team processes. One theory, which has often been cited, is the 5-dimensional functional approach to team effectiveness by Singh and Muncherji (2007).

Their five dimensions are (Ibid:128):

- 1) Team Objectives
- 2) Decision-making
- 3) Implementation
- 4) Meetings (the dynamic microsom of a team)
- 5) Team health

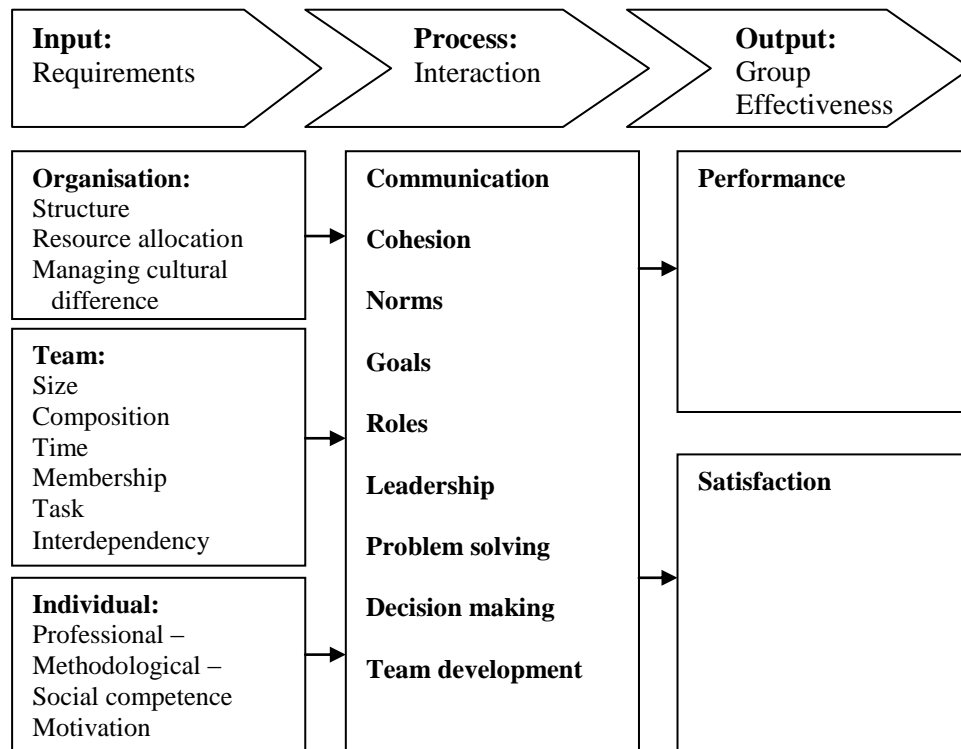
It becomes obvious that these dimensions also stress group processes, such as communication within meetings, conflict management and decision making processes, agreeing on team goals and rules. Whereas the first four dimensions are self-explanatory, the last component, i.e. team health, needs further explanation. Singh and Muncherji (2007:130) characterize team health by “energy, vigour, synergy, commitment and directionality of team members.” Hence, team health summarizes all the internal components of a team’s well-being that in return produce functioning team processes leading to good results in quantity and quality. Those components can be personal skills, attitudes and competences, such as openness, respect and helpfulness that positively affect cohesion, trust and team development (see Ibid). Already in 1961, Likert has put up a theory of 24 features of highly effective groups. Singh and Muncherji (Ibid) point out that

- [...] almost all of them relate to the health and socio-emotional maturity of a team. Some of the characteristics are:
- leadership and membership skills,
  - a relaxed working relationship among team members,
  - confidence and trust in each other,
  - shared values,
  - helping orientation in criticism and suggestion,
  - personal development of team members,
  - high expectation from each other,
  - mutual support,
  - constructive conformity,
  - mutual influence and
  - high level of communication.

Characteristics, such as goal clarity, the agreement on roles and responsibilities and norm creation, that have already been highlighted when defining virtual multicultural teams, influence these above mentioned features of effective groups, i.e. the team health.

Resulting from that, team effectiveness is the interplay of the group characteristics derived in chapter 2.4.2 and 2.4.3. In research two kinds of models of team effectiveness have been developed: input-process-output models and those using the systems approach. Figure 8 shows the common input-process-output model of team effectiveness:

**Figure 8: Input-Process-Output Model of Team Effectiveness (Köppel, 2007a:64 translated from German by Kristin Zimmermann)**

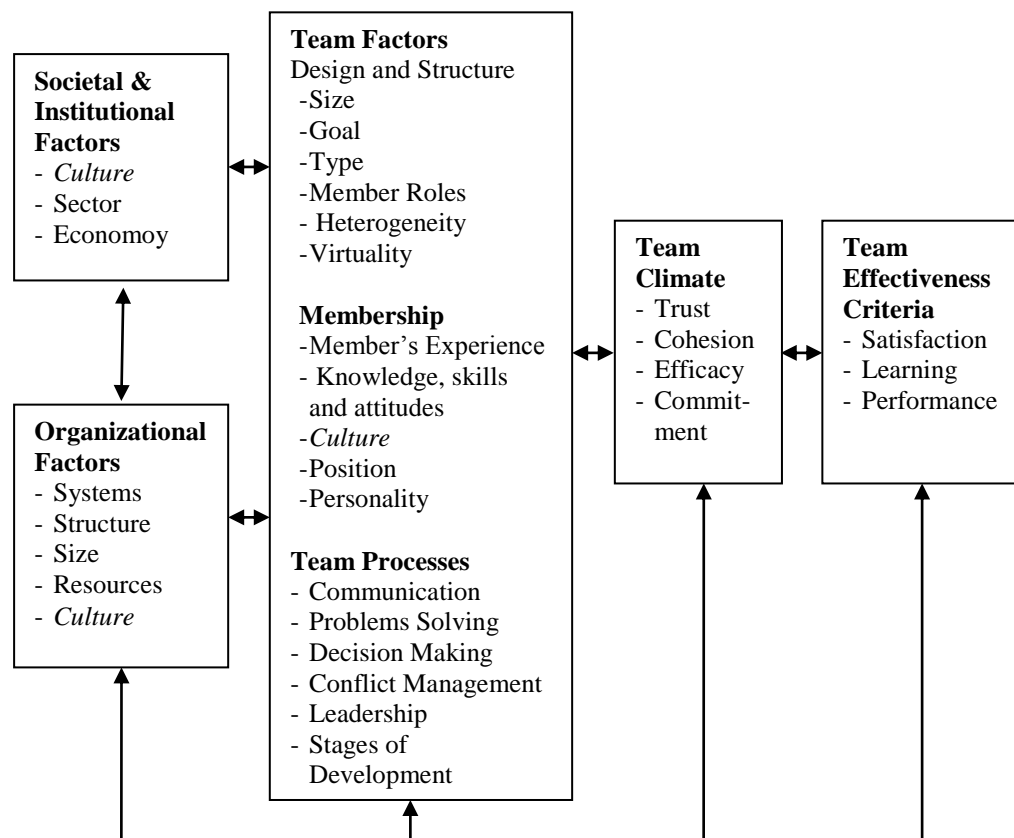


Input factors are divided into three levels, i.e. the organizational, team and individual level. Each level brings various components into the process, such as competences and the composition. Throughout the process common ways of working are agreed on and the task is carried out in this way. All these interactional factors that have been dealt with already in this thesis, lead to the outcome, i.e. the group effectiveness, which is divided into performance (quantitative and qualitative results and satisfaction on the other hand). Satisfaction expresses the state that the interactions during teamwork have been comforting for the team members and therefore a future cooperation is wished by the members involved. Further representatives of the input-process-output model are McGrath (1964), Jędrzejczyk (2007), Gladstein (1984) and Maznevski (1994).

This model provides a clear structure of the team characteristics that lead to the group's effectiveness, if they are organized and developed in a suitable way for the team's context. However, this model can be criticized for their lack of flexibility because they assume stable input factors influencing the process which leads to the outcome.

Therefore, models using the systems approach are more comprehensive because a team is a system influenced by various external and internal factors. Therefore, a system is always alive instead of static. This means that also the "input factors" constantly change and develop and even the team composition might vary throughout a team process. Hence, the dimensions of input, process and output cannot strictly be separated, but build an interplay throughout carrying out a task with the help of teamwork. Therefore this thesis takes an intertwining and interactive approach to team effectiveness as Halverson and Tirmizi (2008), Sundstrom et.al. (1990) and Guzzo and Salas (1995) suggest. Thus, Figure 9 illustrates the model that is considered as most suitable for virtual multicultural team effectiveness.

**Figure 9: Virtual Multicultural Team Effectiveness Model (based on Halverson and Tirmizi, 10:2008)**





This model provides a comprehensive overview of the factors which influence a team's performance. It starts with external factors, i.e. societal and organizational factors. These can be local laws and infrastructure, reward systems, performance management or the support of virtual teamwork. The team's internal factors that support a healthy team climate are the design and structure of a team, the membership and team processes. If the team climate is supported by the internal and external factors of teamwork, the team works effectively in consequence, which is displayed by high performance, member satisfaction and learning that has taken place.

Special for virtual multicultural teamwork is the degree of heterogeneity, virtuality (stressed by Prasad and Akhilesh, 2002) and intercultural competence, i.e. by knowledge, skills and attitudes. As has been stated earlier the degree of heterogeneity and virtuality leads to more perspectives and creativity in the team, which is followed by certain chances and challenges. Therefore it is important to pay attention to culture and manage differences thought- and respectfully.

The influence of culture on teamwork becomes especially obvious, since it appears in three places: societal, i.e. national culture, organizational culture and team culture (including the individual cultures brought into the team by the members), which is emphasized by Earley and Gardner (2005) as being crucial to effective virtual global teamworking. Salo-Lee (2006:85) points out that in order to work effectively the team itself needs to create and maintain an atmosphere "which promotes cooperation and where intercultural learning can take place." The next chapter combines the concepts of intercultural competence and virtual multicultural team effectiveness by suggesting strategies to support well-functioning team processes.

## **2.5. THE INFLUENCE OF INTERCULTURAL COMPETENCE ON VIRTUAL MULTICULTURAL TEAM EFFECTIVENESS**

Korhonen (2002:36) emphasizes the importance of intercultural competence in teamwork as follows: “Along with increasing internationalization and globalization, intercultural competence has become a key professional qualification and/or a requirement for successful life, study, and work.” Matveev and Milter’s study (2004:109) of American and Russian managers results in

A total of 96 percent of the managers interviewed believe that being interculturally competent is critical when working in a multicultural team. Managers of multinational organizations admit that the success of their organizations depends on how well their employees are able to deal with cultural complexities and to understand, accept, and respond to the cultural differences of managers who are their team members.

This argumentation depicts that “a team member’s intercultural competence [...] strongly influences the degree of effectiveness of global virtual teams, and that building relationships, establishing structure, and having discipline are critical for success” (Callen, 2008:1).

These above mentioned studies clarify that intercultural competence is a success factor for team effectiveness. However, “multicultural teams face substantially greater challenges than do single-culture teams in developing sufficient communication skills to achieve the prerequisite levels of integration needed for superior performance” (Adler, 2002:153). Adler expresses that it is more challenging and takes more time to build and develop intercultural competence, create cohesion and trust in multicultural teams. Consequently, “if unmanaged, cultural differences can paralyze a team's ability to act” (Ibid:145). Hence, Adler (Ibid:148) further emphasizes that “highly productive and less-productive teams differ in how they manage their diversity, not, as is commonly believed, in the presence or absence of diversity in the team” (Adler, 2002:148). For this reason all team members need to be aware of how to develop and use intercultural competence and which advantage being interculturally competent brings to virtual multicultural teamwork.

Matveev and Milter (2004:106) found out that “cultural and communication differences of team members influence team dynamics and the ability of multicultural teams to achieve high levels of performance.” This impact of culture on teamwork is illustrated in Table 9.

**Table 9: Connection between Team Characteristics and Cultural Dimensions (based on Schneider and Barsoux, 2003:186)**

<b>Team Characteristic</b>	<b>Cultural Dimension</b>
Team culture creating	Task vs. relationship Being vs. doing Individual vs. Collective Hierarchy
Clear roles and responsibilities	Individual vs. collective Task vs. relationship Power and status
Team building	Task vs. relationship Monochronic vs. Polychronic
Communication	High vs. low context Power Monochronic vs. polychronic
Conflict resolving	Power Task vs. relationship Individual vs. collective

Examples for these impacts of culture are the differences in the dimensions of power and hierarchies. A lot of misunderstandings might arise from differences in power applied in various cultures. In more Western cultures the power distance (see Hofstede, 2001) is lower than in more Asian cultures for example. In meetings this might be challenging because one group of people might take part in the discussions and contribute their opinions, while the other would wait until being asked for their contribution.

Consequently, as Herrmann et.al. (2006) point out, it is important to keep the variety of perspectives deriving from cultural differences (heterogeneity) in a team in order to manage challenging tasks and situations. However, a force which establishes a common sense in virtual teams is needed.

The latter one can be named homogeneity and refers to common goals, common values and cooperation, which can also be called team culture.

These two issues combined form a balance of individualism and collectivism within global virtual teams.

A common culture is of great advantage for teams because “a unified team culture facilitates internal communication, coordination and strategic action, cohesiveness, and team efficacy” (Earley and Mosakowski, 2000:29). Earley and Mosakowski (2000:27) argue that on the one hand “team members' personal characteristics shape their expectations of appropriate interaction rules, group efficacy beliefs, and group identity.” On the other hand “these personal characteristics affect team members' expectations of how other members should act within the team” (Ibid).

For building a team culture Herrmann et.al. (2006:83-84) mention a third component that is important to keep the balance in a global virtual team, i.e. meta-communication. Meta-communication declares that the cooperation process is reflected and analyzed by the team members, so that the team culture (homogeneity) can be build through communicating about issues, such as cultural differences, which increases knowledge of cultural specifics (heterogeneity). This shared understanding through a strong team culture is important for the team functioning, because it positively influences trust-building, communication processes and team performance (see Earley and Mosakowski, 2000). Since team culture emerges from interactions among the team members, it is stressed again, that intercultural competence gradually develops in a constant process of teamworking.

