PERCEPTUAL DISTANCE: THE IMPACT OF DIFFERENCES IN TEAM LEADER AND MEMBER PERCEPTIONS ACROSS CULTURE

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Perceptual Distance:

Impacts of Differences in Team Leader and Member Perceptions Across Cultures

Abstract

In this chapter, we propose a theory of perceptual distance and its implications for team leadership and team outcomes. Perceptual distance is defined as the variance in the perceptions of the same social stimulus which, in this case, is either a team leader's behavior or the team's behavior. The general research question that we will address is, "What are the consequences of perceptual distance for team process and outcomes?" Our basic argument is that the relationship between perceptual distance and team processes and outcomes is moderated by two key cultural characteristics: power distance and collectivism. For example, depending upon the dynamics of power distance, large differences in perceptions of a team leader's behavior can negatively impact team productivity. Similarly, depending upon the dynamics of collectivism, significant variations in perceptions of team cohesion can negatively influence conflict resolution.

While many research programs have investigated the implementation of work teams and their leadership dynamics in the United States, few have examined the special concerns facing international organizations as they design team-based systems to operate in facilities across the globe. For example, cultural values are likely to vary across operations in different countries, and as such, the perceptions, attributions, and interaction styles experienced by teams and their leaders will also vary. From the standpoint of maximizing the benefits of teamwork and leadership, it imperative that we better understand the impact of these cultural processes.

Drawing upon theory and research on team effectiveness, perception, and leadership, the goal of this chapter is to better understand one particular dimension of teamwork and leadership in differing cultures. We will explore how the perceptions of team members and their leaders - specifically, the degree of differences in these perceptions - impact team processes and outcomes. We refer to this phenomenon as *perceptual distance*. The general research question that we will address is, "What are the consequences of perceptual distance for team processes and outcomes?" We will focus on the critical teamwork process of conflict resolution and the key outcome dimension of productivity. Our basic argument is that the relationship between perceptual distance and team

processes/outcomes is moderated by two key cultural characteristics: power distance and collectivism.

We begin our discussion by reviewing the literature on team design, perceptual processes and cross-cultural leadership. Following this review, we propose specific hypotheses that link these literatures together to develop a model explaining the impact of perceptual distance on team processes and outcomes. We conclude our discussion by describing the implications of our model for explaining variances in team processes and outcomes across cultures.

Team Design

A work team is a particular type of work group that has a high degree of interdependent interaction and mutually shared responsibility for achieving specified outcomes (Sundstrom, DeMeuse & Futrell, 1990). While researchers have looked at what contributes to the effectiveness of work groups from a variety of perspectives, most of the criteria for effectiveness can be categorized into three primary dimensions. These include: 1) performance effectiveness in terms of outputs, 2) group processes, and 3) member attitudes (Cohen and Bailey, 1997).

The dimension of performance effectiveness typically includes output measures of productivity, quality, and customer satisfaction. Group processes manifest themselves in conflict resolution, decision making and problem solving. Attitudinal outcomes include measures of employee satisfaction and trust. In the model we are proposing, we focus specifically on the performance output measure

of productivity and on the group process variable of conflict resolution. because research suggests that both of these outcomes are most critical across multinational facilities operations, and that they are also the most challenging to manage given potential cross-cultural differences in team dynamics (Erez & Earley, 1993; Earley & Moszakowski, 2000; Gibson, 1999).

The importance of conflict resolution within teams has been illustrated by Gladstein (1984) who found that group ratings of the openness of communication and the supportiveness associated with conflict resolution were positively associated with group ratings of satisfaction and possibly performance. She interprets her findings thus: "Open communication, supportiveness, fair weighting of individual inputs, and discussion about how to do the work help group members feel good about their jobs and their team. This satisfaction and self-reported effectiveness may be related to revenue attainment in the long-run...Thus, though these variables may not predict performance, they are associated with other important outcomes" (1984: 512).

More recently, Seers, Petty, & Cashman (1995) found that the group process variable of team-member exchange which assesses the level of reciprocal collaborative and cooperative efforts within a team, was the variable most highly related to group production efficiency. In a similar vein, Jehn (1995) examined 79 work groups and 26 management teams from a large freight transportation company and found that conflict impacted group outcomes, dependent on the type

of conflict and the type of task. She identified two types of conflict - task and relationship. Relationship conflict had a negative effect on attitudinal outcomes such as satisfaction and intent to turnover but had no relationship with performance, regardless of the type of task. On the other hand, task conflict was significantly related to effectiveness but was moderated by the type of task. For routine tasks, task conflict was detrimental to group processes, whereas for non-routine tasks, task conflict was not detrimental and was sometimes beneficial for group process.

