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Structural Identity Theory and the Dynamics of Cross-Cultural Work Groups

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## Structural Identity Theory and the Dynamics of Cross-Cultural Work Groups

The creation of a global village, transnational corporations, internet and similar influences remind us constantly that a science of organizations and management is incomplete without the integration of concepts of culture and self awareness. It is no longer appropriate to discuss organizational activities and employee actions without incorporating a more complete view of where such activities take place. Not only must we include an immediate social context, but we must deal with the international and cultural aspects of the social world as well. More than ever, understanding of employee action requires knowledge of how action is related to the environment in which it is embedded. Using this general focus, we examine a number of significant issues concerning cultural influences on work groups and teams.

Our emphasis is the extension and elaboration of other reviews concerning work teams evaluated cross-culturally. The interested reader is referred to a number of articles including Mann (1980), Triandis (1994), Tannenbaum (1980), Earley and Gibson (in press), Granrose and Oskamp (1997), and Ravlin et al. (in press) among others. Our review contains three sections, the first of which is a discussion of traditional approaches to studying teams including the emphasis used in this chapter. In the second section, we use our framework to review literature concerning cultural influences in relation to work teams. Finally, we make a number of recommendations for future research and indicate how our contextual-structural approach extends existing lines of work.

### **I. Overview of Conceptual Approaches**

Given the increasing complexity of organizations, work requires a high degree of interdependence and interaction among employees. This interaction is often relegated to a work group, or team (Earley & Gibson, in press; Gersick, 1988; Guzzo, 1986; Guzzo & Waters, 1982; Guzzo et al., 1993; Hackman, 1976; McGrath, 1984). People do not work within a social void, rather, they interact and are interdependent upon others as they work and behave in an organization. People work together so as to perform various tasks and simultaneously fulfill

social needs. Given the prevalence of work groups in modern organizations, it is clear that they are an essential element in understanding cross-cultural aspects of work and organization. Our lives are organized around many groups such as families, work crews, religious groups, sports teams, etc. Much of what we do for business and pleasure revolves around the group. This is not to imply that all actions occur in a group; many of our actions occur within aggregates rather than natural groups. Groups and teams are psychologically and sociologically distinct from casual aggregates of individuals. Whereas a group has specific qualities involving roles, structure, etc., aggregates simply refer to a collection of individuals who gather for individual purposes and needs (e.g., audience at a movie). Of course, not all activities are group-based. We perform actions for our individual needs in an individual context such as purchasing a favorite dessert, playing solitaire, watching a movie on television alone, etc. Our focus is on the social context of work group behavior in which people gather to perform some task or maintain group stability and relations.

In addition, it is useful to define what we mean by a work group or team (we use these two terms interchangeably for this review). McGrath (1984) defines a group as a social aggregate that involves mutual awareness and potential mutual interaction. McGrath distinguishes a group from other types of social aggregates based on three dimensions: size, interdependence, and temporal pattern. He argues that a group includes two or more people while remaining relatively small so that all members can be mutually aware of and potentially interact with one another. Mutual awareness and potential interaction provide at least a minimum degree of interdependence so that members take one actions of other group members into account. Interdependence, in turn, implies some degree of continuity over time. In other words, a group is an aggregation of two or more people who are to some degree in dynamic interrelation with one another and it includes such units as families, work groups and social or friendship groups. Turner et al. (1987: 1) describe a group as one that is psychologically meaningful for the members to which they relate themselves subjectively for comparisons, group members adopt norms and values from this

group. A member of a group accepts membership in this group and it influences the member's attitudes and behavior. They distinguish the group from aggregate using an individual's attachment to the group as a reference group rather than mere membership. However, their definition is not restrictive in size or temporal considerations as is that of McGrath and they even discuss crowd behavior as a manifestation of "group behavior".

Work groups and related dynamics have been addressed from a cultural viewpoint using a limited number of perspectives. The approaches taken by researchers include self concept theory, social cognition and mental models, and conflict management and group process. Without question, the dominant position used to address the nature of cross-cultural groups has been the application of self concept theories (Markus & Kitayama, 1991). The two models which have received most attention in self concept theory are the related frameworks proposed by Tajfel (1982) and Turner (1985). Tajfel (1982) and Tajfel and Turner (1986) proposed a model of self concept in their Social Identity Theory (SIT). According to this model, an individual's self-evaluations are shaped in part by their group memberships. An individual will develop and foster a positive self-image by accentuating the positive attributes of their ingroup and the negative attributes of outgroups. Tajfel's extensive research on intergroup bias often employs a methodology referred to as a minimal group technique in which individuals are assigned to groups on a random basis. His work and that of his colleagues has demonstrated that an individual assigned to a group (again, even on a random basis) will discriminate in favor of his or her ingroup.

A related model, proposed and described by Turner (1985) and Turner et al. (1987) called Self Categorization Theory (SCT) can be thought of as a logical extension of basic identity theory. It suggests that people perceive themselves as group members in a hierarchical structure of groups. At the most general level, people distinguish themselves from non-humans; among humans, groups are based on intraclass similarities and interclass differences. Turner et al. assume that individuals are motivated to maintain a positive self-evaluation of self-categories

through a comparison of self and other member characteristics with prototypes of the next higher level of categorization. SCT has several interesting features that can be used to describe cultural influences. Turner et al. argue that group formation occurs for several reasons. First, groups can form as a result of spontaneous or emergent social categorizations from the immediate situation. Second, they occur as a result of some preformed, internalized categorization scheme available from cultural sources such as work class, gender, race, etc. Unfortunately, SCT does not provide much information concerning this latter antecedent of group formation and this is the focus of our model. The basic premise that individuals use preformed categories in forming ingroups as well as making judgements about outgroups seems to be crucial in understanding group processes in various cultures.

More recent models of self concept have been proposed such as Brewer's Optimal Distinctiveness Theory (1993). According to distinctiveness theory, a person's self concept is regulated as a balance between social integration with others in important reference groups and maintaining a differentiated self. Any group member faces two simultaneous attractions (repulsion): a desire to be integrated with others who provide self image and a desire to remain unique and a separated self. Brewer's theory argues that people psychologically trade off their individuality needs with team identity needs. Counterbalancing forces may motivate the creation of commonalities among group members and an integrated team culture will serve as the basis of a common identity. A "split" group may balance individual and team identities so that members are not motivated to adjust this balance (Earley & Mosakowski, in press; Ravlin et al., in press).

A number of other scholars focus on the cognitive aspects of group membership in a cultural as well as domestic context (DiMaggio, 1997; D'Andrade, 1984; Erez & Earley, 1993; Klimoski & Mohammed, 1994; Messick & Mackie, 1989). A focus on cognition emphasizes thought processes and information processing. Cognitive representations of groups consist of complex, hierarchical structures that contain elements such as category labels, attributes, and exemplars. A category representation refers to a category label (e.g., college professor), an

abstracted prototype (e.g., list of features such as old and grey, beard, glasses, befuddled), and the projection of these characteristics to the group as a whole (stereotype). For example, a category label such as a “college professor” may have associated with it general prototypes of a professor such as being old and having a gray beard or wearing glasses. Stereotyping occurs if these prototypic characteristics are applied to the general population of college professors.

Klimoski and Mohammed (1994) talk about a “team mental model” as a shared psychological representation of a team’s environment constructed to permit sense-making and guide appropriate group action (Elron et al., 1998). When team members perceive shared understandings with other members, the positive affect and propensity to trust generated by such a discovery fuels performance improvement (Klimoski & Mohammed, 1994) and bolsters the group’s belief in its capability to perform, often referred to as the level of group efficacy (Bandura, 1997; Gibson, 1999).

Research has been applied to the study of work teams as they develop and evolve as well by Hackman and his colleagues (1976, 1990), McGrath (1984), Gersick (1988), and Guzzo and Waters (1982). Much of this work was focused on the nature of the work group itself including features such as context (e.g., Hackman, 1976), group development (e.g., Gersick, 1988), group potency and perceived efficacy (e.g., Guzzo & Shea, 1996), and group composition effects (e.g., Jackson and associates, 1995 book; Hambrick & Mason, 1984; Maznevski (1994); Tsui, Egan & O’Reilly, 1992). Much recent work on teams from both a domestic as well as an international context has emphasized the compositional nature of a team from a demographic and cultural diversity perspective (e.g., Cox, Lobel, & McCleod, 1991; Hambrick, Davison, Snell, & Snow, 1998; Maznevski, 1994).

While these perspectives are useful in isolating critical forces involved in individual-group interactions, integrating them into useful analytical models for understanding the dynamics of work groups and teams requires recontextualizing these studies within a framework that includes the effects of organizational structures from which they are created. This framework must

recognize the means by which organizational interests and power are distributed and the multiple sources of influence acting in group dynamics.