Besides the development of a strong team culture, the team members' willingness to work and communicate effectively in a team is required (see Uber Grosse, 2002). This willingness, that can also be named motivation, has been identified as the basis for the development of intercultural competence. Not only the motivation for intercultural encounters, but also for understanding the limitations as well as advantages that technology offers to the company, its employees and managers of technology, is crucial for virtual multicultural team effectiveness.

Furthermore, working with this technology needs to be facilitated in a team. On the one hand this requires the members' helpfulness among each other in order to learn together when and how to use the communication channels. On the other hand the organization needs to support virtual teamworking by providing the necessary technology, as well as offering training and technical support (see Offelmann and Zülch, 2006:123).

Besides knowing the technological devices and also using them on a daily basis, researchers stress a kick-off meeting for virtual multicultural teamwork (Herrmann et.al. 2006, Uber Grosse 2002). The kick-off meeting is especially crucial in virtual teams, because face-to-face meetings are essential in order to build up trust, common rules, goals, roles and responsibilities. Therefore a face-to-face meeting is highly important in the forming phase, i.e. the beginning of the teamwork (Herrmann et.al., 2006:88-89). A second purpose of this meeting is to get to know each other first, as well as getting to know the resources in each person. Consequently, it is easier then to distribute the work according to this gained knowledge about the team members. This strategy ensures an advantage for the group's effectiveness.

Throughout the actual group work process, few chances for face-to-face contact normally exist in global virtual teams. Of course virtual communication cannot replace face-to-face contact and therefore the rare occasions of face-to-face meetings need to be appreciated. However, Uber Grosse (2002) suggests to keep a human touch in virtual work, i.e. "to warm up a cold medium" (Ibid:26). The reason for this is that a human touch helps building relationships and forms cohesion. Smith and Blanck (2002:298) found out that "the best performance comes from people who feel connected to others and thus trust them." Strategies for the team members to get to know each other virtually are sharing and exchanging photos of their families, celebrating birthdays together and using small talk time in the beginning of conference calls. This has the effect of expanding the intercultural competence as well as supporting open communication, sharing knowledge and ideas and building trust.

These positive effects ease dealing with conflicts, because the barrier to address problems in a team with open communication is quite low. Certainly there are different kinds of problems, for example team problems,

methodical problems or professional problems. Therefore, the approach for solving problems might differ. However, a common approach to problem-solving is suggested by Domschke and Scholl (2005). According to them, a problem is solved by defining and analyzing the problem first, followed by finding alternative solutions, then deciding for a solution and in the end carrying it out and evaluating the choice. Especially when conflicts arise, the concerned people need to work together to solve the problem or the conflict.

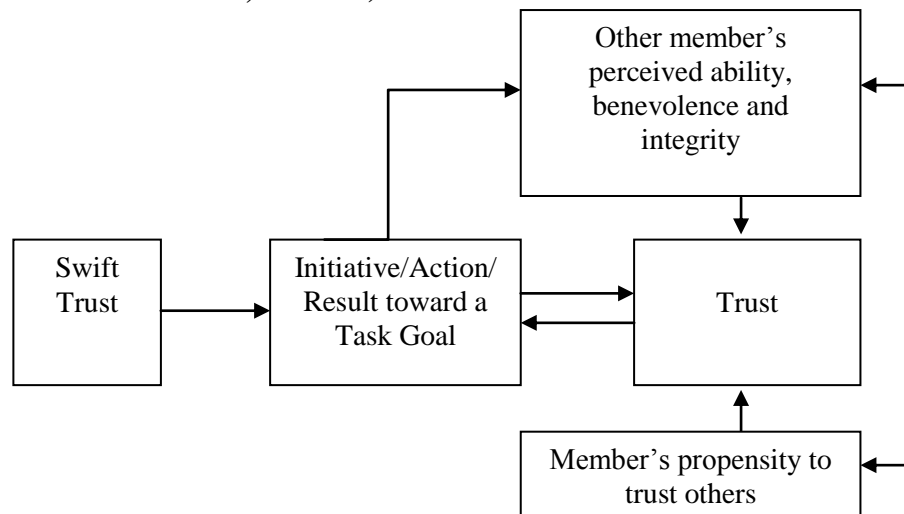
For lowering the probability of many conflicts within a team, trust is a crucial factor, which to a certain degree is absolutely necessary in teamwork (Smith and Blanck, 2002). Trust and intercultural competence form two intertwined success factors for global virtual teamwork. Being aware of cultural differences helps to avoid misunderstandings which might lead to mistrust, frustration and consequently results in ethnocentrism. For this reason trust and knowledge avoid mistrust, but support open communication and ethnorelativism<sup>2</sup> which makes team processes flow more smoothly. Webster and Wong (2008) express the impact of trust on virtual teams in the following way: “Trust has a variety of constructive effects, including employees contributing time and attention to collective goals, sharing useful information, helping others and performing extra-role behaviours” (Kramer 1999 cited in Webster and Wong, 2008:45).

Since trust obviously is a success factor of teamwork, the process how trust is developed, especially in virtual teams, is crucial. The following figure depicts this process:

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<sup>2</sup> Ethnorelativism refers to a state of being open to new cultures and being flexible in adjusting to new cultural traits and habits (see Bennett, 1998:25-30).

**Figure 10: A Model of Trust in a Virtual Multicultural Team (Järvenpää, Knoll and Leidner, 1998:58)**



Special in the process of trust-building in virtual teams is the *swift trust*. This kind of trust “ignores interpersonal dimensions, instead relying on the perceived reputation of the team members and the willingness of the team to refer to the ‘experts’” (Smith and Blanck, 2002:295). Hence, swift trust appears before the group work begins. The team members assume that the teamwork will be successful and rely on the team member’s competences even before having met them. During the group work (i.e. initiative/action/result towards a task goal) “real” trust among the team members and in the task develops. Each team members bring the propensity, i.e. the willingness and the personal motivation to trust the others. The second factor is that the goodwill (benevolence), the ability to contribute (ability) as well as reliability and honesty (integrity) of the others are perceived among each other which positively supports trust-building (Järvenpää, Knoll and Leidner, 1998:58). The creation of trust in a team is a constantly developing process, which means that once trust has been build, it needs to be maintained and steadily increased instead of assuming that trust becomes stable in teamwork. Whenever interaction takes place among the members, trust has to be dealt with carefully.

To conclude the theoretical considerations of the intercultural competence's impact on virtual multicultural team effectiveness, the following quotation best illustrates the connection between culture and current business:

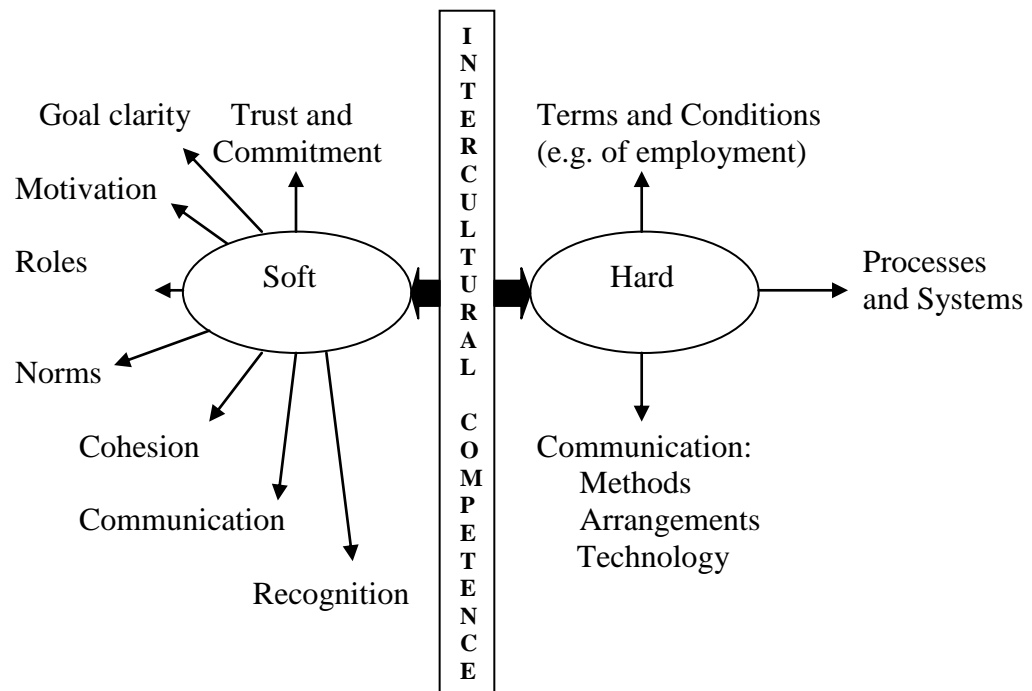
Culture is inextricably incorporated into business, managerial practice and behavior, and economic development. As people from different cultures with different values and beliefs interact, management practice and process are critically affected, and success in the attainment of performance objectives is critically influenced by the most subtle, often invisible, yet deeply ingrained elements of the human character. Culture is a dominant aspect of the human condition, and today's manager, working in a highly competitive, ever-changing global context, must be ever sensitive to it and skilled in dealing with it. (Walker et.al., 2003:32)

Research Question 1.1. – Which contents of intercultural competence improve the virtual multicultural team effectiveness sustainably? – can be answered as follows: As has been comprehensively described throughout the literature review of this thesis, not only the manager, but each member of a team needs to develop intercultural competence for the team to be effective.

Intercultural competence has been explained and defined as a general acting competence consisting of a set of knowledge, skills and attitudes that can be transferred to intercultural encounters (see Bolten 2007). The competence concerns various areas, i.e. professional, social, strategic and personal competence. The virtual character of multicultural teams requires even more sensitivity for cultural differences. Furthermore, computer literacy is needed in such teams because it is necessary to sensitively use certain communication channels for a specific purpose and to actually handle the technological devices accurately. The components of intercultural competence that are crucial for virtual multicultural teamwork have been explained in chapter 2.3.3 and summarized in Table 6. These components have an impact on factors of team effectiveness, which are summarized and depicted in Figure 11:



**Figure 11: Competing Factors for Virtual Teams (based on Lee-Kelley et.al., 2008:654; Matveev and Milter 2004)**



Intercultural competence in a team is hereby divided into two categories: soft and hard factors. Soft factors are the components that are developed within a team, e.g. norms, roles, motivation and trust. Hard factors on the other side are mainly given components by the surroundings, such as terms and conditions, systems and communication technology. These factors altogether form a cooperative climate, i.e. the team is considered healthy if they are created effectively and suitable for the team's context (see Matveev and Milter (2004)).

Virtual multicultural teams provide huge chances with their great variety of approaches, perspectives and their pool of knowledge. Uber Grosse (2002) emphasized this by stating that the power of the team shall be used, because the whole is greater than the sum of its parts. However, to function well, virtual multicultural teams need to be embedded in an environment supporting this working mode and intercultural competence needs to be developed in order to create mutual understanding, team health and team effectiveness.

E.T. Hall once said "the future of the human race lies in maintaining its diversity and turning that to its advantage" (Hall cited in Walker et.al., 2003:37). In which way diversity is used in virtual multicultural teams in practice will be investigated in the following qualitative case study.

### **3. RESEARCH DESIGN OF THE EMPIRICAL STUDY**

The research questions and the aim of a study are most important to develop a research design for empirical research. Thus, the academic problem should determine the methodology of a research (Diekmann, 2004:18). With this principle I created my research design which I will explain in this chapter.

#### ***3.1. RESEARCH INTEREST AND THE SELECTION OF THE RESEARCH DESIGN***

##### **3.1.1. Research Objective**

This study takes the rationale that intercultural competence is a success factor for virtual multicultural teams and it is assumed that the team members being interculturally competent contribute positively to their team's effectiveness.

Hence, with the help of intercultural competence a person is able to transfer general social skills like openness, awareness and respectfulness into virtual intercultural encounters by experience, technological knowledge and language skills. Consequently, team members get along well, coordinate their work, have fruitful discussions resulting in innovative ideas and thus are more effective. This assumption shall be investigated and therefore the central research question (RQ) of this study is:

**RQ:** Which significance does intercultural competence have for the team effectiveness of virtual multicultural teams?

In order to answer this central question two sub-questions are examined to get a more detailed overview on the topic and more specifically fulfill the aim of this research:

**RQ1.1.:** Which contents of intercultural competence improve the virtual multicultural team effectiveness sustainably?

**RQ1.2.:** Which contents of intercultural competence are of particular importance for the virtual multicultural teamwork in Human Resources in this study's case?

The first sub-question is answered from the literature review, which means that the study has a deductive approach. Deductive means that a theoretical framework and literature review is done first in order to define the critical concepts used in this thesis and to find out which components of intercultural competence there are to influence team effectiveness. Furthermore, the second sub-question will be investigated by an empirical qualitative study carried out with semi-structured interviews. This provides the possibility to compare the findings from the existing literature with specific needs of intercultural competence of the interview partners in the case study.

### **3.1.2. Qualitative Case Study**

Opposing to a standardized quantitative research, the qualitative research is a way of examining a subject freely and especially flexible to gain a deep insight into the problem (Creswell, 2007).

According to Flick et.al. (2008:22-24) qualitative research has the following characteristics:

- 1) Instead of a unique method, it provides a range of methods.
- 2) A method has been developed for each research object.
- 3) It is oriented on daily contexts, such as common acting processes.
- 4) Therefore the data is collected in the real context and the context also builds the basis for the analysis.
- 5) Diverse perspectives are appreciated and incorporated.
- 6) The researcher's reflexivity on his/her actions and perceptions in order to be as objective as possible, is part of the cognition.
- 7) The cognition principle rather is the understanding of complex connections instead of the explanation of a single relation.