In addition, three key facets of team design impact productivity and conflict resolution: team composition, group culture, and group cohesion. These facets are particularly pertinent in multinational organizations that utilize team-based systems across different cultures. The differing national cultures featured on teams represent highly different contexts that impact the mechanisms which influence processes and outcomes. We address each of these features in turn in the following sections.

Team composition. Two basic literatures speak to the issue of team composition: cultural diversity research and small groups research. The cultural diversity literature (e.g., Cox, 1993; Cox, Lobel, & McLeod, 1991; Jackson and associates, 1995; 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).

The small groups research literature addresses team composition effects (e.g., Hackman, 1986, 1987; McGrath, 1984; Turner, 1987), finding that the relationship of heterogeneity to performance is mixed and subject to a number of constraints imposed by the work setting (McGrath, 1984; Nemeth, 1986). Much of this research 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). Attitude similarity and demographic homogeneity have generally been shown to be positively related to group cohesiveness (Jackson et al., 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 (Byrne, 1971), and the proposition that heterogeneous groups experience more conflict (Jehn, Northcraft, & Neale, 1999). Beginning with Steiner (1972), a stream of research has treated the composition of groups primarily in terms of the resulting process losses that prevent a group from reaching its performance potential. These process losses potentially result from the differing perceptions,

attributions, and communication patters that result from heterogeneity (Adler, 1991).

Team culture. Emerging from team interaction are shared understandings among members which have been called alternately a "hybrid culture" (Earley and Mosakowski, 2000), "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 needs to be significant overlap among team members.

Several perspectives posit the importance of shared group culture for team functioning. For example, effective groups often display a shared conception of their expectations and rules (Bettenhausen, 1991; Hackman, 1987). 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).

Using a series of three studies, Earley and Mosakowski (2000) showed that effective teams are those with a strong team culture because shared member expectations facilitate individual and team performance and communication. A strong team culture may derive from overlapping and pre-existing characteristics of team members or newly developed patterns of team member interaction. Their investigation demonstrated that during the initial interaction phase, national heterogeneity had a detrimental impact on team functioning. This disadvantage was not a monotonically decreasing function; rather the impact was consistent (both split and heterogeneous teams were inferior) in contrast to a homogeneous team. Over time, however, the impact of heterogeneity on team performance and other team outcome variables was related in a curvilinear fashion. After forming ways to interact and communicate, highly heterogeneous teams appeared to create a common identity.

Team cohesion. Teams vary in the extent to which team members feel attached to the team, often referred to as *cohesion* (Gully, Devine, & Whitney (1995). In their meta-analysis of the impact of team cohesion, Gully et. al. (1995) found a positive relationship between cohesion and performance, but the effect was larger for studies using a group level of analysis. The relationship between cohesion and performance was also dependent upon the type of task involved. When tasks were highly interdependent and required coordination and communication, the cohesion-performance relationship was stronger, implying

that interdependent tasks groups are better able to capitalize on the benefits of cohesiveness.

In the second meta-analysis, Mullen et. al. (1993) looked at the effects of group cohesiveness on decision-making quality. Supporting Janis's (1972) proposition that cohesiveness was a necessary but not sufficient condition for groupthink, their results showed that there was not a simple effect of cohesiveness on quality of decision-making. They found that antecedent conditions had to be present in order for the two constructs to be related. Once antecedent conditions were accounted for, Mullen et. al. (1993) found that different components of cohesiveness had varying effects. The more a measure of group cohesion reflected interpersonal attraction, the greater was the propensity for cohesion to impair the quality of group decisions. The opposite was true if the cohesion measure reflected commitment to the task.

These findings suggest that cohesion is generally related to performance outcomes but under certain conditions may be detrimental to group decision-making ability, if the cohesion stems from interpersonal attraction. Rempel & Fisher (1997) supported these findings in their investigation of the effects of perceived threat and cohesion on the decision-making ability of groups. They found that groups reporting high or increasing levels of cohesion experienced decreased problem-solving ability regardless of perceived threat. However,

groups with lower levels of cohesion experienced decreased problem-solving with an increase in perceived threat.

When taken together, these findings illustrate the relevance of studying cohesiveness in work teams. As highly interdependent types of groups, work teams should be able to reap more of the potential benefits which can stem from cohesion. Moreover, assuming that their primary task does not require considerable amounts of decision-making, these groups will not be subject to the risk of groupthink, a potential detrimental effect associated with cohesion.