The traditional framework for groups argues that organizational structure influences the group's environment and task situation because it represents a "structured set of requirements/ demands/ opportunities/ possibilities/ constraints" (McGrath, 1984:16). While this analytical demarcation between the work group and organization is useful in traditional bureaucratic organizational models, it is of limited utility for many contemporary organization forms. Ouchi (1980) and Graham and Organ (1994) describe organizational forms developed around a normative (Kunda, 1992) control and coordination process required for ambiguous and shifting environmental needs. The relative instability of requirements makes McGrath's boundary meaningless and removes the sense of insulation between group and wider organizational dynamics implied in the framework. This perspective oversimplifies the interaction between organizational levels and competing interests and the complications rising from multiple group memberships.

Organizations are formally structured to represent organizational interests and power in member actions. This process operates through the dominant control and coordination procedures, often through some combination of supervision, work rules, and socialization (Edwards, 1979). Work groups are commissioned within this framework of interests and power, and inevitably reproduce or account for such interests and power within their own structure. However, organizational interests are not monolithic. Organizational theorists remind us that organizations are composed of coalitions (Thompson, 1967; Pfeffer & Salancik, 1978; Selznick, 1996) which are continuously negotiating the meanings and importance of tasks. In addition, organizational behaviorists from the time of the Hawthorne study (Roethlisberger and Dickson, [1939] 1967) have recognized the uncontrollable effects of informal organization, which Littler and Salaman (1984:68) describe as "those patterns and relationships which occur in a systematic manner, ... which are not prescribed by formal regulation and specification, and indeed might



occur in conflict with it.” Examples of informal structures include friendship networks, minority group networks whose members look out for each other, (non-union) worker solidarity networks, and informal administrative networks in which an individual’s real organizational power may far exceed his or her structural position.

Individuals within a given work group must therefore be recognized as having multiple memberships in groups representing formal function and strata within the organization, cross-functional and cross-strata groups representing different coalitions, and informal groups representing an intersubjective world of organizational culture, friendship networks, and mutual interest networks. These informal groups may be influenced but not controlled by the formal organizational structure, and may work to forward or to hinder its goals. Work groups that include cross-cultural influences add another set of influences.

Specifying these effects in individual-level analysis remains a problem and at best involves strange juxtapositions of variables. There has been a long tradition for specifying the effects of formal organizational structure by Neo-Marxian analysts, who probably have perhaps the most experience dealing with issues of position based power; they see formal organizational structure as a combination of material ownership, supervisory authority, and skill resources (Wright, 1978). However, the effects of national and ethnic culture have only recently been included in models, and consensus seems to have revolved around the use of shared values as the defining concept (Hofstede, 1980; Triandis, 1980). The effects of coalitions and informal organization have a much less established presence in organizational analyses, in part because the theory for these is relatively undeveloped, aside from work on organizational citizen behaviors (Organ, 1990), the various forms of network analyses (e.g. Cook & Whitmeyer, 1992; McPherson, Popielarz, & Drobnic, 1992 ; Friedkin, 1993), and consent, which Littler and Salaman (1984) theorized as coming directly from actions in the informal organization.

One existing framework that might prove useful in organizing the effects of multiple group memberships at the individual level is Identity Theory (Stryker, 1980, 1987, 1992). It holds

that behavioral response patterns that are unique to situations involving group membership are organized as identities, so that a person has separate identities as a student, a family member, or as an employee. Identity theory differs from SIT and SCT in that its conception of identities is individual<sup>1</sup> and involves role expectations and behaviors that are accepted and incorporated into the self, as opposed to collective identities based on socially defined categories which involve evaluations to which the person or collective reacts. Stryker's Identity Theory explicitly brought social structural constraints<sup>2</sup> into a symbolic interactionist conception of the self; to distinguish it from social identity theory we will refer to it as "structural identity theory" (see also Thoits & Virshup, 1997). In his theory, separate identities are ordered in a "salience hierarchy" in which highly salient identities are more likely to be evoked in response to a given situation. The salience of an identity is based on the individual's level of commitment to the social networks in which the identity is played out. Stryker defines commitment as "the costs to the person in the form of relationships foregone were she/he no longer to have a given identity and play a role based on that identity in a social network" (Stryker, 1987:90).

In a work group, employees negotiate between behavioral responses from identities created around role expectations surrounding their position in the formal structure, in a coalition, in an informal structure, or in an ethnic or other cultural group. Workers respond to role-expectations using whichever identity is more salient in any given situation. Situations for which responses from multiple salient identities conflict become problematic, and the individual then responds with whichever identity holds a stronger commitment (Stryker, 1987; Burke and Reitzes, 1991). For example, a response based in an ethnic identity hostile to the ethnicity of another member might be tempered by the behavioral response based in a managerial identity to

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<sup>1</sup> This is said recognizing that identities are "thoroughly social in conception" (Stryker, personal communication), because they are created and invoked in social contexts, while SIT and SCT only refer to socially defined categories and their conception requires no actual interaction based on or commitment to the identity.

<sup>2</sup> He maintained the essential symbolic interactionist concept of fluidity and social construction in interactions by rejecting structural determinism and defining structure in probabilistic terms, in which "all

which the individual is more committed. Thus, understanding group dynamics involves discerning and measuring the relative importance of factors that enter into decisions of which identity becomes salient under given conditions.

One factor that this framework specifically recognizes as affecting the relative salience of identities is control and coordination mechanisms used in organizational contexts. Table 1 compares organization types from Ouchi (1979) and Graham and Organ (1993) with control methods (Edwards, 1979; Kunda, 1992) that appear dominant. Simple control uses role expectations that evoke identities constructed around subordinate response patterns. All potentially competing identities are effectively “frozen out” by this control method and worker consent is not a consideration. Bureaucratic control evokes identities whose subordinate behavioral responses are constructed around issues of legitimation, equity, and fairness embedded in organizational rules. This control form is susceptible to competition from identities whose behavioral patterns are based in the informal organization; as Littler and Salaman (1984) describe, organizations strike informal deals which, in terms of this framework, reduce the salience of competing identities. Normative control evokes identities whose behavioral patterns are constructed around merged interests with the organization. In this sense, normative control merges identities based in informal organizational groups with identities based in the formal organization. People operating under normative control have high levels of organizational commitment, or in structural identity theoretical terms, have commitment to these merged identities (Burke & Reitzes, 1991).

Another factor that our framework recognizes as influencing the salience of identities is the cultural context of the individual actors, as expressed in their culture-related values. A worker from a collectivist culture would tend to have a higher commitment to an identity that reflects the interests of his or her ingroup, regardless of that ingroup’s relationship with the organizational

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possible interactional sequences and all possible outcomes of those interactional sequences are not equiprobable” (Stryker, 1987).

structure. If the ingroup is the organization, as is fostered by “clan-type” organizations (Ouchi, 1980), then the worker will respond to role expectations with the minimal efforts characteristic of normative control. However, if the worker’s ingroup is **not** the organization, and especially if its interests are in potential conflict with the organization (e.g. class-based interests), then control methods must present role expectations in a way that favors evoking a subordinate identity over the competing ingroup identity. In addition, a cultural value that favors high power-distance relationships can support a worker’s commitment to subordinate roles, facilitating the use of simple or bureaucratic control.

This framework serves to contextualize the previous frameworks as a subset of interactions and considerations taking place within work groups. It adds not only competing and potentially more salient behavioral responses to those postulated by SIT and SCT, but also depth to the salience process beyond comparison of stereotyped sociodemographic characteristics among actors. This contextualization can be seen in a hypothetical example of a work group in which two white Americans are training four Mexicans on technology transferred from a closed plant in the American’s home town. The Americans are an engineer and a machine operator who is a union member, and the Mexicans are a supervisor and three trainees. The union member as a focal actor has a wide range of possible behaviors towards the Mexican trainees, from overt to covert hostility to acquiescence to the situation to attempts to recruit them for the union. SIT and SCT would analyze his responses in terms of (1) which set of sociodemographic or organizational categories (for himself and the Mexican trainees) would be possible for the situation, (2) his understandings and sense of relevance for the potential categories, (3) degree to which the categories’ normative imperatives fit the situation, and (4) degree to which the differences between the potential sets of categories are contextually more relevant than the similarities. Of course, this interaction is only one set within the group context. The union member’s behavior is potentially constrained by the presence of the American engineer, who may be a minority woman (two more potentially conflicting sociodemographical categories) who, in turn, may have an

ambiguous organizational relationship with him by being a professional and presumably aligned with management. Within the work group, the focal actor's behavior is presumably consistent, so whatever categories he selects to guide his own behaviors must somehow blend together to maintain some form of self-consistency. Aside from the stereotypical behaviors based on whatever categories he assigns to himself and others, and Tajfel and Turner's key motives of self-esteem and uncertainty reduction (Thoits and Virshup, 1997), SIT and SCT offer no additional clues for which categories would become salient. The structural identity framework simplifies this analysis by focusing on the possible identities available to the actor and his commitment to each as determined by the consequences of inappropriate performances for each identity – e.g. the loss of job for displays of hostility, the benefits of solidarity for unionizing the new plant, etc. This framework also assumes self-esteem and uncertainty reduction, but specifies uncertainty reduction in terms of consistency and self-preservation with respect to the maze of interests and power demands converging at each task.