- 8) The data collection follows the principle of openness; open questions are asked and the analysis is done freely instead of only following existing patterns, e.g. in behaviour.
- 9) Qualitative studies often start with a (single) case and in the second step start connecting them to other cases and compare them.
- 10) The basis is the construction of the reality.
- 11) Qualitative research mainly is a textual research.
- 12) The detection of new findings and theory building are the goals.

Having these characteristics in mind, the phenomenon of internal processes in virtual multicultural teams, are best investigated qualitatively, because they need to be explored freely, within the context and cultural diversity of the research participants is highly appreciated. Also, since culture and values are deeply rooted in a human being's behaviour, these issues should be investigated by a non-standardized method, i.e. qualitatively.

For these reasons a case study within qualitative research provides the best possibility for an intense analysis that gains detailed results of the topic. A qualitative case study examines human behavior when interacting and it seeks to understand this kind of behavior. Yin (2003:13) explains a case study as follows: "A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident." Thus, this study will take place in Tieto, an IT service company that is working globally and has its headquarters in Helsinki, Finland. It is important to state that this case study shows a small section of the whole picture of virtual multicultural teams and therefore its character is more specific and explorative than valid in general. However, by carrying out my research in an environment, where the virtual multicultural working style is daily implemented, a realistic picture of the natural internal team processes is gained.

### 3.1.3. The Semi-Structured Interview

The research method is a qualitative semi-structured interview. The semi-structured interview lies in between a quantitative questionnaire and a narrative conversation. The reasons for using the semi-structured interview are:

- 1) Interviews are more suitable when studying a multicultural environment, because as in this case all interview partners were non-native speakers of English including me. Therefore an interview provides the possibility to ask further questions if misunderstandings or unclarity comes up (see Marschan-Piekkari and Reis, 2004)
- 2) As stated above, culture implies a value-system which is the basis for a human being's actions. A structured interview would eliminate the variety of cultures. Therefore semi-structured questions provide the space for own cultural approaches as well as giving directions to specific topics.
- 3) The topics that have been derived from the literature review provide indications for the influence of intercultural competence on virtual multicultural team effectiveness. However, as was clarified before, a team is a system being influenced by a number of internal and external factors. Therefore the interview partners might feel that further components and issues are relevant. These topics can only be explored if space is given in the interview with the help of semi-structured questions.

When the semi-structured interview is chosen as the method of data collection one creates a guideline on the basis of important dimensions of the research question. The central information source to develop the guideline dimensions is the relevant literature. With deduction from literature of among others Hofstede (2001), Adler (2002), Bolten (2003), Deardorff (2004), Schmid (2003), Bennett (1998), I built the following dimensions for my guideline:

- Background Information (gender, nationality, experience in Tieto)
- Intercultural experiences (e.g. stays abroad, trainings)
- Virtual Multicultural Team Effectiveness
  - Team effectiveness criteria
  - Atmosphere in the team
  - Communication within the team

- Intercultural Competence
  - Knowledge, skills and attitudes
  - Language
  - Conflict-solving skills
- Further comments, ideas, suggestions

The whole interview guidelines can be found in the appendix of this thesis.

## **3.2. DATA COLLECTION**

### **3.2.1. Description of the Research Field**

As has already been mentioned, the empirical study of this thesis has been done in cooperation with the Information Technology (IT) service company Tieto Oyj. The company was established in 1968. It provides IT, Research and Development (R&D) as well as consulting services in different branches like forest, healthcare and welfare, energy, industrial manufacturing, financial services, automotive, as well as telecom and media. Currently Tieto has around 17 000 employees and with these experts it is “among the leading IT service companies in Northern Europe and the global leader in selected segments” (see Tieto website). The company’s main markets are Northern Europe, Germany and Russia. Altogether, Tieto is active in about 30 countries.

Because of the company’s global activity and the highly needed flexibility in IT due to quickly changing technology and requirements, project work is the common working model. Therefore virtual multicultural teams play an increasing role in the everyday work life of the employees. Tieto summarizes the advantages of teamwork as:

We always aim to maximize our combined strengths when we start up a new project. Therefore, you will probably find yourself working in different teams on different assignments. For each project we set up a team of experts that are best qualified for the specific tasks [...]. This means that you will not only have the benefit of collaborating with experts that are best qualified to contribute to making your work successful, you will also have the benefit of being in daily contact with colleagues - and clients - across the globe. (Tieto website)

Besides learning on-site in a multicultural environment, Tieto employees are also offered professional training courses in a great range of areas. The company further argues for a learning culture that supports the personal and professional development of the employee's competences.

In order to reach the personal and company goals as well as supporting the employee's development, values that are guiding the daily work were collected from all Tieto employees worldwide. The result is this list of the four value categories:

We work together.

We care for our people and customers.

We are committed to quality.

We learn and grow. (Tieto website)

At first, these values show a sense of community, signaled by the indicator "we". As has been gained from the literature, cohesion is a decisive indicator for a team to work well. Furthermore a team being embedded into a cohesive organization has more potential to be successful, because it is positively supported by that organization. Thus, Tieto states: "As one of us, you will be constantly encouraged to develop your professional skills. We are committed to presenting our employees with career opportunities and we work hard to ensure we provide the right environment for our people to grow."

Driven by these values, Lui Caihong (Helen), a Chinese employee in Tieto states her working experience like this:

Managing a multi-site team adds excitement to a project. In each phase of the project, you have so many more things to consider and co-ordinate than in a normal project, and there is a lot of communication that cannot be done face-to-face. Therefore it was a great challenge for me when I was made project manager of a project that involved Helsinki, Beijing and Chengdu, with four colleagues participating from each site. [...] The atmosphere among my colleagues and team-mates was excellent. Everyone was committed to doing what needed to be done, and we all trusted each other. We focused our efforts and very much enjoyed the whole journey together. (Tieto website)

The guiding institution for the employee's performance, development and competences is the department of Human Resources (HR). Tieto appreciates its staff as "the key to [...] [the company's] continued

success” (Ibid). Thus, Tieto Human Resources, i.e. “a global team of more than 160 professionals located in more than 25 countries around the globe” (Ibid), made it to their mission to motivate their employees for a good performance and offer attractive development possibilities. This is done by working “in a close partnership across all Tieto’s business and strongly contribute to building an integrated company where people are passionate and empowered” (Ibid). Hence, the Human Resources department knows the needs in the specific industries, as well as general soft skills the employees need to have. Therefore, the interviews for this empirical study were done with HR employees in order for them to become aware of the issue of intercultural importance influencing team effectiveness. In this way intercultural competence gets the attention from the bottom to the top within the whole organization, which in the future leads to more successful virtual multicultural teams.

### **3.2.2. Selection of the Interview Partners**

The contact with the company was established while I was working in Tieto Human Resources in 2009. The two selection criteria for my study were that the interview partners already have had at least a few experiences in working in a virtual multicultural team and that the interview partners were working in the Human Resources Department in Tieto. For gathering the interview partners, the snowball sampling provided the best possibility. This means a person meeting the above mentioned required criteria is already known. This specific person knows further persons who also meet these criteria and can take part in the research (see Research Methods Knowledge Base). In this way, more diversity can be brought into the research group.

Following the snowball principle, altogether ten interview partners expressed their extensive interest in my research – nine of them were women and one man. To describe my interview partners, the first three questions of the interview guidelines are evaluated. The first question asked for the nationality of the interview partners. Table 10 shows the distribution:

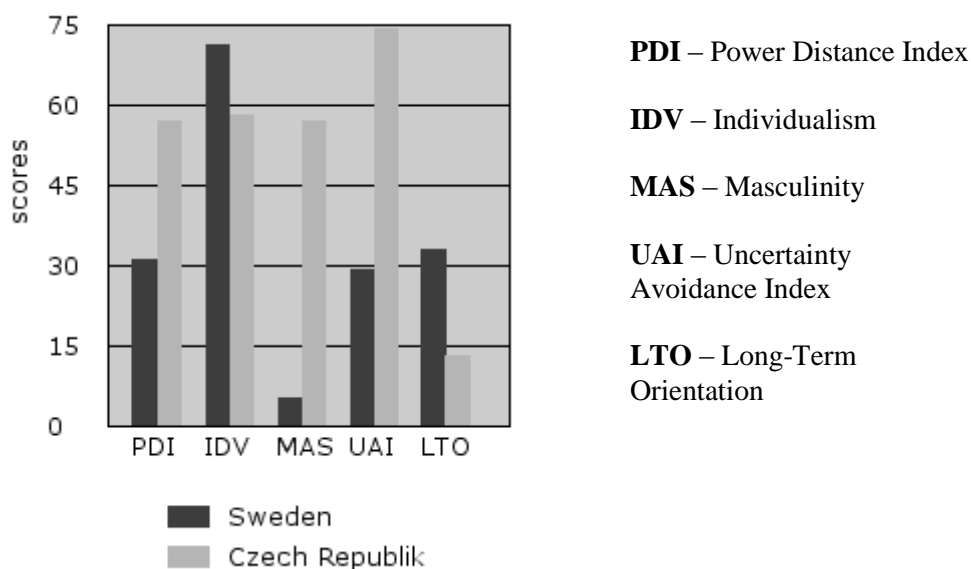


**Table 10: Nationality of the Interview Partners**

Amount of Interview Partners	Nationality
4	Swedish
2	Finnish
2	Danish
1	Norwegian
1	Czech

The second question asked where the interview partners are currently living and working. The result is that except one, who is Danish and works in Denmark, lives in Sweden, all interview partners are living in their home countries.

Considering these two questions, it becomes apparent that besides the Czech person, all the other interview partners are from Nordic countries. The Scandinavian countries differ from the Czech Republic's culture in four of five dimensions, according to Hofstede's model (see Figure 12).

**Figure 12: Hofstede's Five Cultural Dimensions – Comparison: Sweden and Czech Republic (Itim International)**

However, the national cultural differences as well as gender differences cannot be considered in this study, because the anonymity of the interview partners within this study could not be guaranteed in that case. Certainly, this is a limitation of the study. On the other hand, all interview partners work in the

same company and it can therefore be assumed that their behaviour is influenced by the company's culture. The focus of this thesis is on how to find ways of working together in a team. Therefore specific cultures do not build the centre of this research. However, the overview on nationalities shows that there is cultural diversity in the research group. Consequently, the perspectives are assumed to differ between the interview partners.

To further introduce the interview partners it can be said that half of them have been working in Tieto between one and four years and the other half between five to ten years. Consequently, one can assume that all of the interviewees represent the company's culture well.

In terms of working positions, almost all of the interview partners have held a managerial position in Tieto before, either in a project or in a department. Thus, the study gains a comprehensive picture of possible differences between a team manager and a member. This insight might broaden the studies that have mostly been undertaken from the perspective of managerial skills and knowledge in multicultural teams.

### **3.2.3. The Interview Situation**

The interview dates were set in November 2009. I was impressed by the strong motivation and positive attitude of the interviewees towards my thesis topic and to contributing to this research.

Before the interviews took place, all interview partners signed a letter of consent, i.e. they agreed that their statements can be used and quoted in this thesis as well as being assured that the data they provide is treated anonymously. Thus, the interview partner's comments are anonymized throughout the data analysis.

Furthermore I did a pilot test of the interview guidelines with friends in order to examine the clarity and accuracy of the questions, to exclude all technical terminology and use a form of English that is understandable for all native and non-native speakers.

In December 2009 all interviews were carried out. It was important to me to do all the interviews in the interviewee's working time, since I was not intending on decreasing their free time. However, one interview was taken during the holidays because of time pressure and deadlines before Christmas.

Since none of the interview partners worked in the same city, most of them not even in the same country, than me, the interviews were done on the internet via Skype. This gave the possibility of overcoming long distances, as well as "increase[ing] [the] respondents' privacy and anonymity" (Frey, Botan and Kreps, 1999:219). According to Frey, Botan and Kreps (1999) interviewees are more open and willing to give deeper insights into their opinions in such a virtual environment. This can be connected to the finding from the theory that the fear of losing one's face is lower than during face-to-face contact. The interviews were recorded to make sure that no data gets lost. Only in one case Skype was not working and therefore the interview had to take place on the phone, which could not be recorded, but I took notes throughout the interview. On average one interview took around 30 minutes. The interview language was English in all cases and all participants were non-native speakers of English like me.

I was impressed by the interviewees' openness and willingness to provide me with a deep insight into their experiences and thoughts. Three factors have probably influenced this openness: One is the sampling through the snowball principle. In that case I had a connecting person to each interviewee. This made the contact a little more personal. A second factor is that I myself have worked in Tieto before, which is a good connection to not be considered an outsider. The latter one gave me the advantage that I was familiar with internal processes and projects that were mentioned as examples. Hence, I got a full understanding of the context. Thirdly, it is an advantage to be interviewed in a foreign language. The emotional distance in that case is bigger than in the own mother tongue. In the own language all the connotations and meanings of the words are known. In the interview situation the interviewee might think about how to say something more than what to say. Therefore more information can be gained in such a situation.