Cross-Cultural Leadership

A key technique for grappling with the aforementioned features of teams is through team leadership. One of the most significant areas of influence for leaders of teams is decision-making. This leadership dimension was first identified by Lewin and his associates (Lewin, Lippitt, & White, 1939; Lippitt & White, 1947) who studied autocratic versus participative leadership roles in team and their impact on group decision-making and decision implementation. In providing direction for a work team, the leader has a basic choice between implementing decisions using the resources of the group members or by using the leader's own resources. In other words, the leader could choose to engage in either participative or autocratic behavior. To the extent the leader uses participative behavior, a team gains autonomy and eventually may become self-

managed. It has been further suggested that a system of self-direction will have a positive impact on the team members' feelings of competence and self-control (Deci 1975a,b). And finally, theorists have suggested that self-direction instills a sense of purpose that extends beyond the immediate performance of the task (Manz, 1992ab; Manz & Simms, 1987).

Effects of participation. While quantitative research on leadership decision-making styles over the last several decades has not produced firm conclusions on the performance effects of a participative decision style, descriptive case study research has generally found positive relationships with higher group performance (Yukl, 1998). Wagner (1994) found that participation had a small but positive relationship to team effectiveness. However, participation effects can differ depending upon whether the type of participation is substantive or consultative (Wagner, 1994). For substantive participation, research has shown a consistent positive relationships with performance outcomes. However, the effects of consultative participation were not as positive as the effects for substantive participation. Most of the positive outcomes that researchers have found in relation to consultative participation were behavioral in nature; few, if any, effects of consultative participation on performance outcomes have been found. One exception is a study by Batt and Appelbaum (1995). They directly compared the effects of substantive and consultative participation across two different industries: telecommunications and apparel. Substantive

participation was positively related to satisfaction, organizational commitment, and perceptions of output quality for both samples. Although consultative participation was not related to any of these outcomes for the telecommunications employees, there was a significant effect on organizational commitment for sewing operators.

In some settings, certain participatory leader behaviors may have a negative impact. Cohen et. al. (1996), for example, found that supervisors using encouraging behaviors with self-managed teams had a negative impact on team performance. In support of a more direction-oriented approach, Brewer, Wilson, and Beck (1994) found that police sergeants who spent more time monitoring team performance typically had higher performing units. The underlying rational for this approach is that teams without a clear sense of direction spend a great deal of their time wallowing around and being frustrated because they received confusing instructions about their purpose (Hackman, 1986). Research suggests this may be true: an engaging statement of purpose orients and empowers teams (Walton, 1985; Mohrman, Cohen & Mohrman, 1995).

Cross-cultural differences in reactions to participative leadership. The vast majority of these studies, however, have been conducted in US settings. Unfortunately, cross-cultural research on leadership has been quite limited. As Yukl (1998) points out, however, most of the leadership research of the latter half of the last century has been conducted in the United States, Canada, and Western

Europe. As a result, it strongly reflects the cultural biases of Western society such as those identified by Hofstede (1993, p.81): "In a global perspective, US management theories contain a number of idiosyncrasies not necessarily shared by management elsewhere. Three such idiosyncrasies are mentioned: A stress on market processes, a stress on the individual, and a focus on managers rather than workers."

In recent years, there have been studies to rectify this problem though the total number remains small (e.g. Den Hartog et al, 1999; Dorfman et al, 1997; Gerstner & Day, 1994; Smith, Peterson, & Misumi, 1994). From the standpoint of leadership decision styles and power distance, there is an even smaller body of research. It is generally believed that the attributes that are seen as characteristic of leaders are likely to strongly vary by culture (Lord & Maher, 1991). In addition, conceptions of the most important characteristics of effective leadership appear to vary by culture, such that the meaning and evaluation of numerous leader behaviors depends on the cultural context (Den Hartog et al. 1999; Gibson & Marcoulides, 1994).

In some cultures, an effective leadership style might be characterized by paternalism while, in other cultures, a more participative and peer-based style may be more positively associated with the attribution of leadership. Research conducted by Ayman and Chemers (1983; 1986), for example, demonstrated that sensitivity to group norms was a more critical component of leader behavior in

Iran and Mexico than in the United States. These differences are likely to result in different leadership prototypes or profiles around the globe (Bass, 1990: Hofstede, 1993). One of the more widely cited studies examining leadership prototypes across different cultures by Gerstner and Day (1994) did indeed find reliable differences in leadership perceptions by culture. Work by Redding (1990) and Chen (1995) identified a leadership prototype called paternalism which is style combining clear and strong authority with concern and consideration. The leader's authority is not easily shared or delegated, and all initiatives are believed to flow outward from the formal leader (Silin, 1976). Preferences for this style appear to vary by culture (Dorfman et al. 1997; Dorfman, 1994; Hofstede, 1993).