With regard to optimal distinctiveness, the same issues of multiple groups and salience contextualizes the process of finding the optimal point at which a work group member balances his or her needs for sameness and individuation. These balance points must be very tentative considering the paradoxical instances in which workers identify with a company but engage in hostile work actions over disputes, then re-identify after the dispute is resolved. These same considerations serve to contextualize cognitive representations and team mental models.

## **II. Review of Cross-Cultural and International Teams Research**

In this section, we review the literature pertaining to cross-cultural work on teams. We will include as well a few studies concerning cross-cultural diversity and demography given that these are relevant to our general approach and can be thought of as “cross-cultural” in a broad sense. Given the vastness of this literature, we have broken down the literature by a number of sub-headings including decision-making and participation, conflict and negotiation, collective efficacy and performance, and composition and diversity. See also Audia and Tams, this volume.

Decision-making and Participation. Collective decision-making and participative decision-making have long histories in work team research. The largest stream of cross-cultural research on group decision-making was stimulated by Lewin's Field Theory (1951). The essence of his approach is that participation in the decision-making process will enhance individuals' acceptance of, and commitment to, a decision. In follow-up work using Lewin's framework, Misumi and his colleagues (e.g., Misumi, 1984; Misumi & Haroaka, 1960; Misumi & Shinohara, 1967) have shown that the group decision method is highly effective in inducing attitude and habit changes for Japanese workers. Misumi found that the participation influence was more effective using natural groups than ad hoc ones. More recent comprehensive reviews of participation have been published by Locke and Schweiger (1979) and Wagner, et al. (1997).

Participative management can be formed as a subculture in some of the departments within a given organization (Wagner et al., 1997). For example, French, Key and Meyer (1966) examined the effect of participation in the setting of goals as part of a performance appraisal system in the General Electric Company. They found that participation in goal-setting was more effective in a department with a participative climate. Assigned goals were more effective in a department with a non-participative climate, particularly when employees felt threatened by the appraisal process.

Earley (1986) argued that cultural differences explained the differential effectiveness of a goal-setting method that was implemented in the U.S. and England. A goal-setting technique initiated by shop stewards was more effective than one initiated by supervisors in England. No such differences were found in an American sample. Earley concluded that English workers placed greater trust in their stewards than in their supervisors or managers, and it was for this reason that they responded more favorably. Using the proposed framework, we argue that the managerial practice more congruent with cultural norms evoked identities more conducive to meeting the goals. In the English case, identities based in informal relationships with stewards were more salient than formal structural relationships with supervisors. Stewards evoked ingroup

identities in workers and supervisors evoked outgroup identities. Steward-initiated goals became a part of the salient ingroup behavioral role-expectations. Supervisor-initiated goals became a part of the behavioral role-expectations of a less salient identity, exerting much less of a behavioral imperative. In the American case, workers give more legitimacy to structural relationships, so probably the identity as subordinate to management was more salient for workers.

Erez and Earley (1986) conducted a cross-cultural study in the U.S. and in Israel to test for the moderating effect of culture on the relationship between participation in goal-setting and performance. The United States is known for its individualistic values and moderate levels of power distance in organizations. In contrast, Israel is known for its collectivistic values and for a low level of power distance (Hofstede, 1980). In Israel, employee participation programs are institutionalized in the labor relation system. They take the form of work councils in the private and public sectors, and the form of employees' representatives in management in the Histadrut sector, which is the general federation of unions, and the employer of about one quarter of the industry. The highest level of participation is implemented in the Kibbutz sector which symbolizes the values of collectivism, group orientation, and egalitarianism. Ultimate decision-making power in the governance of the Kibbutz resides with the general assembly of all the Kibbutz members (Leviatan & Rosner, 1980).

Participants in this study (Erez & Earley, 1986) were 180 university students, of whom one hundred and twenty were Israeli (sixty of them were Kibbutz members), and sixty others were Americans. They were all asked to perform a task under one of three goal-setting conditions: group participation, participation through a representative, and no participation. The results demonstrated that performance of the Israeli students was significantly lower when goals were assigned than if goals were participatively set. In addition, Israeli students who were assigned goals performed significantly lower than their American counterparts. There were no differences between the Israeli and the American students when goals were participatively set. This finding clearly demonstrated the moderating effect of culture. The more collectivistic and

lower power distance Israeli students reacted adversely to the non-participative assigned goals as compared to the more individualistic and higher power distance American students. A non-participation approach was inconsistent with the cultural norms in Israel, and hence, was negatively interpreted by the self. The results led to the conclusion that the differences between the two countries are not so much in terms of the beneficial effect of participation, as they are in terms of the adverse reaction of individuals to their assigned goals.

Cultural differences may also occur between sub-cultures within one country, and may lead to a differential effect of participation. Erez (1986) examined the effectiveness of three levels of participation in three industrial sectors within Israel, which represent three different points on a continuum of participative values: a) the private sector - guided by utilitarian goals with no explicit policy of employee participation, b) the Histadrut, which is the federation of most unions in Israel, and c) the Kibbutz sector- known for its strong collectivistic values, with emphasis on group rather than individual welfare, and on egalitarian rather than utilitarian approaches to profit sharing (Leviatan & Rosner, 1980). The three sectors convey different work environments and provide different opportunities for participation. Results of this study demonstrated that group participation was most effective in the Kibbutz sector, participation by a representative was most effective in the Histadrut sector, and no-participation was most effective in the private sector. Once again, the contingency approach was supported and direct group participation was found to be most effective in a group-centered collectivistic culture.

The effectiveness of group goals versus individual goals varies across cultures. In Japan the combination of group and individual goals was more effective than individual goals alone (Matsui, Kakuyama & Onglatco, 1987). However, in individualistic cultures group goals very often result in social loafing and free riding because group members in individualistic cultures do not share responsibility to the same extent as group members in collectivistic cultures (Earley, 1989).



The contingency between participation and culture is clearly exemplified by the participative management techniques in Japan such as quality circles and Ringi-sei decision-making (Earley & Erez, 1997; Nakane, 1970). The Japanese set of values is characterized by collectivism, group orientation, and respect for seniority (Hofstede, 1980; Odaka, 1986; Triandis, 1988). Group orientation conveys the priority given to the continuity and prosperity of the social system. Collectivism is reflected in self-definition as part of groups, subordination of personal goals to group goals, concern for the integrity of the ingroup, and intense emotional attachment to the group (Triandis, 1988). This culture nourishes the collective-self, which gains a central role in processing and interpreting information (Triandis, 1989). The core values of the Japanese culture were implemented into the corporate level and have shaped the Japanese management practices. Concern for the continuity of the organization and for the integrity of the group has led to the development of a system of lifetime employment in the larger firms for approximately 25% of the total Japanese workforce. The terms "management familism" (Kume, 1985), or "corporate collectivism" (Triandis, 1989) have been used to describe Japanese Management, implying that both management and employees have a high level of life-long mutual commitment. Japanese managers attributed their success to the life time employment system which enabled them to develop mutual commitment between employees and employers, team work, and group cohesiveness (Erez, 1992). Employees' participation displays the value of corporate collectivism. It takes the form of small group activities, including quality circles on the shop floor level, and management improvement activities at higher organizational levels.

Quality Control Circles are small groups in the same workshop that voluntarily and continuously undertake quality control activities, including the control and improvement of the workplace (Onglatco, 1988:15). In Japan, quality control circles have two main objectives: One is to enhance the company-wide quality level, and the second is to contribute to the employees' self-growth. The QC Circles activity in Japan has significantly increased over the years, from about six thousands circles in 1975 to almost two hundred and thirty thousands circles in 1985

(Onglatco, 1988). QC Circles in Japan significantly contributed to the improvement of product quality, enhanced the level of efficiency and of cost reduction, and facilitated innovation. For example, a software company reported a 70% reduction of error rate since the implementation of the system, and one of the banks reported a significant relationship between circle activation index and an efficiency index (Onglatco, 1988). QC Circles were found to have a significant positive effect on employees' attitudes in Japan, particularly on social understanding, enhanced sense of participation, and fulfillment of higher order needs.