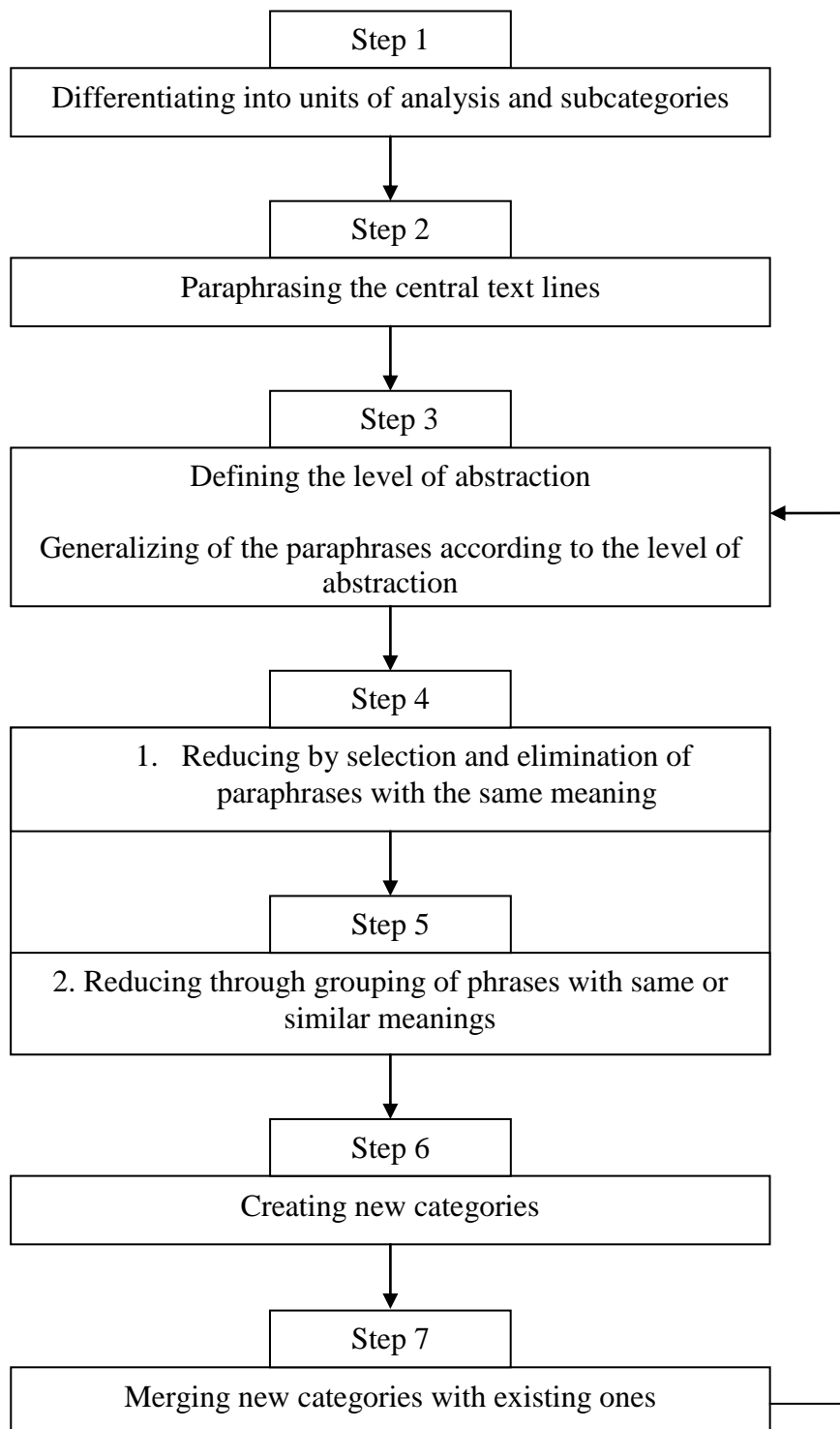
After having carried out the interviews, I transcribed all of them. The transcripts' total amount of 62 pages provides the data basis for the interview evaluation which is done by the qualitative content analysis of Philipp Mayring (2003).

### **3.3. *QUALITATIVE CONTENT ANALYSIS***

The purpose of content analysis is to “provide knowledge, new insights, a representation of ‘facts’, and a practical guide to action. It is a tool.” (Krippendorf, 2004:21). Mayring differentiates three forms of qualitative content analysis: summary, explication and structuring.

The first one has the aim to reduce the text through abstraction. The explication wants to bring in some new information in unclear lines of a text and with structuring one can filter some aspects from the text material (Mayring, 2003:58). The aim of this qualitative research is a short and informative description of the statements of my interview partners at Tieto. For this reason I chose this method of summarizing the gained content of the interviews. The following figure shows the “Summarized Model of Content Analysis” by Mayring (2003):

**Figure 13: Model of the Summarized Content Analysis by Mayring (2003:60 translated from German by Kristin Zimmermann)**



The first step of the content analysis is to differentiate the whole text material into units of analysis. In my interview material the basic units of analysis correspond with the dimensions of the interview guidelines that have been derived from the literature review. For the content analysis I differentiate the following units and subcategories:

**Table 11: Units of Analysis and Subcategories**

<b>Units of Analysis</b>	<b>Subcategories</b>
Background Information	(1) Nationality (2) Living and working situation (3) Working duration and current position in Tieto
Intercultural Experiences	(4) Amount and kind of intercultural experiences (5) The effect of intercultural experiences on the work in a multicultural team
Virtual Multicultural Team Effectiveness	(6) Team effectiveness criteria (conditions for effectiveness, (7) organizational support of virtual multicultural teamwork) (8) Atmosphere in the team (conditions to feel comfortable, (9) role of trust) (10) Communication within the team (frequency of communication and communication channels, possibilities to keep up the contact, discussion topics)
Intercultural Competence	(11) Challenges because of cultural differences (12) Topics in the teamwork (13) Challenges of virtual mode (14) Necessary capabilities, attitudes and knowledge for the work in a virtual team (15) Learning effects in an intercultural team (16) Role of language in the teamwork (17) Conflict management skills
Further comments, ideas, suggestions	(18) Inductive categories from the text material

With the help of the software MAXQDA (2010), a programme for qualitative computer based research, I coded all 10 transcripts with these subcategories.

The results were 18 word documents, analogous to the 18 subcategories, with the categorized answers of all 10 interview partners.

The second step in Mayring's analysis is to paraphrase the central text lines. One has to cross out embroidery phrases in order to get the central information of the sentence (Ibid).

In the third step the level for abstraction is defined and all paraphrases on that level are generalized. Important is that the sense of each paraphrase is included in the content according to the new abstraction level (Ibid).

The fourth and fifth steps are both to reduce the information through selection and elimination of phrases with the same meaning. With the help of selection, one can define which information is meaningful and which is not. The level of abstraction is the guideline for this selection (Ibid).

Finally, in the sixth step one can create new categories which are developed from text material. This is the inductive part of Mayring's summarized content analysis. The seventh step is to control the new category system if it is comparable with the first paraphrases (Ibid).

According to the above mentioned procedure, the summarized content analysis of Mayring as was carried out in this study is illustrated in the following Table 12 with the example of "Employees at Tieto are not English native speakers". This phrase has been mentioned three times with different words. In the end it is summarized that this fact was named by three interview partners.

**Table 12: Summarized Content Analysis: Example of the Subcategory “Role of language in the teamwork” (Extract)**

Transcript	Paraphrase	Generalization	Reduction
<p><b>Text:</b> Interview w 10 Gewicht: 0 Position: 90 - 95 Code: f16</p> <p>„Nobody is speaking perfect English. It makes it easier to open your own mouth, because you know that the other one is not native speaker either.”</p>	<p>Nobody is speaking perfect English. This makes it easy for everybody to speak.</p>	<p>Employees at Tieto are not English native speakers; similar English level leads to talkativeness.</p>	<p><u>Used languages:</u> Employees at Tieto are not English native speakers; I,I,I,  <u>Assessment about used languages:</u> Positive  <u>Advantages for different languages:</u> Similar English level leads to talkativeness.</p>
<p><b>Text:</b> Interview w 9 Gewicht: 0 Position: 78 - 82 Code: f16</p> <p>„Overall it’s working very well, but we should be aware that Tieto is a Finnish-Swedish company, so the English we’re using is not the proper British English.”</p>	<p>It works well with different languages. Tieto is a Finnish-Swedish company, so they don’t speak proper British English.”</p>	<p>Positive assessment about the use of different languages.  <del>Employees at Tieto are not English native speakers;</del></p>	<p><u>Disadvantages of different languages:</u> Misunderstandings because of different languages and (communication) technology.</p>
<p><b>Text:</b> Interview w 6 Gewicht: 0 Position: 74 - 78 Code: f16</p> <p>“English is not our native language and it’s easy to misunderstand. In virtual meetings the risk with technology to be misunderstood is quite high”.</p>	<p>English isn’t the native language. Because of this it’s easy to be misunderstood</p>	<p><del>Employees at Tieto are not English native speakers;</del> Misunderstandings because of different languages and technology.</p>	



## 4. RESULTS

The following chapter analyses the results of the semi-structured interviews. The chapter is divided according to the units of analysis that have been derived from the literature: intercultural experience, virtual multicultural team effectiveness, intercultural competence and additional findings.

### **Remarks how to read the following analysis:**

This chapter points out text passages by quotation marks. These are quotations from the interview transcripts. The interview partners remain anonymous and were given numbers. This is the first number in the brackets following a quotation. The second number identifies the first text line of the answer to the specific question in the transcript. These lines are stated in the transcript resulting from the analysis with the software MAXQDA. In this way, the results are reflected close to the original interviews with taking the anonymity into consideration.

### ***4.1. INTERCULTURAL EXPERIENCES SHAPING TEAMWORK***

The first of two items of this category in the interview guidelines asked the interviewees to describe the kinds of intercultural experiences they have made within their lifetime. Generally it can be stated, that all of the interviewees have collected intercultural experiences as it was required when searching for interview partners. However, the intensity and the kind of these experiences differed. Seven out of ten interview partners have gained a lot of experience while working abroad. Three of my interview partners have international working experiences between one and five years. One has an international working experience for seven years and another one has such an experience for more than 20 years.

Another interview partner had a summer job abroad, whereas another one worked abroad as an Au-Pair. These results point at the richness of intercultural encounters these seven interviewees have gone through.

Three of the interview partners stated that they have never lived abroad. Instead they have collected a lot of intercultural experience through working with international people in virtual teams, while physically living in their home countries. Consequently, the interviewees can be considered as two groups; one with international experience from abroad, the other one that gained the experience from working in the home country with international people.

A third source how to collect intercultural experience is international education or intercultural trainings. Six interview partners have already taken part in at least one intercultural training. Four interview partners even enjoyed parts of or their complete studies abroad in an international environment and took a few courses in intercultural issues. One interviewee has even given lectures about multiculturalism herself.

A rich source of learning about different cultures has been mentioned as the on-the-job-learning experience. Two interview partners said that they have gained a lot by leading virtual teams and two others learned by being a virtual team member. Another interview partner said that she has learned about cultures by evaluating an employee satisfaction survey “ [...] because people vote and rate according to their culture” (8,18). Also having spoken English everyday was considered as intercultural experience by one participant.

Altogether one interview partner pointed out, that “you learn where the weaknesses are, but you also gain a lot of nice things from these experiences and a lot of friends also” (2,18). This gives hints that intercultural experience is considered positively, not only from the perspective of work, but also for the private life, e.g. one can gain friends. A second issue that was brought up in the interviews was that “at some point one is not thinking anymore that people are from a specific culture, but one is more talking to a person than to a culture” (3,15). Obviously, intercultural experience helps to move towards ethnorelativism, when the aspect of all humans being equal comes to the foreground.

The second item was the question how these intercultural experiences have supported to work successfully in a multicultural team. This helped to identify improvements of competences, i.e. eventually the intercultural competence or influences on certain areas of life. Table 13 illustrates the factors that are influenced by intercultural experience and their corresponding components of intercultural competence, i.e. knowledge, skills and attitudes. The number behind the factors tells the frequency of the answers.

**Table 13: Influence of Multicultural Experience on Intercultural Competence**

<b>Influencing Factors</b>	<b>Components of Intercultural Competence</b>
Language skills (3)	Skills (12)
Perspective-taking (3)	
Adjustment skills (2)	
Social competence (2)	
Listening skills (1)	
Cultural sensitivity (1)	
Knowledge about the foreign culture (6)	Knowledge (11)
Knowledge about the own culture (2)	
Culture-general knowledge (2)	
Openness (3)	Attitudes (7)
Respect (2)	
Motivation to learn (1)	
Curiosity (1)	
Awareness of cultural differences (3)	Awareness (6)
Awareness of similarities in the human kind (3)	

Resulting from the table, skills were mentioned the most as being increased by intercultural experiences. Hereby, perspective-taking names the ability to put oneself in another person's shoes, i.e. new views add to a person's horizon, so that one gets more flexible for example in thinking patterns. This ability is followed by language skills that obviously play an important role in multicultural teams where most of the members are non-native speakers of English, but use this language as a common tool to understand each other.

Furthermore social competence is supported by intercultural encounters. One interview participant has clarified this as “you need to try and find out what is triggering people, you always need to do that, also if you work with people of your own nationality” (8,25). Generally speaking, one needs to be caring for the people that one is working with. This can be done as the following interviewee described: “So I learned a lot about how to be polite with people, how to be welcoming and very good things actually” (2,23). These are ways how to appropriately approach people and therefore are summarized as social competence.

One more remark about these skills is the factor of cultural sensitivity. This is understood as the ability to transfer social skills into intercultural social skills. One interviewee stated that “the more international you are, the less concerned one is where everybody comes from, one gets an international identity” (1,26). This also points at the overall improvement of intercultural competence, i.e. becoming ethnorelative in viewing multiculturalism.

From the point of view of knowledge, three categories can be summarized. The first one is cultural knowledge, i.e. specific knowledge about cultural differences and how things are done in another culture, e.g. customs, traditions or local laws and leadership styles (9,22). One interviewee perceived this as “they [intercultural experiences] were an eye-opener how different cultures work (4,22)”. This cultural knowledge influences relationship building, because intercultural knowledge helps to get to know people on a more personal basis (6,21). However, it is crucial to be aware of the difference between personality traits and cultural differences (Ibid).

Furthermore knowledge about the own culture is gained. One interview partner said: “So learning my own [culture] [...] make[s] it easier for me both to understand and accept differences and adapt to different situations and not be too surprised or upset that we are different, but rather appreciate the differences” (1,24). This clearly emphasizes the importance of intercultural encounters for getting an ethnorelative view which makes it easier to work together in a team of multicultural members.