A more naturalistic form of decision-making for the Japanese work environment is referred to as the *ringi-sei* system (Kerlinger, 1951; Nakane, 1970; Triandis, 1989). In this consensus system, decisions are made "anonymously" and subordinates and leaders are bound together in obligations and loyalty. Decisions are made according to a bottom-up procedure such that each subordinate authorizes a tentative solution or decision to some problem and proceeds to "clear it" through increasing levels of superiors adjusting the decision according to each level's suggestions. By the time the actual decision must be made, it has been altered and endorsed by all individuals who will be involved in its implementation. This system reflects a strong self-motive of consistency and self-enhancement through group loyalty and commitment. It also reflects a ritualistic style of decision making that reinforces a strong hierarchy within a particular social structure. In contrast, the American approach is to offer two or three alternatives with one recommended alternative. In this way decision makers have wider discretion.

The Japanese example demonstrates that when the motivational techniques are congruent with the cultural values, they satisfy the self-derived needs and result in a high performance level. In Japan, the collective-self was found to be more complex and more dominant than the private self. Therefore, self-enhancement, self-efficacy, and self-consistency are experienced when an individual makes a contribution to the group and gets recognition for his/her contribution. Motivational techniques that facilitate the contribution of the individual to group success tend to

be effective. Reciprocally, effective group performance reinforces perceptions of collective-efficacy, which further affect group and organizational performance.

Both of these examples can be analyzed using the structure-identity theory in the same way as the English steward example. The cultural conditions which the Israeli students experienced fosters identities which have more collectivist behavior patterns., and are more likely to be evoked than identities with subordinate behavior patterns. But when experimenters set goals for the students, they evoked subordinate identities that were less salient and had less of a behavioral imperative than the identities evoked under conditions in which the goals were set participatively. Still, workers for whom the identity as subordinate to management is stronger would not be as susceptible to competing identities. In addition, the Japanese examples illustrate how organizations use normative control through a highly persuasive involvement with their employees, thus fostering highly salient worker identities in which informal organizational interests are merged with formal organizational interests.

Another stream of research related to decision making and participation is how a team allocates rewards and distributes resources within the team. This research suggests that there are three general rules underlying concepts of distributive justice – equity, equality, and need. Tornblom, Jonssons, and Foa (1985) compared the use of three allocation rules (equity, equality, need) in the United States and Sweden. They showed that the egalitarian emphasis characteristic of Sweden resulted in a higher priority being placed on an equality exchange rule rather than need or equity but that Americans emphasized equity over equality or need. Murphy-Berman, Berman, Singh, Pachuri, and Kumar (1984) examined the allocation rules of need, equity, and equality with respect to positive and negative reward allocations (bonus pay versus pay cuts) in the United States and India. They found that Indian managers preferred a need rule over equality and equity whereas Americans preferred equity over the other two. They concluded that their results may reflect that in India people are less responsive to merit pay because societal status is determined largely by affiliation and caste rather than individual achievement.

Bond, Leung, and Wan (1982) and Leung and Bond (1984) examined reward allocation preferences in Chinese samples. They found that Chinese, who are considered to be collectivistic, use an equality rule in allocating rewards to in-group members more than do Americans (who are guided by individualistic values). More recently, however, Chen (1995) found a reversal of this typical pattern (Chinese preferring equality over equity and Americans preferring equity over equality) in his study of Chinese and American managers. He demonstrated that Chinese managers (People's Republic of China) were more inclined to use an allocation rule based on equity over equality with a heavy emphasis on material over social rewards, possibly because of the move toward a competitive economic system.

Further, individually-based incentive systems among Indonesian oil workers created more controversy than results (Vance, McClaine, Goje, & Stage, 1992; also see Steers & Sanchez-Runde, this volume). Indonesians come from a relatively collectivistic culture emphasizing group process with a strong sense of interdependence among people so an individual incentive scheme is perceived as divisive.

A structural identity framework would suggest that the identities being evoked in allocation decisions reflect the salience of different group memberships. Collectivist responses of equal allocations reflect a high salience of an identity based around the group among whose members the allocation is being made. An individualistic response of equity-based allocations suggests three possibilities: a lower salience of the identity based in the group among whose members the rewards are being allocated, a higher salience of identities with other groups for which wealth (especially differentials in wealth) is a status marker, or different socializations for acceptable behavior. A need-based allocation reflects an identity based on recognition and willingness to accept personal consequences to help resolve broader social problems.

A final area is the relatively recent impact of technology on group-related decisions in an international context. Electronic communication can provide useful opportunities if it creates a work environment that provides for enhanced interaction (Warkentin, Sayeed, & Hightower, 1997).

The key appears to be the relational links developed among team members. For example, Warkentin et.al. studied a World Wide Web-based asynchronous computer conference system and found that teams using this communication system could not outperform traditional (face-to-face) teams under otherwise comparable circumstances. Relational links among team members were found to be a significant contributor to the effectiveness of information exchange. Though the virtual and face-to-face teams exhibited similar levels of communication effectiveness, face-to-face team members reported higher levels of satisfaction. In an important study that bridges both the communication theory and multinational organizational theory, Ghoshal, Korine and Szulanski (1994) found that interpersonal relationships developed through lateral communication mechanisms such as joint work in teams, taskforces, and meetings. The researchers examined subsidiary-headquarters communication and inter-subsiary communication based on data collected from 164 senior managers working in 14 different national subsidiaries within the consumer electronics division of Matsushita, a Japanese company, and 84 managers working in nine different national subsidiaries of N.V. Philips, the Holland-based competitor of Matsushita. Findings demonstrated that lateral communication mechanisms had significant positive effects on the frequency of both subsidiary-headquarters and inter-subsiary communication.

Again, these results reflect differences in the processes by which commitment to group-group based identities are made. Symbolic interactionism, (Stryker, 2000) the meta-perspective from which Stryker developed the theory, postulates that people construct identities from behaviors learned through the exchange of symbols which, in most cases, involve gestures and words. Developing a set of behavioral responses into an identity around nothing more than words on a screen is theoretically possible but less likely to have the same salience as an identity developed around symbol-rich face-to-face interaction.

Conflict and Negotiation. We use this category to capture a number of related streams of research on cross-cultural aspects of work teams.

Difficulties arise in cross-cultural teams caused by cultural interactions occurring on many levels. They may involve threats to a person's social and self-identity, or "face" (Earley, 1997), or problems in understanding and communicating with others (Tung, 1997). They may lead to workers' diminished commitment to the organization and poor organizational performance (Granrose, 1997), but intercultural contacts can also be associated with successful accommodation (Berry, 1997). When different cultural groups interact, there are several possible models that specify changes in the groups' cultural patterns (Berry, 1997; Granrose, 1997).

Ravlin et al. (in press) emphasizes understanding groups from a cultural perspective focusing on the conflict experienced within these groups. They argue that when organizational groups are composed of members of multiple cultures, a primary concern is that conflict between members of different cultural backgrounds will impede group effectiveness. This model examines the influences of belief systems regarding values and status, and the role that acceptance of these beliefs by members of cultural subgroups play in processes generating latent and manifest conflict within the group. They draw from theories of social information processing, social identity, value congruence, status characteristics, and legitimacy both to develop propositions regarding conflict-related responses in such groups and to hypothesize conditions under which such conflict may either enhance or diminish group effectiveness.

In a related vein, Weldon and Jehn (1995) use conflict as a way of discussing and describing culturally-based group dynamics. Jehn (1995) posits that there are two different types of conflict that operate in a group, relational and task-relevant, and that relational conflict has potentially detrimental effects on team dynamics whereas task-relevant conflict can be useful in generating alternative positions and views for a team.

Kirchmeyer and Cohen (1992) examined the effects of constructive conflict on culturally diverse decision-making groups. In a laboratory exercise, 45 four-person groups recorded their recommendations regarding a business problem, and afterward members individually completed a questionnaire on the experience. Ethnic minorities contributed considerably less to decisions than

non-minorities did. However, with increasing use of constructive conflict, groups made more valid and important assumptions, and the performance and reactions of ethnic minorities improved at rates either the same as or greater than those of non-minorities. Thus, for managers facing growing ethnic diversity in the workplace, the practices of constructive conflict offer a promising approach to group decision making.

Pelled, Eisenhardt, and Xin (1999) focused on the role of diversity and conflict on work group performance drawing heavily upon conceptual and empirical work formulated by Jehn (1995). In a study of 45 teams, Pelled et al. found that occupational diversity drove task conflict. However, they also discovered that various other types of diversity drive emotional conflict and had a dysfunctional impact on team outcomes. Both the studies focusing on intranational as well as international team conflict highlight the distinction that we made earlier concerning consent and types of identities. For example, work by Jehn (1995) and Pelled et al. (1999) suggests that certain types of identities (e.g., task or occupation) do not give rise to dysfunctional, interpersonal conflict in teams whereas other sociodemographic types (e.g., gender, race) do. Identities based on task or occupation require different types of role performances than do sociodemographic identities are performed within the context of a larger social structure, and engender different types of commitment. Identities based in occupations often include socialization for the types of professional conflicts that occur, providing an emotional distance that focuses on productivity. When occupational conflicts occur in a work group, they pit a worker's occupational identity against her or his organizational identity, raising the issue of commitment to each (i.e. the cost of no longer continuing either identity). Considering that in many cases the organizational identity permits the occupational identity to be activated, we argue that conflicts involving occupational identities should be directed toward organizational productivity. Conflicts involving sociodemographic identities are different in that socialization for conflicts involving these identities does not necessarily include considerations for contextual factors such as organizational productivity. These conflicts often engage intense and deep emotions and relate to broader social

histories than immediate task interests. Often commitments to sociodemographic identities can supercede commitment to organizationally based identities.

Collective Efficacy and Performance. Several streams of research demonstrate that group-level phenomena differ from culture to culture. The first of these pertains to collective cognitions known as collective (or group)-efficacy beliefs. Group-efficacy is analogous to self-efficacy at the individual level, defined as "a judgement of one's (or a group's) capability to accomplish a certain level of performance" (Bandura, 1986, p.391). People tend to avoid tasks and situations they believe exceed their capabilities. Efficacy judgments promote the choice of situations and tasks with high likelihood of success, and eliminate the choice of tasks that exceed one's capabilities. Self-efficacy has been mainly developed with respect to the individual (Bandura, 1986, 1997). However, a perceived collective efficacy is crucial for what people choose to do as a group, how much effort they put into it, and how persistent they are when facing failures (Gibson, Randel & Earley, 2000; Guzzo et al., 1993; Prussia & Kinicki, 1996; Shamir, 1990). The strength of groups, organizations, and nations lies partly in people's sense of collective efficacy (Bandura, 1986). Bandura (1986, 1997) suggested that individuals hold performance beliefs about the groups to which they belong and that the strength of groups and organizations lies in people's sense of group efficacy that they can solve their problems and improve their lives through concerted effort (Bandura, 1986). Other researchers have verified the hypothesis that group beliefs about capability influence team performance (Campion, Medsker, & Higgs, 1993; Guzzo, Yost, Campbell, & Shea, 1993; Lindsley, Brass, & Thomas, 1995; Shamir, 1990; Zander & Medow, 1963). Although research has focused on the nature of group decisions in organizations, relatively little is known about the nature of these decisions in varying cultural contexts (Mann, 1980).

It is now reasonably well established that judgments of group efficacy have a positive effect on group performance and effectiveness (Bandura, 1997; Guzzo et al., 1993; Shamir, 1990). For example, Campion, Medskar, and Higgs (1993) found that three group effectiveness measures for 80 work groups were correlated with nineteen different work group characteristics



drawn from the existing literature on group effectiveness. Of the nineteen characteristics, the strongest predictor of effectiveness was the measure of group performance beliefs, or efficacy judgment. Furthermore, the extent to which the groups possessed confidence in their ability was the only characteristic that demonstrated a statistically significant relationship with all effectiveness measures. However, it is not clear how these judgments of group efficacy are influenced by social context. Bandura (1986) suggested that efficacy is, in part, socially constructed, and that such construction may differ as a function of national culture. Just as our culture teaches us what ideals to hold and what beliefs to endorse (Rokeach, 1973), it plays a role in how we construct our efficacy expectations (Bandura, 1986, 1997).

Gibson (1999) argued that group-efficacy effects are complex and moderated by several contingency factors. Findings from two intercultural studies she conducted support the contingency approach. Group efficacy was not related to group effectiveness when: 1) task uncertainty was high; 2) team members worked independently; and 3) collectivism was low. In contrast, when group members knew what was required to perform a task, worked interdependently, and valued collectivism, the relationship between group-efficacy and group effectiveness was positive. This evidence for moderators may explain why relationships between group-efficacy and group effectiveness have been modest in previous research. Arguably, high task uncertainty, low interdependence, and low collectivism make it difficult for group members to combine and integrate information about past performance, task constraints, or context.

It is not clear how, exactly, collective-efficacy is shaped by the social environment and whether it is more likely to develop in certain cultures than others. An analogy between self- and collective-efficacy suggests that collective-efficacy is shaped both by the history of positive and negative experiences on the group level, as well as by the immediate situation (Shamir, 1990). Thus the relative salience of individual versus collective efficacy might be shaped by both the situation and culture. For example, in group-oriented cultures with a history of effective teamwork, collective-efficacy might be higher than in group-oriented cultures with a history of failures.

The nature of personal versus collective efficacy judgments continues to be questioned by researchers. Gibson et al. (2000) examined various conceptualizations of personal and collective efficacy including the view that collective efficacy may best be reflected by an average of individual team members' estimates of a group's capability. However, preliminary findings from their study suggest that there is a slight advantage for prediction in using a measure of collective efficacy based on a single judgment of estimated group capability derived from a group discussion process rather than the aggregation of individuals' personal estimates. To complicate matters, the weights attached to each group member's opinions may vary as a function of cultural background. Earley (1999) found that in high power distance cultures, team members having high status demographic characteristics had an inordinate amount of influence over a group's collective efficacy estimates.

A related stream of research draws upon theories of collective cognition to better understand how the meaning of teamwork varies across national and organizational cultures. Based on interview transcripts with 59 teams across four cultures and six organizations, Gibson and Zellmer-Bruhn (1999) examined teamwork schema using an iterative process of both inductive and deductive analyses. Categories of teamwork schema were inductively derived, and then quantified. The four teamwork schema arrived at through this process were characterized as: (1) family; (2) sports; (3) community; (4) associates; and (5) military. The frequency of occurrence of these schema across cultures and organizations was then analyzed to deductively test research questions about variance in meaning. Results suggest a variety of themes to describe teamwork.

Shared mental models are the backbone of Klimoski and Mohammed's (1994) approach to the study of teams as well. A "team mental model" (Klimoski & Mohammed, 1994) is a shared psychological representation of a team's environment constructed to permit sense-making and guide appropriate group action (Elron et al., 1998). When team members perceive shared understandings with other members, the positive affect and propensity to trust generated by such

a discovery fuels performance improvement (Klimoski & Mohammed, 1994) and bolsters group efficacy (Bandura, 1997).

A specific aspect of performance receiving attention in the cross-cultural literature stems from work by Van Dyne, Graham, and Dienesch's research (1994) on conventional ties and organizational citizenship behavior. Organizational citizenship behavior, defined as the activities outside one's organizationally defined role, reflects actions of team members both during and outside of work. Van Dyne et al. argue that a number of individual and contextual factors influence citizenship behavior through the mediating role of a covenantal relationship – a personal relationship resulting in action being performed without expectations of reciprocity. Over time, the vitality of the relationship itself becomes an important focus for those who have covenantal ties, and citizenship behavior is a way the relationship is maintained and strengthened. Fiske (1991), Foa and Foa (1976), and Van Dyne, Graham, and Dienesch (1994), among others, suggested that this form of relationship is characteristic of people who have a common family structure, shared history, closely linked outcomes, or closely shared cultural perspectives.

Farh, Earley and Lin (1997) examined the relevance of cultural context, social contracts and justice for the display of organizational citizenship behavior in several groups of Taiwanese employees. They analyzed the relationship between citizenship behaviors and organizational justice in two studies in a Chinese context, using two cultural characteristics (traditionality and modernity) and one individual (gender) characteristic. Their results suggested that employees who perceive their interactions within an organization as recognized and legitimate are more likely to engage in citizenship behavior. This finding is consistent with Van Dyne et al.'s argument (1994) that if a covenantal relationship exists, citizenship behavior is more likely to occur. For less traditional, or male, Chinese, justice perceptions seem to stimulate citizenship behavior through the formation of a covenantal relationship of employee and organization. However, they argued that traditionalists, or women, are likely to have an expressive tie to their organization based on role expectations in society. These preexisting roles exist, in part, because

of wu-lun, or the Confucian values people have come to endorse through socialization concerning their role in society. An expressive tie leading to citizenship behavior is not dependent on justice perceptions for traditionalists or women; rather, the tie flows from prior socialization and role expectations. If expressive ties do not already exist by virtue of cultural values, social structure, or gender-based socialization, justice perceptions will be related to citizenship behavior to the extent that they create an attachment between the employee and the organization (Lind & Tyler, 1988).