Two participants told that they have gained culture-general knowledge through their own Master’s thesis or by taking part in an intercultural training. Both of them mentioned the model of the cultural

dimensions by Hofstede and classified it as highly useful for working with multicultural people. On the one hand the gained knowledge from the trainings was appreciated, on the other hand the participants gave the insight that the trainings are a bit schematic, but they help to learn different approaches and to become aware of one's own cultural traits. But, as one interview partner said, "it is important to be in an intercultural environment to learn better and see the need for intercultural learning (5,24). Therefore both, culture-general knowledge as well as culture-specific knowledge seems to be important.

The category of attitudes was emphasized seven times by the interview partners. Openness, an overall motivation for intercultural encounters, curiosity as well as trust are the issues that counted most for the participating employees from Tieto.

The aspect of awareness is twofold. On the one hand one needs to be aware of cultural differences, on the other hand three interview partners stated that one also needs to be aware of similarities in human beings. One participant said: "(...) when you work you shouldn't focus on the differences but focus on that we're all doing business and business is still quite common in all countries. [...] Yes, we are a bit different in some way, in the way we have our culture, different laws etc., but when it's about how we run projects I think it's the same even" (9,22). Another interviewee emphasized "in an international environment this [cultural difference] doesn't matter. It is only visible how one is acting and working (1,26). Obviously, a balance between cultural diversity and finding common ways of working needs to be reached in order to include cultural differences, but not be distracted from work. One interviewee took exactly that point up: "You should form a new business-culture in the beginning of working together, i.e. new rules, like in a business game at school" (3,26).

Another interesting aspect that people get from intercultural encounters is the experience itself. Nobody can take this from you, you "have that experience in [your] baggage" (2,23). It will form the questions that are asked in a further encounter and broadens a person's mind and spectrum of views and actions.

Personally, intercultural experiences seem to depict an enrichment as well. Two opinions of this are: “It has shaped me as a person as well” (10,23) and “it made me more humble in my approach” (8,25).

Some of the interview partners perceived the importance of a company to recognize cultural differences. One interviewee clarifies this as “if management would pay more attention to this, they could really benefit from that. As my boss said today, I wish I knew how a Finn looks from the inside, then it would be easier to cooperate” (8,25). Especially in “HR work [that] is based on values, [...] cultural differences play a big role in an international company” (8,25). Because of that, two participants pointed out that the employees themselves formed the company’s values of Tieto, which supports a more successful and motivated work.

After having given the results of how general intercultural experiences influence multicultural teamwork, the next unit of analysis “virtual multicultural team effectiveness” concerns specific needs the team members have in order to create effectiveness in virtual multicultural teams.

## ***4.2. VIRTUAL MULTICULTURAL TEAM EFFECTIVENESS***

This unit of analysis is divided into three sub-categories: (1) General team effectiveness criteria, i.e. conditions for team members to being able to work effectively as well as organizational support. (2) More specifically, the atmosphere in the team shall be examined including factors that make team members comfortable and able to trust each other. (3) Communication processes within the team, i.e. the frequency of communication, the most appropriate channels as well as discussion topics during the meetings.

### **4.2.1. Team Effectiveness Criteria**

A basic statement from the interview is that “a virtual team is like any team, it’s just more demanding” (10,31). The specialty is that the team members are physically dispersed. Thus, there are no meetings by chance, e.g when you have a break, there are hardly private chats between colleagues. Resulting from that are some challenges for virtual multicultural teamwork.

According to the interview partners, cohesion is a central aspect for teamworking. This expresses, that it seems to be important that members of a virtual team have the feeling, that they are part of a normal working team. From the point of view of the team leader one interview partner explains a way for creating cohesion by “doing the same things with the virtual team” (10,31) than with a traditional team:

If your people are far away from you in different countries or different cities, I used to do a schedule in my calendar, a sort of coffee call for my people. I never wanted them to get the feeling that this is a regular meeting. I didn't want to give them a feeling that I'm spying on what they were doing, but I wanted to give them the feeling: `Hi, I thought about you today and that's why I'm calling you to ask how you are doing.`” (10,31).

That shows interest in the team members and therefore creates a sense of cohesion. One interviewee explains that the basis for a good teamwork builds the members' competences and their expertise. However, the interview clarifies that

this is not enough. The common passion for good results is needed. The common passion is a very fragile thing, because that is built on trust. For me this common passion is the most important thing to take care of the trust within the team and that's not an easy task at all, because the trust you can easily damage just by not knowing the cultural differences (5,29).

Thus, commitment, motivation and trust form cohesion in a virtual multicultural team. This implies that cultural knowledge is crucial for intercultural teams. I conclude this because by knowing and being aware of cultural differences, commitment and trust can be built easier because different perspectives in thinking and behaving do not seem too far away from the known patterns and habits.

Furthermore, agreeing on common ways of working and resulting from that clarifying goals has been identified by three interview partners. Hence, you have to communicate the goals of the team very carefully and in meetings “it is good to ensure [...] that you are really even more thorough when you explain the purpose of a project that you follow up, so that everybody understood and [check] if they have any questions“ (9:30). This becomes even more important when you have virtual meetings with people

from different nationalities: “That is very different, because some cultures are straight forward and in some cultures you don’t ask questions” (9:30).

Various interviewees have further argued that clear roles and responsibilities in a team are essential for the members to know what is expected from them. In an intercultural environment “there might be challenges how certain words are perceived or hierarchies are differently perceived in different cultures” (7,32). Therefore, misunderstandings can be avoided by agreeing on roles and its connected tasks.

Furthermore, cohesion is formed by relationships among the team members. Better outcomes can be reached if the team members are personally committed and engaged in the team. Most of the interview partners point out that in order to establish relationships in virtual teams you have to meet face-to-face in the beginning of the teamwork. Reasons for this are that “it is hard to read your body language and the facial expressions and all the things around, that is related to the nonverbal communication” (6,26). One interviewee is of the opinion that “to be more efficient [...] regular meetings should take place at least once a month” (2,29). However, another participant thinks that “if you have [met face-to-face] then I think you can quite effectively continue the work virtually both via video meeting and also with live meeting, [...] you just need to be really observant and listen carefully” (6,26).

For working successfully virtually, a well functioning infrastructure is required. That means the appropriate and user-friendly technology needs to be in place, so that it is easy and comfortable to use technology (3,37).

Besides the technological aspect, communication itself has been stressed by a few interview partners. The structure of the communication needs to be agreed on, i.e. how often team meetings are set up in order to regularly be updated. Furthermore, communicative competence, such as listening, asking questions and expressing oneself clearly are of great importance. But also language is essential, since it is crucial to speak and understand the same language.

A further aspect from the point of view of the team leader is that “the manager is more of a coach than a manager due to the geographical dispersion” (3,37). It is challenging for a team leader to find the right ways for



keeping the team together, since “the leadership style differs a lot from country to country. Therefore you need to discuss expectations and communication” (3,37).

#### **4.2.2. Organizational Support for Virtual Multicultural Team Success**

Firstly, six participants say that Tieto supports virtual teams by providing relevant tools that enable a virtual way of working, e.g. instant messaging programmes or facilities for video conferences. Besides the provision of the tools, Tieto is supporting their usage for the virtual team members in order to work effectively with them (10,35).

Secondly, a variety of trainings about cultural differences and communication are offered in Tieto. Also a central part of the leadership programme is cultural training.

Thirdly, Tieto’s new organizational structure, i.e. a matrix organization, sets up a lot of units globally and therefore many virtually working teams are created. For these teams knowledge-sharing databases have been created and updated on the internet for the team members to be up-to-date.

Furthermore, international events are organized, like the Tieto Christmas talent, a competition in which one talent is nominated for each country. An interviewee explains this as a “proactive step of Tieto to show that we are different, but also to acknowledge that we work together no matter where we come from” (9,35).

Resulting from that, Tieto is aware of cultural differences, as one interview partner states: “Culture plays a huge role in everyday decisions, in the way we organize our work, our organizations and our work life” (4,33). However, so far “acting according[...] [to cultural diversity] hasn’t been put into practice yet” (Ibid). One critical aspect for this is that

unfortunately I don’t see diversity in the leadership team or in the industries or the service lines, because it is mainly Finnish people being on all the top positions. It’s not because I question their skills or abilities, but if you don’t have international experience yourself, it is very difficult to be the one giving guidance, managing people from other countries, if you have never tried working in a different environment yourself (8,40).

A solution for this problem is that “you need to really make sure that you have a good representation of the various countries where we operate” (Ibid). A reason for that is “we take these intercultural differences into account whenever we do policies or create new tools, because certain things might be very obvious for certain countries, but not for others” (Ibid). In this way the awareness of cultural diversity and its relevance for the organization is increased and brought into the company from the top to the bottom.

Another point of critique has been mentioned by three interview partners. It is the travel restrictions that on the one hand prohibit face-to-face meetings and consequently put pressure on the teams to find other solutions to work effectively with each other and establish these commonalities that create cooperation.

One solution or a wish how the organization could be more supportive would be a simple e-learning in order to bridge cultural differences and support awareness. This goes along with the statement that the right tools, which might also be learning programmes, have to be in place.

#### **4.2.3. Atmosphere in the Team**

A more specific issue about team effectiveness was the atmosphere within the team which is important for the interview partners. Generally speaking, mostly positive feelings towards the team atmosphere have been stated among the interviewees within Tieto. Only one interview partner stated that she misses the feeling of belonging to the team.

The interviewees enumerated specific circumstances and behavioural traits for creating a good atmosphere in virtual teams. One interview partner stated this good atmosphere is highly necessary, because it creates trust, which in return established the feelings that one can rely on the team members and that creates commitment and cohesion.

Firstly, motivation or the will to cooperate and to try to understand each other is crucial for a good atmosphere in the team. Hence, each team member understands that everybody has to contribute his/her own part to the team and give their opinions in meetings.

In order to establish commitment, three interview partners emphasized the role of valuing and respecting each other. With the help of these, motivation to work effectively in the team is increased to maintain the feeling of being expected and appreciated.

Furthermore four participants pointed out that they need the feeling of belonging to the team and not only belonging, but also equally belonging to this Tieto community. This can be reached if all team members know the expectations of the others towards oneself and to know what you can expect from the others in the group, as was suggested by three interview partners. In this way everybody is aware of having an important role for the success of the team and the members can rely on each other.

Besides clear expectations, also common goals and a common agenda need to be agreed on. Two interview partners argued that this was important to walk into one direction, which positively contributed to effectively reaching the team's goals. Furthermore, common rules in the team need to support this way. One of these rules might for example be to tell what is on your mind because you cannot react to the mimic or body language of your team members since you cannot see them in the virtual way of working (6,34).

Another participant clearly expressed her opinion in the following way: "I think the structure and the planning part and the follow up part is quite important actually" (6:34). That means you need to be disciplined and structured in order to agree on an agenda before meetings and effectively go through this agenda. On the other hand, feedback is crucial to a good atmosphere. Following up the achievements requires feedback also about the individuals' work. This leads to constructive ideas how to even further improve the team's work.

Four interview partners also mentioned cultural awareness as supporting a good team climate. One of them even said that "you need to be extra aware of cultural differences" (4,43) in a virtual team. To bridge diversity, open communication is used as an effective tool. Only by asking questions and giving information about the own and other cultures, it is possible to create mutual understanding.

Not only an open communication, but also a common language is a requirement for a good dialogue in a multicultural team as three interviewees clarified.

Understanding cultural differences goes along with building relationships among the team members. Thus, one member stated that it is important “to know each other really well from both sides’ mentality point of view, also nation as the personal characteristic of that person” (5,42). In connection to getting to know each other four interviewees again emphasized the importance of face-to-face meetings at least in the beginning of the group work. Moreover, personal attitudes such as being humble, self-reflective and positive to focus on solutions rather than on problems are essential for creating a good team health. Team health is reached when the team members feel committed and valued as has been emphasized as most important by the interview partners.

About the expectations from the team leader, the participants required him/her to be accurate and reliable. The team meetings have to be structured and also need to be held according to the time limits to go through the full agenda.

One interviewee further said that it is difficult as a team leader of a virtual multicultural team to treat team members who work in the same office equally to team members that work in another location. It is more natural to meet accidentally for a coffee in the hall and have a quick chat than you would have the chance to build a relationship in the same way with a virtual team member.

#### **4.2.4. The Role of Trust**

According to the interview partners trust means that you are fully respected for what you are and for what you know, that you can do mistakes in order to learn, that you get help from each other, go ahead and try new challenges. Last but not least, it means that you can rely on your team members.

All the interviewees agreed on the importance of trust. The opinions ranged from “it means everything” (3,53) and it has an “absolutely critical role” (5,48) to it is very important. Furthermore, it was often emphasized that trust is important in any team. However, “when [...] team

members are [working] in different places you have to pay extra effort on team trust, because that's what makes the cooperation pleasant and pleasant makes it efficient also" (5,48). Therefore, the goal is: "Even if you have virtual teams, I should be able to trust you as much as if you were sitting next to me" (8,48). To reach this, special factors around trust need to be considered in multicultural virtual teams.

Two opinions showed that trust must be a requirement for effective teamwork. One interview partner said that "it [trust] requires good chemistry as well and that is something you can't develop, you're just lucky if you have good chemistry" (10,42). This expresses that not the whole issue of trust can be build and developed. Furthermore, the other participant stated that "I need to rely on people every day. If I didn't I would have to do everything by myself (3,53). With this opinion the interviewee expresses that the team members assume that there will be trust during the teamwork, because a team would not work without it.

The role of trust for a team leader is threefold according to the interviews. A team leader has to trust that his/her employees fulfill their tasks even though he/she cannot control their work as much as in traditional teams. Thus, they need to trust in their employees taking responsibility and working self-disciplined to meet their deadlines. For the team member to be able to work autonomously, the team leader has to clarify his/her expectations and tasks for the employees.

At the beginning of teamwork often there is more mistrust than trust. Therefore trust seems to be gradually developing. For this, the interview partners suggest strategies. From the point of view of the team leader follow ups are important, i.e. the employees are not controlled, but the team leader shows interest in them and in their work. In this way the members feel appreciated and trusted (10,42).