Farh et al.'s (1997) results were less powerful for the cultural value of modernity. Modernity moderated the relationship between citizenship behavior and the participative facet of procedural justice and distributive justice, as predicted, but few other consistencies were observed. Their results suggest that there is an important limitation to the mediating role of a covenantal tie in the relationship between citizenship behavior and organizational and individual factors, namely, that the nature of social ties within a society influences the display of extra-role employee behavior. Some researchers have argued that organizational influences affect citizenship behavior by creating covenantal ties between employee and employer (Organ, 1990). Farh et al. concluded that traditionalists and Taiwanese women may already have formed a covenantal form of relationship with their organization, and so distributive and procedural justice would not predict engagement in citizenship behavior.

Another area receiving attention in team performance is based on the findings of social motivation (also see Steers and Sanchez-Runde, this volume). Social motivation can be viewed from two perspectives, facilitation and inhibition. Social facilitation is illustrated by work on group presence (Geen & Gange, 1977; Paulus, 1984). The presence of others during performance activates concepts such as self-image and individual competence since these "others" are observing the individual (Erez & Earley, 1993). The result of this social pressure is an increase in arousal that translates into enhanced performance for well-learned behavior but decreased performance in the use of novel behaviors. Essentially, the desire to look good creates an impetus

to perform well. From a cultural viewpoint, we might argue that a facilitation effect will depend on members' relative importance of status within the existing social structure (Ting-Toomey & CoCroft, 1994). Thus, an individual coming from a group-oriented culture (e.g., Israeli Kibbutz member) may not experience the same level of increased motivation attributable to group presence because of lower novelty.

Another aspect of social motivation refers to losses in performance as a function of group interaction independent of process losses, that is, social loafing (Gabrenya, Latane' & Wang, 1983). A few studies of social loafing have been conducted in cultural contexts other than the United States. For instance, Gabrenya et al. (1983) found loafing existed in a replication with Taiwanese school children of a traditional clapping and shouting task. This result was in contrast to an earlier study by the same authors (1981) who found a facilitation effect of group-based performance for Taiwanese and Hong Kong graduate students attending U.S. universities. In their 1983 study, the authors speculated that the loafing effect may have occurred as an artifact of the sound generation task. They argued that such a task may not have been sensitive to group-oriented cultural differences since the group members were not permitted to communicate with one another nor did they share a joint sense of purpose. They found support for this alternative hypothesis in a subsequent work although they did not relate their findings to specific aspects of culture but relied solely on national differences in their samples. Matsui, Kakuyama, and Onglatco (1987) looked at the differential impact of individual and group responsibility for work performance (though the study did not examine social loafing). The authors argued that the superiority of group-based to individual-based performance in their study may have been related to the collectivistic background of their subjects (Japanese students). They speculated that the collective orientation of the Japanese may have led to an enhanced sense of camaraderie among group members. Earley (1989) directly tested the hypothesis that social loafing would be moderated by individualistic-collectivistic beliefs using a sample of Chinese and American managerial trainees. His results demonstrated that loafing effects occurred in the individualistic

(e.g., primarily the American sample) but not the collectivistic (e.g., primarily the Chinese sample) samples. He conducted a follow-up study (Earley, 1993) using samples from the U.S., Israel, and the PRC using a process model of social loafing. He found that loafing did not occur for collectivists if they worked in the context of an ingroup but it did occur if they worked alone or in an outgroup. Individualists socially loafed regardless of group membership (ingroup or outgroup) but they did not loaf in an individual performance condition. Further, Earley found that the effect of interaction of group context (ingroup, outgroup, individual) and individualism-collectivism on performance (loafing) was mediated by individuals' rewards for performing as well as their individual and group efficacy.

The connection between role performance and identity has been long established. Burke and Reitzes (1981:84) defined identities as “meanings attributed to oneself in a role,” and asserted that identities are created and maintained through three processes: “naming” or “locating the self in socially recognizable categories”, interacting with others based on that identity, and confirming self-conceptions generated by that identity. These interactions entail performance and assessment whether that performance is appropriate for the claimed identity. During identity-based performances,

“the self maintains control by altering performances until there is a degree of correspondence between one’s identity and the identity that is implied by one’s actions interpreted ... within a common cultural framework.” (Burke & Reitzes, 1981:85)

They note that the link between self-conception and behavior comes from a desire to achieve high levels of self-esteem and self-consistency (see also Swann & Reed, 1981). Stryker (1987:95) suggests that identity salience is linked with a higher sensitivity to environmental cues relating to that identity, suggesting a mechanism by which higher salience improves performance.

This framework suggests that when workers commit to an identity as a team member, they tie self-esteem and self-consistency to role-performances based on that team’s performance. This effect would be expected to be strengthened in workers from collectivist cultures, for whom

commitment to and salience of group-level identities would be higher than for workers from individualist cultures, for whom individual-based identities would be more salient. Claims of group efficacy, especially those developed in group processes, can be seen as explicitly establishing criteria by which to judge role-performance, placing self-consistency, self-esteem, and the esteem of significant others at particular risk. This effect can be expected to be strengthened by public role-performance as the studies of social motivation continue. With regard to social loafing, workers from collectivist cultures, reflecting their higher salience group-identity, would be expected to work harder for group goals and contexts (at least in-group) than for their lower salience individual identities, while workers from individualist cultures would improve role-performance in accordance with their higher salience individual identities.

Finally, as described earlier, these effects can be expected to interact with organizational control methods, such as the normative control used by covenantal (Graham & Organ, 1993) or clan (Ouchi, 1980) type organizations. As the focal group for the identity is widened and individual and organizational interests are merged, the range of behaviors included in role-performances can also be expected to increase, leading to the inclusion of citizenship behaviors.

Composition and Diversity. This section reviews a number of key papers concerning the role of composition and diversity in international and cross-cultural teams research. The breadth of this topic preclude a complete review so the interested reader is referred to books by Cox (1993) and Jackson and colleagues (1995) as well as the early work by Hambrick and Mason (1984) on top management teams and Pfeffer (1983) on Organizational Demography.

Even a rather quick perusal of this literature suggests a strong “diversity” of research findings concerning the significance of compositional influences on work teams. Several research streams inform the impact of heterogeneity on team effectiveness (Earley & Mosakowski, in press). The first is organizational demography which uses external observable traits as surrogates for internalized mediating psychological states (Lawrence, 1997). Demographic research on team composition examines relative differences in observable characteristics such as age or functional

background, and finds that team similarity is positively associated with team effectiveness and interpersonal attraction (Hambrick & Mason, 1984; Tsui et al., 1992). Homogeneous team members generally report stronger affinity for their team than heterogeneous team members (Ibarra, 1992). Similarities are not based simply on objective characteristics; rather they are based on perceived commonalities of team members. This homogeneity leads group members to share expectations of how each member should act, even though actions may be differentiated. Members share expectations and perceptions of group entitativity (Campbell, 1958; Lickel et al., 1998), or the degree to which group members bond into one coherent unit and make only weak attachments within subgroups (Jackson et al., 1995; Lau & Murnighan, 1998).

Recently, an approach suggesting that team information processing is the mechanism whereby team demographics are translated into firm performance has received increased attention. Information processing is defined as a team discussing and coming to a collective understanding of information (Klimoski & Mohammed, 1994). Although collective information processing is a complex phenomenon, it can be reasonably captured by team members' beliefs (Gibson, 1999). Beliefs are defined as remembered cause and effect associations learned through experience (Thompson, 1967). Beliefs function as a storage mechanism for team members' knowledge and can be recalled and applied to strategic decisions. The effects of beliefs on outcomes can be captured by two variables: belief integration and belief variety (Ginsberg, 1990; Walsh et al. 1988). In one empirical study of these variables, Corner & Kinicki (1999) found that homogeneity with a team was positively related to belief integration; there was a positive relationship between experience and belief variety, a negative relationship between integration and firm performance, and a positive relationship between belief variety and firm performance. These findings illustrate that mediating mechanisms such as belief integration and belief variety may partially account for the previous pattern of inconsistent results regarding the relationship between top management team (TMT) homogeneity, experience, and firm outcomes.



In contrast, the cultural diversity literature (e.g., Cox, 1993; Cox, Lobel, & McLeod, 1991; Jackson and associates, 1992; Watson, Kumar, & Michaelson, 1993) studies team members' demographic backgrounds, and highlights demographic variables presupposed to relate directly to cultural attributes, values, and perceptions. The benefits of cultural diversity are often attributed to the variety of perspectives, values, skills, and attributes that diverse team members contribute (Maznevski, 1994). Finally, groups research addresses team composition effects (e.g., Hackman, 1976, 1987; McGrath, 1984; Tajfel, 1982; Tajfel & Turner, 1979; Turner, 1985). For example, research on minority influence (e.g., Moscovici, 1976; Nemeth, 1986) demonstrates that small amounts of heterogeneity (e.g., a single, vocal dissenting opinion) can enhance team functioning contingent upon the task. The groups literature suggests the relationship of heterogeneity to performance is mixed and subject to a number of constraints imposed by the work setting (McGrath, 1984; Nemeth, 1986).

Attitude similarity and demographic homogeneity have generally been shown to be positively related to group cohesiveness (Jackson, 1992). Demographically similar groups tend to exhibit higher satisfaction, and lower absenteeism and turnover (e.g., Jackson, Brett, Sessa, Cooper, Julin, & Peyronninet, 1991). These findings are consistent with the well-established principle that people are attracted to similar others, and the proposition that heterogeneous groups experience more conflict (Jehn, Northcraft, & Neale, 1997). Indeed, research indicates that cultural diversity generates conflict, which in turn reduces the ability of a group to maintain itself over time and to provide satisfying experiences for its members (Earley & Mosakowski, in press; Ravlin et al., in press).

At the same time, heterogeneity in top management teams has demonstrated some positive effects on performance. For example, organizational demography researchers often use external observable traits as surrogates for internalized mediating psychological states (e.g., Lawrence, 1997; Tsui, Egan, & O'Reilly, 1992). This view has historical roots in the strategic management literature examining firm competitive moves (e.g., Ginsberg & Buchholz, 1990;

Hambrick, Cho, & Chen, 1996; Prahalad & Bettis, 1986; Pfeffer, 1983). For example, Hambrick et al. examined a large sample of actions and responses of 32 U.S. airlines over eight years. The top management teams that were diverse, in terms of functional backgrounds, education, and company tenure, exhibited a relatively great propensity for action and both their actions and responses were of substantial magnitude. But they were also slower in their actions and responses and less likely than homogeneous teams to respond to competitors' initiatives. Thus, although heterogeneity is a double-edged sword, its overall net effect on airline performance in terms of market share and profits, was positive.

In related research, Duhaime and Schwenk (1985), for example, have show how cognitive simplifications processes may influence acquisition and divestment decisions. Jemison and Sitkin (1986) discussed how obstacles to integration of divergent perspectives may impede acquisition process. Prahalad and Bettis (1986) demonstrated how the dominant logic for conceptualizing the business domain of a firm that is held by the top management team links diversification to performance.

Recent evidence suggests that heterogeneity has advantages, such as unique information and discussion of innovative ideas, that may dissipate over time. Kim (1997) found that laboratory groups with both task and team experience display a larger bias toward discussing common information and achieve lower task performance than groups with only task experience, only team experience, or neither task or team experience. This evidence supports the notion that experience may represent a necessary, but not sufficient condition for groups to reduce bias toward discussing common information. Kim argues that if progress is truly to be made in reducing discussion bias toward discussing common information, it may be that task and/or team experience must be based on feedback that is specific, credible, and diagnostic in order to form accurate and fully developed shared understandings. Elron, Shamir, and Ben-Ari (1999) argue that the strength of multinational teams such as United Nations security forces may be derived from their diversity leading to a unity. They suggest that several influences lead to an integrated culture including a pre-existing shared

“military” culture across forces, bureaucratic control structures, integrative goals/missions, shared conditions such as “foreign-ness”, the temporary nature of the assignment (anything can be tolerated for a short period), and formal integrating mechanisms (e.g., joint training exercises, cross-cultural training).

Maznevski (1994) proposed a model of cultural diversity in teams focusing on the communication aspects of group interaction. According to her approach, communication acts as an integrating mechanism needed for diverse teams to work in an integrated fashion. She proposed that highly diverse teams lacking integration (derived, in part, through effective within-team communications) would perform worse on a complex task than a team having little diversity. If, however, the diverse team was highly integrated then it will be more effective than a more homogeneous team on a complex task.

Research conducted by Gruenfeld, Thomas-Hunt and Kim (1998) demonstrated that in freely interacting groups composed of majorities and minorities, statements made by those in the majority are higher in integrative complexity than those of minority-faction or unanimous group members. After participating in group discussion, subjects assigned to majority factions experienced an increase in integrative complexity, while subjects assigned to either minorities or unanimous groups experienced a decrease in integrative complexity. The authors argue that the increase on the part of majority factions is a consequence of minority influence. Minority members act as catalysts for divergent thinking among the majority. We return to this point in the next chapter as we outline additional catalysts for processes in multinational teams.

Moghaddam (1997) points out the difficulty of changing organizational or cultural practices, because informal social norms often perpetuate stable interaction patterns despite strenuous official attempts to change them. Granrose (1997) focused specifically on how workers from differing cultural backgrounds can be socialized into effective organizational groups. In discussing the inevitable tension between differentiated treatment of employees and integrating them into a stable and consistent organizational culture, she emphasizes the importance of

individual-organizational “fit” in producing organizational commitment and effective performance. Tung (1997) proposed several skills and competencies needed to deal effectively with diverse work groups and a variety of methods that can help to develop these skills.

A critical point is not team composition per se but the impact that composition has on a team’s dynamics. Some insight is gained by looking at a recent study described by Earley & Mosakowski (in press). They argue that team member characteristics influence the emergence of a shared culture in two general ways. First, team members’ personal characteristics shape their expectations of appropriate interaction rules, group efficacy beliefs, and group identity. Second, these personal characteristics affect team members’ expectations of how other members should act within the team. Thus, a person’s demographic background influences her self construal as a team member and her view of others within the group (Lickel, Hamilton, Wieczorkowska, Lewis, Sherman, & Uhles, 1998; Markus & Kitayama, 1991).

These shared understandings emerging from team interaction have been called alternately a “hybrid culture” (Earley and Mosakowski, in press), “third culture” (Casmir, 1992), team-based mental models (Klimoski & Mohammed, 1994), or synergy (Adler, 1991). A hybrid team culture refers to 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. To the extent these rules, expectations, and roles are shared (Rohner, 1987; Shweder & LeVine, 1984), a strong culture exists. These characteristics need not be completely shared among team members just as cultural values are not uniformly shared among societal members (Rohner, 1987), but there may be significant overlap among team members.

Another potential moderator of the impact of team heterogeneity is length of time the team has existed together as a team. This is consistent with Pelled’s (1996) model, as well as Elron’s (1997) research on top management teams. Elron examined top management teams in international subsidiaries of multinational corporations. She found that cultural heterogeneity within the TMT was positively related to the level of issue-based conflict. Subsequently, issue-

based conflict negatively affected TMT performance but had a positive relationship with subsidiary performance. No support was obtained for a negative relationship between cultural heterogeneity and cohesion. Elron argued that one possible explanation is that the negative effects of value dissimilarity on cohesion weaken over time, and in long-term groups like the TMT, become insignificant.

In a similar vein, Keck (1997) found that firms in continually disrupted contexts were more successful when they built teams that stayed together for longer periods but were functionally heterogeneous. This led Keck to argue that in turbulent contexts, cultural differences will be more disruptive than productive for heterogeneous teams. Pelled (1996) developed a model of intervening processes linking demographic diversity to work group outcomes that recognizes both the types of diversity represented in the group (the demographic predictors) and the types of conflict experienced by the group (the intervening processes). She argues, for example, that as the visibility of demographic diversity increases, affective conflict within the group increase. In contrast, as the job-relatedness of demographic diversity increases, substantive conflict will increase.

This notion was supported by Watson, Kumar, and Michaelsen (1993). These researchers investigated the impact of cultural diversity on group interaction and group problem solving over time. Their study involved 36 work groups of two types: (1) homogenous - consisting of all White Americans, and (2) heterogeneous - consisting of White Americans, Black Americans, Hispanic Americans and foreign nationals. Over the course of four months, these work groups completed four projects. Various aspects of performance, including range of perspectives, number of potential problems identified, generation of multiple alternatives, quality of recommendations, overall performance and group interaction process were measured on a monthly basis. During the first three months, homogenous groups outperformed the diverse groups on several of the performance

measures and reported significantly more effective process than the diverse groups. However, after four months, diverse groups scored significantly higher on range of perspectives and alternatives generated, and both types of groups reported equally effective group processes. Watson et al. (1993) conclude that diversity constrains process and performance among members of newly formed groups; however, limitations can be overcome, and eventually diverse groups can outperform homogeneous groups. By the end of the study, the two kinds of groups became equivalent.