Also the communication of the team members is essential for trust building. Generally, communication should be open in virtual teams. This creates an environment where making mistakes to find new solutions is accepted. Besides, talking openly not only about positive aspects, but also about unpleasant issues belongs to the processes of the team. In case there is a lack of trust one should talk about it and find solutions to create a good and

effective atmosphere in the team. One interview partner further stated that “your communication and actions online should be very consistent” (8,48). Also information sharing should be an open process. Furthermore honesty and keeping promises are important.

The aspect of relationship-building has been named several times as being critical for a cooperative teamwork. Also for trust six interviewees nominated relationships as an important issue. One interview partner emphasized: “Trust requires that you get to know your people. The team trust can be built only if people know each other at least little by little within time and by knowing how people contribute to the team and knowing how I can contribute to the team” (10,42). This brings up the aspect of topics within a team, namely that also a degree of private things are suggested to be an issue of discussions within a team. This aspect will be further discussed in the next chapter.

Three interview partners have picked up culture connected to trust. Thus, different cultures understand trust differently. One interviewee gave the example of different meanings for punctuality. Thus, Europeans would understand it as impoliteness if one was late for a meeting. However, in another culture being on time is not a matter of trust. Furthermore, in Finland trust can be build in sauna, whereas in other cultures this rather might create mistrust. Hence, trust can be build with intercultural competence. Besides, one interviewee suggested to “create one company culture with openness, honesty and constructive feedback, positive and negative feedback balanced” (3,53) in order to develop trust.

#### **4.2.5. Communication within the Team**

Communication seems to be one of the decisive factors in virtual multicultural teamwork. Therefore a few items in the semi-structured interviews have been dedicated to this topic.

About the frequency of communication, six interview partners told that they have a team meeting once a week, two out of ten contact each other biweekly. Furthermore, two of the participants emphasized the daily contact to their team members. However, this extensive contact does not relate to team meetings, but also conversations not with all team members every day.

Sometimes teams have a few members that are working also physically in the same office. Of course they meet and discuss more often than with the virtual team members. Some of the respondents said that the whole group is gathered once or twice a year to present new tools and action plans for the coming year. In between a few managers go and visit their employees of the group individually to keep up the contact.

About the most frequent communication channels, the interview partners named the below listed media:

- The phone was emphasized as most important by 5 interviewees. One says the “phone is the most effective tool because that is the only way to get next to the other person virtually (10,51). Also it is appreciated that the information is processed quickly and that it is easier to just talk to someone and immediately receive a reply.
- The telephone conference was mentioned three times. It is assumed that “in these teleconference meetings you maybe don’t speak as much as you would in a face-to-face meeting, you can consider your statements more. This can be a good thing, because you may focus more on important things in the meetings” (7,74).
- Live meetings, net meetings and webcasts to share information was provided twice.
- Four interview partners preferred working via email a lot. However, the negative side was stated in an example “Finns have a tendency to write very direct mails and if you write these very direct mails you might take something personally” (4,55).
- Twice videoconferences were mentioned and wished to be used more.
- The advantages of instant messaging (named twice) are the visibility of the availability of the team members and the possibility of immediate responses when needed.
- Social media, such as the Tieto community on jammer, the Facebook page for employer branding and Twitter develop among the teams.

For trust-building it appears to be relevant about which topics the team members discuss. Therefore they were asked if private issues played a role in their teams. All of the interview partners commented that they discuss about both, work-related and private matters. However, three interviewees stated that they mainly discuss about work-related issues since mostly there is not enough time for that in a hectically working environment.

The reasons for discussing about both issues are manifold. Firstly, private exchange might be an expectation. However, one interviewee stated that “if there’s a person who does not wish to share that information, I respect that. It’s not a necessity, I respect that, but I would have to deal differently with that person” (10,60). This person feels that is it easier to work with a person whose background you can estimate, but certainly cooperation is also possible without that information. Furthermore private exchange is seen as a basis for work relations due to trust-building and the creation of mutual understanding among the team members.

Interestingly, one interview partner argued that he/she has less private communication with the direct working colleagues, but more with the virtual colleagues: “That’s kind of funny: As long as you have this sort of long distance relationship on the phone, (...) it is quite easy to get to know their personal lives, because they always mention it (...)” (2,49). This can be lead back to the aspect of losing the own face. People might open up easier without direct personal contact. However, true relationships and trust are predominantly built by personal contact.

One interviewee stated that she discusses everything with her colleagues that one would discuss with friends (3,68). Most probably this statement is culture dependent. In some cultures this would be a too close working relation. Therefore cultural differences need to be considered.

Considering the sufficiency of contact within the team, a few interview partners were of the opinion that more contact is needed. Thus, one interviewee stated: “We should be better in contacting each other directly. We create barriers ourselves”. Certainly the travel restrictions limit direct personal contact: “In the last year we haven’t been traveling at all and I think it had an impact on the efficiency, because you lose this dimension of these small problems that you would like to bring up” (6,49). However, it is possible to



create good communication processes virtually if the members have the will to agree on ways of working virtually and learn how to use the tools. For the case that the tools are not functioning well, a good support process needs to be established.

On the other hand, it is not always easy to keep up with frequent contact since working life is so hectically, especially currently in Tieto where a lot of changes are going on. Furthermore, information gets lost through working virtually, because a big amount of information is exchanged informally, e.g. at lunch breaks. It further is a challenge for the employees to get all the information needed for their work due to important information having been discussed in meetings without having taken notes. Therefore communication with the team members is important for them to receive everything they need to know.

As a manager it is a challenge to estimate the personalities within their team. Sometimes it is necessary to directly ask team members for problems and issues they want to talk about, but did not address yet.

### ***4.3. INTERCULTURAL COMPETENCE***

So far culture has been a central theme in the results of the interviews. Thus, this shows that cultural differences play a huge role in internal team processes. For this reason, intercultural competence is a crucial if not the most essential success factor in virtual multicultural teamwork. Since this set of competences implies such significance, various questions were asked about it in the semi-structured interviews. Firstly, the interviewees gave examples and situations that were challenging in their teams due to cultural differences. After that, they analyzed competences, i.e. abilities, knowledge and attitudes which are important for managing these challenges. Two specific factors play important roles that are relevant especially in virtual multicultural teams: One is language and the other one conflict management skills.

#### 4.3.1. Challenges Due to Cultural Differences

All of the interview partners said that there are some challenges because of cultural differences. Only one interview partner said that if one feels something as a challenge it depends more on personality than on culture. The following points are challenging work experiences as perceived by the interviewed employees at Tieto: “Working with Chinese people is challenging, but you need to get to know them. It’s great to work with them” (10,65). Those views have different backgrounds, e.g. the difference among organizational hierarchies across cultures. One interview partner perceives the hierarchies in Finland and Sweden very flat, whereas the German hierarchies are very strict (10,65). Furthermore, hierarchies determine the understanding of authorities. Thus, one interviewee stated that “some cultures are not used to question me, but I’m used to that” (9,64). The meaning of authorities defines if and how to criticize others, how to give feedback and the degree of fear of losing the own face.

Following this fear, another problem can arise between cultures. “Because of that fear, Asian countries always say yes, but never say no, as one interview partner described” (9,64). Saying no would either mean impoliteness or admitting that a person does not know anything, which is critical for the acceptance in that specific culture. However, more Western people would rely on this agreement and consequently would build expectations. These sometimes cannot be fulfilled due to in this case Indian people fearing to say no.

Furthermore, time may result into challenges. On the one hand, different time zones can cause problems in agreeing on an appointment. However, this is more a local issue than a cultural one. On the other hand, the time perception varies across cultures. It was mentioned that Indian and Western cultures show big differences for example in strictly keeping deadlines. These differences make it hard to be as firm in order to get things executed in some countries, in case things are not delivered on time (6,60).

A further aspect of time is the working time, i.e. work-life balance. This issue is increasingly stressed in companies due to a high amount of burn out cases in companies. Also, the perceptions vary in this case. One interviewee explained that “I want to work my 40 hours and then I want to go

home and I don't want my colleagues to call after the working hours because then it's on my free time, but Finnish people will tend to respect that, but Indian people will not, not all European people either, it depends on their culture, how they work and so on." Resulting from this is a conflict for that specific person. On the one hand she expects more respect for holidays and free time and on the other hand she wants to be polite and understanding towards her colleagues.

One interview partner told her story, that she "went to Spain as a young sales manager doing sales to middle-aged males who don't respect young blond woman as a manager (10,65). That shows that culture is not only related to a country, but also to differences in age, gender or profession.

Also, language and communication obviously are challenging in virtual multicultural teams. Since in Tieto English is used as the corporate language and most employees are non-native speakers of English a few challenges arise from that. This language barrier is even expanded by different accents of the team members. Misunderstandings in communication are exemplified by one interview partner:

For some cultures it's important to have long explanations of what you mean, making sure that the tone is extremely positive, compared to other cultures where you make sure if your instructions are clear and be as short as you can. That will be a good way of communicating which can be interpreted as being maybe aggressive or angry (1,63).

This points at cultures differing in their communication styles.

Another interviewee emphasized that it is important to look at the history of a culture or country in order to understand its mentality:

When you are starting to look at the outset in Riga, they have been owned by the Russians for quite some time, so they have only been independent for 20 years or something. They still have some of these, from the East block, suspicion that people will do them harm and also this thing that work is the most important thing in the world and you are something through your business, through your work (2,54).

Each of these challenging situations and experiences require certain behavioral traits and competence from the people involved. In the following chapter these will be defined by the interviewed employees of Tieto.

#### 4.3.2. Components of Intercultural Competence in VMC Teams

The results of these items asking for capabilities, knowledge and attitudes that are needed to actually work in a virtual team where members come from different national, ethnic or educational backgrounds. The following table illustrates the interviewees' opinions including the frequency of their responses:

**Table 14: Components of Intercultural Competence Necessary for VMC Teamwork**

Components of Intercultural Competence	Competence Categories
Open-mindedness (5)	Attitudes (11)
Motivation (2)	
Respect (2)	
Trust (1)	
Curiosity (1)	
Language skills (2)	Skills (8)
Perspective-taking (2)	
Adjustment skills (1)	
Listening skills (1)	
Be observant (1)	
Awareness of cultural differences (3)	Awareness (4)
Self-awareness (1)	
Knowledge about the foreign culture (2)	Knowledge (2)

Apparently, soft factors such as attitudes, soft skills and awareness are of a greater necessity in virtual multicultural teamwork (VMC) than hard factors, i.e. knowledge. The reason for this statement is that knowledge was only mentioned twice as being relevant to connect it with the own experience.

Most important of all answers has been open-mindedness towards other cultures. Along with that goes motivation and curiosity, which are crucial factors and are explained as “if you are curious about people from other nations, they will be curious about you and it will be much easier” (2,57). Resulting from these issues, mutual respect should be created, i.e. “[one should] not be too judgmental because your way is not the only way to do it. You need to trust that the others can do the job as well” (10,76).

As capabilities language skills among others are chosen to be important. However, it does not seem to be sufficient to only know the basics of a foreign language, but also fine parts how to exactly express yourself to be correctly understood (2,57). The second most important issue is perspective-taking, i.e. “how the world looks like from their chair” (8,72). Besides this issue, one needs to shape the own behavior towards being open. This means traits such as being observant, listen carefully to the message and adjusting to new situations is relevant.

Furthermore, awareness as the awareness of cultural diversity and self-awareness were named by four interview partners. Self-awareness is crucial because “if you’re not aware of who you are, how your way of working is and acting with others then it’s gonna be difficult. So the first thing is to be aware of oneself and then how to work with other cultures” (4,72).

Additionally, best practices have been given by the interviewees:

- Share your experiences. It is “good to share something about you as a person, not only your professional side” (10,76). The purpose of that is to build relationships more easily.
- Intercultural competences are increased by experiencing intercultural encounters.
- “Create an open environment where it is ok that we don’t understand why we do it in this way, or what do you want me to do to make this work, so create an open dialogue” (4,72).
- „Try not to overanalyze what has been communicated and the way people talk to you or write emails to you and so on, but rather listen to the message that is there and not overanalyze the tones of everything you hear” (1,66).
- Be proactive in intercultural encounters and realize your own role and what you can do. (3,87).
- “Act on behalf of the organization, i.e. what the organization benefits from, and don’t limit your behaving down to your own needs” (3,78)

Since knowledge has not been considered as very relevant, the interviewees were asked if at all knowledge about other cultures plays a role in their teams. Three respondents said that they talk a lot about each other's culture, another three said that they do not talk very much about it and two answered that they would like to talk about it more, but do not have enough time for this. A positive attitude was provided by one interviewee: "I've shared a lot and learned a lot. It's so much fun and interesting to compare and discuss the differences. That is richness in working life if you have that opportunity" (10,87). However, the opinion "one is learning more by acting not talking" (3,85) tries to explain why other factors in teamwork obviously play a bigger role. If asked what exactly they learn about each other, one interview partner listed the following aspects:

It's a way how you address people, how you talk to them, how you see organizational hierarchies, how do you approach your colleagues, do you meet them outside of work, do you challenge your managers, is that ok if you challenge them, how do colleagues react if you challenge their ideas." (10,87)

Furthermore topics are comparing and discussing differences, stereotypes and how to overcome them as well as the meanings of holidays and other celebrations. In cross-cultural trainings the members learn how to act and behave in different countries. However, this is only useful when you go out into the intercultural environment.

Culture is discussed for the sake of adding more personal experience to complete the insights into a culture than only by the actions of the team members of a specific culture. One participant mentioned that she is studying cultural knowledge and theories in order to understand more about people and their cultures.

#### **4.3.3. The Role of Language**

The corporate language in Tieto is English. However, none of the interviewee's mother tongue is English. The interviewed employees in Tieto use a "European English" which is used in a lot of European countries (9,78). Thus, "some of the words we are using is some kind of expatriate English, it's used in most companies, but maybe not in the British culture" (9,87).