In an organizational setting, Smith et al. (1994) confirmed the link between demography and process in teams. They used data from 53 high-technology firms to test three alternative models of the effects of top management team demography and process on organizational performance: 1) a demography model, in which team demography accounts entirely for performance outcomes, and process has no impact; 2) a process model in which process contributes incrementally and directly to performance outcomes, over and above the team's demography; and 3) an intervening model, in which the effects of the top management team on performance outcomes are due entirely to the effects of its demography on process. Results demonstrated partial support for the intervening model, in which process is a mediator of the relationship between demography and performance, and the process model, in which demography and process variables each affect performance separately.

These results suggest a fourth, more complex model of top management team behavior, with greater emphasis on team social integration. In the Smith et al. study, social integration was related to both return on investment and one year growth in sales. Social integration is a multifaceted phenomenon that reflects the attraction to the team, satisfaction with other members of the group and social interaction among the group members (O'Reilly, Caldwell, & Barnett, 1989: 22). Presumably, management teams that work well together react faster, are more flexible, use superior problems techniques, and are more productive than less integrative teams.

Outside parties within the organization may influence a team by giving the team specific goals or targets for performance. In a multinational team, the role of outside parties is complicated by identifying those “outside” versus “inside”. In highly collective cultures, there is a strong sense of “ingroup” and “outgroup” (Earley & Gibson, 1998; Triandis, 1995). Individuals from a collectivistic society call for greater emotional dependence on one another than individuals from individualistic societies and their organizations are expected to play a stronger role in their lives. For example, in many Asian cultures, an individual's company is not only expected to provide a salary, medical coverage, and other benefits common to the West, but they provide housing, childcare, education, and even moral and personal counseling as well as political indoctrination.

The structural identity framework we have been proposing suggests that group identity-based self conceptions are constructed in an interactive process with other group members. Any difficulties in communication or lack of shared meanings of behaviors that arise within heterogeneous groups can impede the processes involved in group or team level identity creation, commitment, and salience. As members develop shared meanings and improve communication, these impedances should diminish over time, a suggestion consistent with findings. Aside from organizational political considerations, many of the negative effects of diversity described in this section come more from the socialization of actors to attribute stereotyped characteristics and behaviors to others in different sociodemographic categories than from any inherent group process. An important qualification to our position is that if group identities are fundamental to self concept, then the dysfunctional aspect of heterogeneity is not likely to become ameliorated over time. That is, if an identity is highly salient and internalized (Lau & Murnighan, 1998), subgroup differences may continue to act as a basis for intragroup conflict that will continue despite repeated opportunities for team members to interact with one another. As Earley and Mosakowski (in press) argue, these repeated opportunities to interact for teams characterized by a few highly significant “faultlines” (Lau & Murnighan, 1998) may exacerbate rather than ameliorate conflict.

### **III. Discussion and Implications**

Our purpose in this chapter was to review and integrate important studies from the cross-cultural work teams literature. We examined a number of studies from several areas including participation, team conflict, collective efficacy and performance, and diversity. An overall judgment concerning this vast body of work is that the topic of international and cross-cultural teams continues to be of strong and increasing interest among organizational scholars. What appears absent at this point is an integrating theme concerning how member differences along cultural lines might impact work team dynamics. We have suggested a general integrating construct, namely, structural identity theory that incorporates the effects of multiple group influences, including formal and informal organizational structures and culture.

This framework defines identities in terms of the behaviors that allow individuals to respond to role expectations related to their positions within social networks. Cross cultural work teams are especially seen as arenas in which individual members interact on the basis of their embeddedness in multiple organizational and occupational networks. Team members inevitably hold multiple identities on the basis of formal organizational structure, informal structures such as organizational coalitions, and occupational networks. They possess other identities on the basis of their social networks that are organizationally related but not necessarily sanctioned, such as professional associations, unions, or work-based friendship networks. In addition, they possess identities that reflect personal or wider social considerations such as networks formed through families, religious organizations, or shared sociodemographic characteristics (e.g. national or ethnic cultures). These socially constructed identities converge within individual team members as salience hierarchies. The dynamics of the team's interactions activate role expectations that relate to these other networks, thus offering these identities a potential to be evoked that corresponds to the member's relative level of commitment to those networks rather than to the team.

This framework suggests that key predictors of group dynamics are the relative commitments team members have to their various identities (i.e. social networks), the nature of the



role expectations that are being presented<sup>3</sup>, and the behaviors that those networks socialize as appropriate role performances. If a team member's commitments to organizational networks supercede her commitment to other networks, her responses will be focused on organizational interests. If a worker's commitment to class-based identities supercedes his commitment to the formal organization, and the presentation of organizational expectations evokes the class-based identity over a subordinate identity based on low power position, then his performance will likely be impeded. If a worker is placed in a multiethnic team and her socialized behavior for interethnic role performance is not conducive to communication and cooperation, then her commitment to ethnic networks supercedes her commitment to the team.

Cross-cultural considerations enter into this framework in each of these factors. This framework defines culture as a "shared meaning system ... [in which] members of the same culture ... are likely to interpret and evaluate situations and management practices in a consistent fashion" (Earley & Erez, 1997:2), and enters behaviors in the form of habits (Triandis, 1994), taken for granted assumptions (Berger & Luchmann, 1964), and values which shape the criteria on which workers develop and maintain positive representations of their selves. These self evaluative criteria become the basis of self-regulatory processes by which workers monitor role performance (Swann & Reed, 1981; Burke & Reitzes, 1981; Earley & Erez, 1997). Workers from collectivist cultures, whose sense of self is highly interdependent with networks they define as ingroups, will have less differentiation between (and higher commitment to) identities based around the ingroup than identities based on non-ingroup networks. If an organizational division is considered ingroup, then there will be less differentiation between identities based in formal and informal groups in that division than with identities based in a team with members from other organizational divisions or from outside the organization. Team tasks involving ingroup interests will more closely touch the criteria for self evaluation of collectivist workers, thus focusing team performance. In addition, role

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<sup>3</sup> In this model, environmental contingencies enter through role expectations, influencing but not always shaping the dynamics.

expectations presented in terms of group efficacy will meet the criteria that best focus their self-evaluative monitoring. Workers from individualist cultures will have more differentiation between identities, and commitment will be higher for identities based in networks that advance individual interests. Tasks presented in terms of role expectations involving self-efficacy allow them to express unique abilities and will more likely focus their self-evaluative attention, improving performance. In addition, workers from high power distance cultures will more likely respond to management practices that present role expectations in terms of subordinated roles than workers from low power distance cultures, which are more likely to respond to participatory management practices.

In terms of group dynamics, any team must overcome distorted meanings and disjointed work habits based on individual differences that impede group communication and coordination; team members must construct new shared meanings and coordinate habitual behaviors. Cross-cultural teams must also overcome distorted meanings and disjointed work habits resulting from cultural differences. The effort and focus with which members create team identities reflect their relative commitments to: organizational networks that support the team; their socialized responses to individual or group-oriented issues; and directed or participatory presentation of team expectations.

We have used this framework to contextualize interpretations of existing research themes represented in the cross-cultural literature – motivation, conflict, efficacy, diversity. The framework's ability to analyze the effects of multiple groups at the level of the individual, its offering of an analytical tool that can accommodate organizational and cultural influences previously unconsidered, and its ability to reconceptualize existing theories and data recommends it as a potentially unifying framework for research into cross-cultural group dynamics. As a well established theory from sociological social psychology, Stryker's Identity theory has a long history and developed methodology for hypothesis testing (Burke & Tully, 1977; Jackson, 1981; Burke & Reitzes, 1981, 1991; Stryker & Serpe, 1982; Thoits, 1983; Nutterbrock and Freudiger, 1991). It represents the type of cross-fertilization from other substantive areas that can help sustain the vitality of an active research area.

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Table 1. Comparison between Graham & Organ and Ouchi's typologies of organizations. Adopted from Graham and Organ (1993:483) and Ouchi (1979:838).

<b>Graham &amp; Organ (1993)</b>	<b>transactional</b>	<b>social exchange</b>	<b>covenantal</b>
Motivational paradigm	expectancy	Equity / fairness	fealty to values
degree of inclusiveness	narrow	Moderate	holistic
Expected duration	Short term	Intermediate	long term
Culture	weak	Moderate	intensive
cost of exit	low	Moderate	substantial
Voice	low	moderate	strong
Commitment	low	moderate	high
<b>Ouchi (1979)</b>	<b>market</b>	<b>bureaucracy</b>	<b>clan</b>
social requirements	norm of reciprocity	norm of reciprocity legitimate authority	norm of reciprocity legitimate authority shared values & beliefs
Information requirements	price	rules	traditions
people treatment	take anyone no further treatment	Training & monitoring	intensive screening & socialization
<b>Edwards (1978), Kunda (1982)</b>			
Appropriate workplace control methods	simple control technical control	bureaucratic control	normative control