Overall the participants are satisfied with the level of English among the Tieto employees: “Our English is not perfect, but it works very well for most of the countries. We have some countries where the English is not that developed yet, for example Italy” (9,78).

There are a few advantages in the situation when nobody is a native speaker in the used language. People try to express themselves more slowly and clearly to make sure they are understood. If there are Americans in a meeting, they discuss faster and difficulties might arise due to their strong accent (3,90).

Resulting from that, in a situation where all participants are non-native speakers this commonality equals them. Consequently, being equal provides courage for the team members: „Nobody is speaking perfect English. It makes it easier to open your own mouth, because you know that the other one is not native speaker either” (10,90).

Also for implementing global processes English as a common language has an advantage, because “it would be too time consuming if you would translate all the documents into the local languages” (9,78). In that way the whole documentation process can be done more effectively to provide everybody with the same information.

Furthermore, language itself plays an important role when getting on a personal level with people (10,90). You receive a person’s sympathy by trying to learn at least a few words in his/her mother tongue (Ibid).

Besides all the advantages of English as a common language “it’s always an obstacle. You always perform better in your own language” (4,82). This is because one can express oneself better and more exact in the own language than in any foreign language.

Therefore disadvantages are explored for teamwork. Four interview partners emphasized the high risk of misunderstandings and further two persons said that language might create a barrier because of a limit of self-expression. These factors in return effect the quality of work.

For the internal communication this might have the consequence that employees with less English skills are not heard:

For people who know even more English in a team their views and their voice would be heard more often compared to people that have less English skills, they might be more misunderstood and more silent in a meeting. It's unfortunate, but English will be more and more important. It puts more pressure on people to learn English (1,72).

It can also happen that a person is judged according to his/her level of English. An example to this is that "with some Russians for example, their English sounds simple and you might get the wrong impression, because they are intelligent" (3,90).

Besides, it can happen that one loses good English skills in a group where members are speaking on a low level of English. The reason for this is that one tends to adapt (10,92).

One interview partner described a situation when there was one member who did not speak any English, but had colleagues to transport the message for her. Surprisingly, this team managed to work together, because this one person's professional skills were outstanding, so that communication was managed somewhat differently. For this case one needs to be patient to overcome the lack of language skills. The same interview partner further stated that "it makes things easier if you speak the same language for sure." (8,83). This situation points at the fact, that also body language transmits information and is part of the communication. However in the working environment where specific vocabulary is required, a common language is a precondition for good work, fast and open communication, relationship building and resulting effective cooperation.

#### **4.3.4. Conflict Management Skills**

The interview partners described different perspectives of conflict resolution. The first one is from the perspective of a team leader in the situation when a conflict appeared within the team. Strategies for solving this issue first of all are identifying if there is a problem and then talking about it. That means the dialogue is sought, where all the viewpoints are heard in an open discussion. It is better to talk about the problem than avoiding the discussion. The role of the



manager is that under pressure he/she has to solve the problem in order for the team to keep working effectively.

If the conflict has occurred between the team leader and the team, also confrontation and discussion are the best strategies to deal with the problem. One interviewee clearly states the role of the team leader: “[As a team leader] you are available for your people in conflict situations. The worst thing you can do as a leader in conflict and concerns is to disappear. You are the one who must listen to them, even if you don’t have the answers” (10,97).

Since most of the interview partners told that they have not faced any crucial conflicts yet, it can be assumed that they give strategies for managing conflicts according to what they would imagine to do or have heard from other colleagues.

One interviewee described one possible conflict within the company: “What can happen if usually not so much about the culture or language, it’s usually because of different policies that we have in the companies, that some of our business managers, they don’t want to accept them, because they feel that they don’t help them for what they’re supposed to do” (2,68). In such a case three respondents emphasized the importance of discussions in order to find the problem and think of solutions how to find a consensus (6,48). While discussing you need to listen, understand and be open for the other person’s perspective. One interviewee even has a certificate as a mediator, so she knows conflict resolving techniques and describes her insights as follows: “I face the person by asking how they feel, if there’s anything I can do and help them and in what way I can help to resolve it. I try to be clear and say that the current situation is not to my satisfaction, it has to be turned and what can I do to help you solve it” (1,78).

The best way to resolve the issue is face-to-face because you can read the body language as well and for example see disappointment or satisfaction in the other person’s nonverbal language. If this is not possible, at least the phone should be used. In email contact there might be too many misunderstandings, which can lead to an even expanded conflict.

#### **4.4. ADDITIONAL REMARKS**

In order to receive inductive categories that are relevant to virtual multicultural teamwork an open question was asked in the end. This question asked for additional thoughts about working in a virtual multicultural team.

The significance of virtual teams for the future is stated as „moving forward we will work more and more in international teams, so I think we have to develop and go with that and implement it also” (9,91).

Generally, one interviewee emphasized that “a virtual team is like any other team, except that it’s more challenging to the leader and the people who are working in that team.” Sometimes people think that virtual teams are something opposite than a normal team (10,104). With the help of cultural awareness and the right communication tools the challenges of virtual multicultural teams can be overcome: “It has become so much easier with all the tools that you can use” (10,104). A further interview partner said that “English and company culture is the key, because these encourage to work together, not only incentives are encouraging” (3,99).

However, also a few challenges were mentioned. Remote management across countries is harder than face-to-face management because misunderstandings easily appear (4,96). A large abstraction ability is required, which means that you have to scrutinize your own values, stereotypes and views in order to approach the other person as objectively as possible. As a team leader it is essential that you find the time to really care for your team members, also virtually.

The interviewees further also stressed advantages about working in Tieto. These were stated as having a lot of fun working with other cultures and to get to get to know people from other countries. It is not only an enrichment professionally, but also personally. A lot is learned about different types of people, about the own culture and character. Consequently, these intercultural encounters at work also affect how you meet and behave towards other people in your private life (2,74). This is because you get lots of new aspects and perspective to approach problems and new ideas which can be extremely beneficial for the work in a multicultural team (1,83).

To conclude, my research question RQ1.2. – Which contents of intercultural competence are of particular importance for the virtual multicultural teamwork in Human Resources in this study's case? – can generally be answered that mostly soft factors, i.e. awareness, attitudes, trust, conflict management skills, perspective-taking and open-mindedness are of great value to virtual multicultural teamwork. Furthermore, a certain degree of cultural knowledge and definitely language skills support effective teamwork by easily creating commitment, cohesion and trust.

## **5. DISCUSSION AND REFLECTION**

In this chapter, the theoretical knowledge is combined and compared with the insights gained from the empirical study. This combination will answer the research question and sub-questions that are underlying in this thesis. The chapter first concentrates on the gained added value of intercultural competence in virtual multicultural teams and later on brings together the definition of intercultural competence with virtual multicultural team effectiveness. In the end, limitations of this study and implications for further research are discussed.

### ***5.1. INTERCULTURAL COMPETENCE IN VIRTUAL MULTICULTURAL TEAMS***

#### **5.1.1. Communication**

Communication implies a variety of different issues. To start with, different cultures have various communication styles and forms. An example to this is the difference between high- and low-context cultures as Hall (1959) divides them. Low context cultures tend to say everything they mean, whereas high-context communication presupposes a certain degree of knowledge since not

everything is said, but information is hidden and needs to be sensed. These two cultures communicating with each other might lead to conflicts.

A communication strategy of avoiding and solving these conflicts is to talk about them, instead of being silent and waiting that the problem solves itself. Both, from the literature and from the interview partners in Tieto conflict management is predominantly done by communication.

A prerequisite for successful communication is a common language. Even though it is possible, in principle, to communicate without a common language, e.g. with nonverbal language, a common language makes communication easier.

Researchers suggest that not only having a common language, but also knowing the fine elements of a language, i.e. the specific meanings behind an expression and the societal and cultural connection, leads the group to a successful cooperation. Crow describes this aspect as follows:

If you want to speak a language successfully, you have to know the norms, values and goals of the society. That is, only when you know the societal rules of the game you can successfully communicate in the other language. Vocabulary and grammar, sometimes also the pronunciation, are always in the foreground when learning a language – however, these are only media, they are a necessary instead of a sufficient condition (Crow, 2010:8 translated from German by Kristin Zimmermann ).

She further gives the example that in the English language expressing oneself directly and precisely means that this person is goal-oriented and implies knowledge. In German on the other hand “With short sentences you always connect people who do not know that much and whose language is not very eloquent. Longer sentences count as an identification with education” (Ibid).

Also the team members in Tieto emphasized the importance of language for teamwork. They suggested the compromise that even if you do not know the other person’s language well, you should at least try to learn a few words to come closer towards the other team members.

This statement shows the relation of language with trust, relationship-building and following cohesion in a team. All these factors are influenced by communication.

Resulting from the study, it is clearly an advantage when team members share personal experiences and other information about their own personality in order to create mutual understanding and for the team members to be able to relate with each other.

Besides sharing a common language, also open communication is crucial to the team's success. Open communication supports trust building. However, in both literature and the empirical study it is assumed that swift trust needs to be present even before the team starts working together. One interview partner expressed this by saying that there needs to be good chemistry between the team members and that is something one can develop (10,42).

Communication within a team ideally should be an intercultural dialogue, which means that everybody shares own views, perspectives, thoughts and experiences. Intercultural dialogue supports trust and commitment within a team. This dialogue is therefore understood as the connecting element between individuals and forms the interactive connection between intercultural competence and team effectiveness.

For this dialogue there are various challenges in virtual multicultural teams. For keeping up a constant dialogue in a good quality the physical distance has to be overcome. This can be managed by choosing the right communication and learning how to work effectively with them.

Certainly, technology can try to overcome this distance, however, this study showed that face-to-face contact cannot be replaced. Especially in the norming phase of a team direct and personal contact is of great necessity to build a basis of trust, cohesion and commitment which are the prerequisites for team effectiveness.

### **5.1.2. Knowledge**

In the area of knowledge theory and practice disperse. From the theory it is assumed that cultural knowledge is highly important for the team members to understand and relate to each other. However, from the empirical study it seems that relationship-building does not need that much specific knowledge about a culture.

The cultural knowledge that is stressed by the interview partners is more focused on perceptas, i.e. the visible part of culture as there does not seem to be the time in teamwork for deeply discussing everybody's culture. The interviewees assume that a character is shaped by experiences and therefore the personality is more emphasized than the cultural background. Therefore mainly superficial aspects of cultures, i.e. the outer layers in the onion model by Hofstede (2001) such as symbols and heroes are discussed more than the inner layer of values in virtual multicultural teams.

On the other hand, cultural knowledge, in terms of behavioural traits, seems to be of interest to the employees interviewed in Tieto. In the interviews a few of them mentioned that it would be of use to have lists of do's and don'ts so that one can work appropriately and effectively in another culture, but does not have to investigate a culture deeply. Those lists are controversially discussed among researchers because they are rather stereotypical. However, stereotypes also have some truth in them.

A certain degree of theoretical knowledge about culture and communication supports the reflection of the own culture and to be more able to be aware of differences instead of judging cultures. Hence, theoretical knowledge helps to put the own experiences into a framework.

One kind of knowledge is stressed by the interviewees, which is professional knowledge that is needed to fulfil the team's tasks and its goal. But professional competence is not everything since the study participants further point out besides having the resources in place, soft skills are essential to make the internal processes and cooperation possible and successful.

### **5.1.3. Skills and Attitudes**

Besides knowledge and communication characteristics, all members of a virtual multicultural team need motivation in the first place in order to be open for intercultural encounters and enjoy working in such a team. Only when having this necessary motivation intercultural competence and cooperation among the team members can increase.

Also awareness is necessary for intercultural teamwork because only when being aware of differences, they can be understood and implemented into the team processes. Awareness is manifold since not only awareness towards cultural differences is relevant but also the awareness of similarities in the human kind and self-awareness are crucial.

Social competence with skills such as listening skills, respect, appropriate behaviour, being humble and polite seem to further influence intercultural cooperation.

#### **5.1.4. The Development of Intercultural Competence**

The interview partners in Tieto said that intercultural competence is developed through experiences more than through a more theoretical intercultural training. This kind of experience draws people's attention to the fact that people are equal instead of overemphasizing their cultural differences. Connecting this statement to the theory, a development from ethnocentrism to ethnorelativism on Bennett's Developmental Model of Intercultural Sensitivity (1998) is required in order to perceive human beings and not the culture primarily.

Resulting from this development is the ability of perspective-taking, i.e. to put oneself in another person's shoes and see the world with his/her own eyes. This ability expands a person's variety of perspectives and his/her repertoire for further actions.

It further needs to be noticed from the study, that there is no visible difference between the interviewees with experiences from abroad and those who only virtually experienced cultural differences with colleagues. However, the interview partners agreed that the development of intercultural competence is a gradual process expanding the above mentioned repertoire and that a person most probably is never completely interculturally competent.

### **5.1.5. A Working Definition of Intercultural Competence for Virtual Multicultural Teams**

Bolton's model of the general acting competence is well applicable for virtual multicultural teams. All of the five competence areas are relevant. However, the interpersonal competences such as social, personal and strategic competence in this case are more relevant than the professional competence in place. Together with these competences the above described attitudes, skills and knowledge to transfer the general acting competence into an intercultural encounter are especially crucial for team effectiveness.

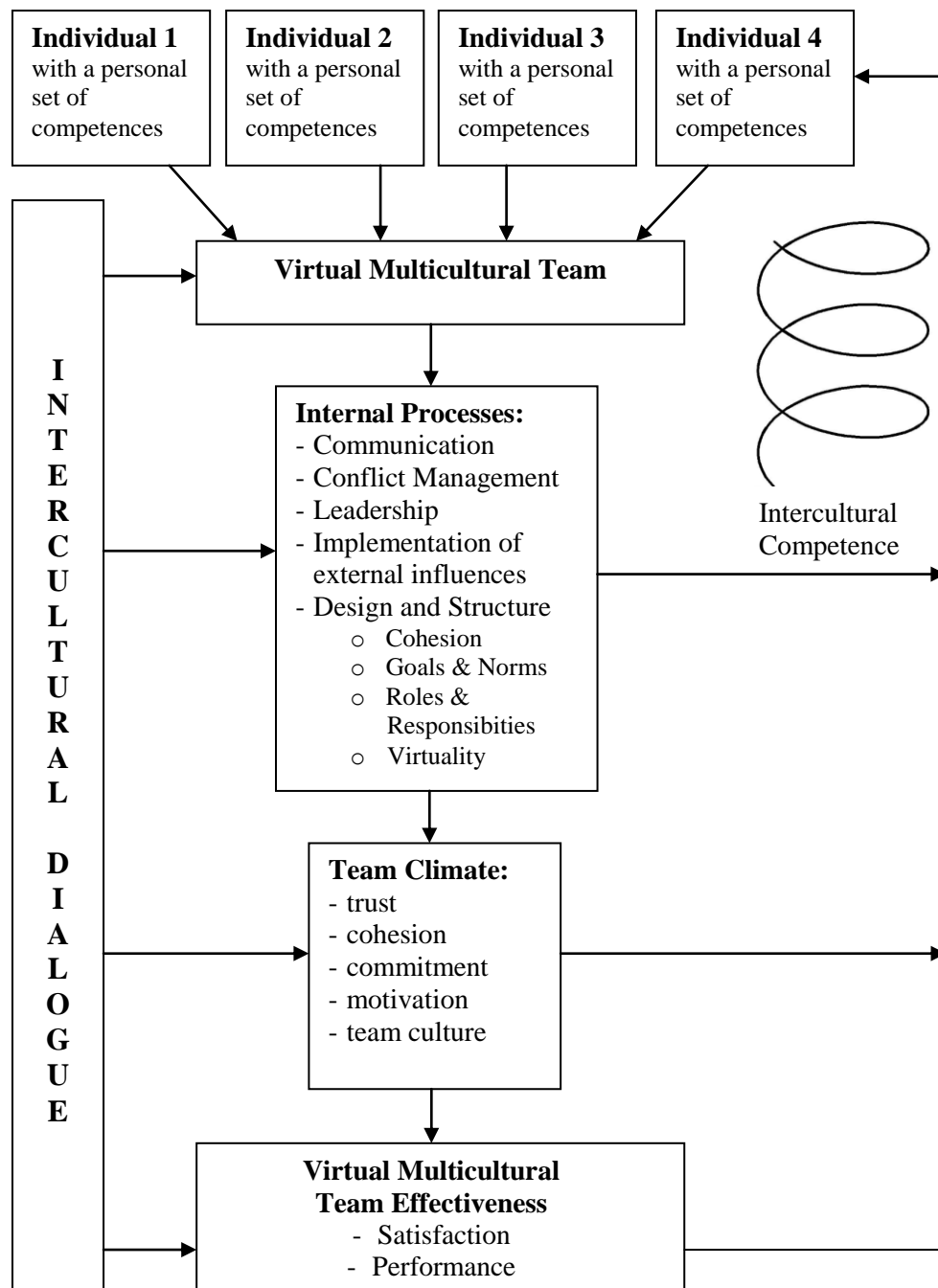
Besides intercultural competence being a set of knowledge, skills and attitudes, the interactive character of intercultural competence needs to be added to this working definition. With the help of intercultural experience from different sources and in different situations the intercultural competence is gradually increased.

### ***5.2. INTERCULTURAL COMPETENCE AS A SUCCESS FACTOR FOR VMC TEAM EFFECTIVENESS***

This study has clearly shown the sustainable impact of existing intercultural competence within a virtual multicultural team. This influence is illustrated in the following figure:



**Figure 14: The Influential Process of Intercultural Competence on VMC Team Effectiveness Through Intercultural Dialogue**



This Figure answers the main research question of this study: Which significance does intercultural competence have for the team effectiveness of virtual multicultural teams? The starting point are the individuals that will form the virtual multicultural team. Each of them brings a certain set of competences into the teams. These sets vary according to the previous experience made by

the individuals. As soon as they come together as a team they start communicating. Intercultural dialogue seems to develop and form the team and its performance among each other. Therefore it definitely is a crucial success factor for the team's effectiveness.

By combining the individuals and intercultural dialogue the team's internal processes, as shown in the illustration, are formed. These are the prerequisites for a good team climate, i.e. a healthy team. If a team is healthy all its members are committed to the team, certain rules have been established, trust has been build and all these factors belong to the team's own culture.

If the team is healthy, the members are motivated to bring in their individual parts and competences and altogether become a high performing team. The combination of performance and satisfaction forms the team's effectiveness.

The picture further shows a constant feedback of all processes within the teamwork and the intercultural dialogue back to the individuals and the team. Hence, the influence of intercultural competence is a process and gradually transforming. The spiral in the picture points out this interactive gradual increase of intercultural competence and its positive influence on virtual multicultural effectiveness.

### ***5.3. LIMITATIONS OF THE STUDY AND IMPLICATIONS FOR FURTHER RESEARCH***

Firstly, it has to be said that the sample was a small group of ten people from one company. Therefore the study's result cannot be generalized for a bigger society. The result only shows the positive influence of intercultural competence on virtual multicultural team effectiveness in one company.

Furthermore, due to reasons of anonymity of the interview partners, cultural and gender differences could not be taken into consideration. Of some countries there was only one member and also there was only one male participant. However, as has been gained from the study, specific cultural traits are not influencing teamwork, but more the personalities and their competences which are shaped my intercultural experiences and therefore

might not be identical with the national culture anymore. For this reason, one person does not represent a whole national culture, which would have made the cultural analysis unreliable.

Considering limitations from the perspective of the interviews, there are a few influencing factors. All the interviews have been conducted in the English language. None of the interviewees nor the interviewer are native speakers of that language. This might have influenced the results in some way where eventually misunderstandings might have occurred. At least to me the answers suited my questions. Thus, no obvious or critical misunderstandings came up.

The technical aspect of the interviews has also been challenging from times to times. Since the interviews were taped via Skype, it was sometimes difficult to understand each other. In one case the technology even stopped working. Hence, I was forced to take notes while being on the phone. In this case some data might easily get lost. Interviewing virtually for example has the disadvantage of noticing less social cues because nonverbal communication is not transferred during telephone interviews (Frey, Botan and Kreps, 1999:218).

Resulting from these limitations further more extensive studies in the field of virtual multicultural teamwork in connection with intercultural competence should be carried out in order to be able to generalize the data and create generally applicable models. This supports international organizations in understanding these internal team processes which can lead to successful solving of problems and fulfilling tasks. Also, these models would help Human Resources managers to emphasize intercultural competence within an organization and support the development of this success factor for all team members.

#### **5.4. EVALUATION OF THE STUDY METHOD**

For evaluating the quality of qualitative research there are three criteria to be considered: objectivity, validity and reliability (see Steinke 2000:319-320). Objectivity is the reflected subjectivity. In practice carrying out overall objective research with humans is not possible. In this study slight subjectivity is included due to my earlier work in Tieto. The interview partners knew that I had gained some insights into the company and therefore trust building and the commitment to this research was given.

Secondly, validity of a study method expresses if the research instrument having been used measures, what was intended to be measured. The result of this study is that my research question was answered by the methodology, i.e. by collecting the data in semi-structured interviews and by using the qualitative content analysis. Therefore, it can be concluded that the validity is provided in this study.

Finally, the reliability is evaluated. This criterion expresses whether another researcher would come up with the same results as this study had. Certainly, there would be a small discrepancy between my research and another person's study because of the semi-structured interview. Interview partners different from mine might have understood the questions differently and there is enough space in the questions to consider different aspects as important.

## 6. CONCLUSION

Concluding from this thesis, it needs to be stated that the study resulted in intercultural competence truly being a success factor of virtual multicultural teams. Intercultural competence itself is a set of strategic, personal, social and professional competences (altogether these form the general acting competence) that can be transferred into an intercultural environment with the help of additional knowledge, skills, awareness and motivation.

Both, literature and the empirical study have shown that soft factors such as trust, cohesion, awareness, open-mindedness and motivation are more important than hard factors, i.e. specific knowledge about a culture or perfect language skills. However, the empirical study resulted in an addition of perspective-taking skills, which means that a person can adjust to another person easier by put him-/herself into the other person's shoes.

Additionally, it needs to be said that technology plays an important role in virtual multicultural teamwork because the right communication channels need to be in place in order to work effectively. Furthermore, the team members need to be familiar with the technological devices and their advantages and disadvantages.

A difference between traditional teams and virtual multicultural teams is the degree of virtuality in geography, culture and time which influences certain internal processes and requirements such as technology for communication. One important aspect in virtual multicultural teams is the required experience. As has been stated by an interview partner that intercultural experience helps to move towards ethnorelativism because at some point the aspect of all humans being equal comes to the foreground.

The aspect of ethnorelativism is strengthened because in work life, especially in virtual teams that are formed for mostly only a few projects, often there is not enough time for discussing and emphasizing cultural difference. Therefore sometimes differences might only be because of different personalities instead of general cultural differences. Therefore a balance must

be found between discussing and being aware of cultural differences and finding common ways of working in order to include cultural differences, but not be distracted from work.

Obviously it does not matter where the intercultural experience has been made, if by working virtually with people from different cultural origins or having lived in another country with different cultures. However, it is important to not only visit an intercultural training, but practice intercultural dialogue in ones work or private life.

These components of intercultural competences positively contribute to the team members' attitudes and motivation towards the team. In this way all team members bring in their ideas, perspectives and opinions and create a common team culture. In that way all team members' input is in the team culture and therefore they are all satisfied with the internal processes.

Open communication, a culture allowing mistakes by trying out new innovative ideas and commonly agreed goals, norms and roles create a healthy team. Team health describes the team climate consisting of cohesion, trust and commitment. All these positive traits within a team lead to the team's success in internal processes, i.e. the team members' satisfaction and the team's productive outcome, i.e. its performance. These last two issues of satisfaction and performance form the team effectiveness. Consequently, the relation between intercultural competence and virtual multicultural team effectiveness has been proven to be of high relevance.

In virtual multicultural teams the team processes are even more important due to challenges of being culturally, locally and physically dispersed. Thus, intercultural competence is emphasized even more than in traditional teams. These challenges need to be overcome in order to use the cultural differences as an advantage of differing perspectives, viewpoints and resulting added values within multicultural teams. Also the virtual mode needs to be perceived as important in an organization. Besides these internal challenges, a team, i.e. a system, is supported and challenged by many different external factors. Thus, organizational support is of great necessity for the functioning of a team since the required technology and trainings, among others, need to be provided.

Not only the awareness of intercultural competence is essential, but also the acceptance of the organization and the team as a success factor for virtual multicultural team effectiveness. This emphasized the strategic placement of intercultural competence within a company even more. Only when intercultural competence is treated correctly and is supported the team will lead to success, because the internal cooperation is increased and therefore the team members are open for solving any kind of problem they have to face.

The awareness already is partly created in international companies because „if you analyze job openings, interview managers and Human Resources representatives or study the literature – one requirement of the future employees is constantly articulated – teamworking skills. It became one of the most important key qualifications” (Bender, 2009:1). These teamworking skills contain social competence, motivation, openness, cultural sensitivity, awareness etc. and therefore can be understood as a need for intercultural competence. In Human Resources this need is also described as a pure passion for people. With this kind of passion it becomes easier to adjust to different people, to get to know their needs and consequently to work more effectively together with them.

However, becoming interculturally competent is a gradual process that is developed by experience in multicultural encounters. To finalize this thesis, it can thus be said, that intercultural competence is not the goal, but the way is the goal.

*You never stop learning (6,71).*

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## APPENDIX

### ***APPENDIX 1: SEMI-STRUCTURED INTERVIEW GUIDELINES***

#### **A Background Information**

1. What is your nationality?
2. Where are you currently living and working?
3. How long have you been working in Tieto and which were your positions? (current position)

#### **B Intercultural experiences**

4. What kind of intercultural experiences did you make at work, in your education or privately? (stays abroad, education, previous work positions, private intercultural experiences, intercultural trainings)?
5. How did these intercultural experiences help you to work successfully in a multicultural team?

#### **C Virtual Multicultural Team Effectiveness**

##### *Team effectiveness criteria*

6. Under which conditions do you think a virtually working team with members from different cultural origins can work effectively (e.g. leadership, member roles, communication)?
7. How is Tieto as an organization supporting virtual multicultural teamwork (leadership, values, trainings, promoted in corporate culture)?

##### *Atmosphere in the team*

8. What is important for you to feel comfortable in a virtual multicultural team? Could you explain your opinion and give examples? (team climate, relationship between employees, with the team leader)
9. What role does trust play for you when working in a multicultural team in the virtual mode? (How can trust be developed and improved?)

*Communication within the team*

10. From your own experiences how often did you communicate with your team members (daily, several times per week) and which communication channels did you use (face-to-face meetings, eMail, telephone, telephone conference, video conference, instant messaging)?
11. Did you have enough possibilities to keep up the contact within your team or which challenges did you face when working apart from each other?
12. Which topics did you discuss with your team members? Were there purely work-related issues or did you get to know each other's private matters as well?

**D Intercultural Competence**

13. Can you think of situations where cultural differences lead to challenges in your team?
14. What kinds of (1) capabilities, (2) attitudes and (3) knowledge are needed to work in a virtual team where the members come from different national, ethnic or educational backgrounds?
15. How much did you learn about the cultures of your team members and did you talk about your culture with your colleagues?)
16. Please explain the role of language in your teamwork! (What language do you use? Are you a native in that language? Are there any disadvantages/advantages of this situation?)
17. How do you resolve conflicts within your team? Could you give an example please?

**E Further comments, ideas, suggestions**

Do you have any additional thoughts about working in a virtual multicultural team? Chances & challenges? Own experience, examples?