Cultural values as key mechanisms influencing leadership and teamwork. The intercultural differences obtained in the studies described in the previous section can be partially explained by differences in cultural values. Although variations within countries do exist, people within a given country often share common values and these values can be utilized to distinguish one country's culture from another (Hofstede, 1980; Shweder & LeVine, 1984; Triandis, 1989). More specifically, two cultural values that appear to be especially critical in work organizations are power distance and collectivism (Hofstede, 1980). Power distance represents the degree to which members of a culture accept and expect that power in society is distributed unequally (Hofstede, 1980). Cultures low in power distance will try to minimize inequalities, favor less autocratic leadership,

and favor less centralization of authority. Research suggests that the U.S., Australia, Canada, Denmark, Austria and France are low in power distance (Hofstede, 1980). On the other hand, cultures high in power distance will be characterized by greater acceptance of inequalities, more autocratic leadership, and greater centralization of authority. Research suggests that Malaysia, the Philippines, Panama, Guatemala, and Puerto Rico are high in power distance (Hofstede, 1980). In these high power distance cultures, leaders are often viewed as effective even if they are highly directive (Kanungo, 1980, 1982).

A second key cultural value pertinent to the management of teams is the level of collectivism that characterizes a facility. Collectivism describes the strength of ties between individuals in a society, the degree to which members are integrated into groups, and the extent to which members of a society value their membership in groups (Hofstede, 1980). Countries such as Peru, Chile, Puerto Rico, Taiwan, Singapore, and Malaysia are highly collectivistic; countries such as the U.S., Australia, New Zealand, Italy, and France are low on collectivism. Preliminary evidence suggests that in collectivistic cultures, leader directive behavior is more important than when collectivism is low (Bennett, 1977; Hofstede, 1980).

Cultural values, in turn, shape perceptions, cognitions, and preferences in teams (Gibson, 2000; Gibson & Zellmer-Bruhn, 2000). There is some empirical evidence to support this. Hofstede (1991) found that in high power distance

cultures managers were more often satisfied with a directive leadership style from their supervisors whereas managers in low power distance cultures preferred a participative supervisor. Smith, Peterson, & Misumi (1994) have shown that managers in high power distance countries employ a greater use of rules and procedures than managers in low power distance cultures.

In perhaps the most comprehensive investigation of a cultural contingency model of team effectiveness, Gibson & Zellmer-Bruhn (2000) explored a sample of 52 teams across four countries that varied based on power distance and collectivism. Using rich qualitative analyses of team members' language about teamwork, referred to as teamwork schema, they demonstrated that power distance and collectivism impact the meaning members ascribe to teamwork and to their expectations of team leadership. In the high power distance cultures, team members tended to utilize teamwork schema containing information about hierarchy such as the family and military schema. In the low power distance cultures, team members used teamwork schema such as a sports metaphors that contained very little information about status and hierarchy. Stated another way, the meaning team members ascribed to teamwork in high power distance cultures included prescriptions for status relationships and in turn shaped members' expectations regarding hierarchical relationships in teams. Based on their interview results, the authors argue that teams in a high power distance culture, which have military or family schema will be more effective when managed in

such a way that recognizes status relationships and incorporates these into the team structure. Teams that utilize sport schema in a low power distance culture will be more effective when status relations are equal within teams.

Findings such as these point to the importance of cognitive and perceptual processes in teams, particularly with regard to team leadership. We explore these processes from the point of view of perceptual theory in our next section.

Perceptual Processes

According to social perceptual theory (Allport, 1955; Tagirui and Petrullo, 1958), human beings experience other individuals phenomenologically. This is due to the great complexity of social stimuli, limitations in our information-processing capabilities, and individual differences. As a result, we construct proximal representations of what we see and experience about others. As Bruner (1957) suggests, perception therefore serves essentially as an act of categorization. Perceivers have learned that certain stimulus elements are commonly associated with one another, and these in turn become meaningful categories. Given that these categories provide guidelines for classifying information, we can think of perception as a form of problem-solving technique. The technique allows perceivers to ascertain whether the stimulus individual possesses characteristics that would place them in any one of several categories (Shaver, 1975).

Perceptions of leadership. Among many organizationally relevant perceptions, individuals develop classification schemes for the behaviors of leaders (Hanges, Lord, & Dickson, 2000). The process becomes even more fine-grained in that different behaviors may be perceived to represent different leadership styles. For example, on the dimension of decision-making, the demonstration of certain types of behaviors can result in leaders being categorized as either 'participative' or 'autocratic' leaders.

Brewer (1988) contrasts two general perceptual modes: person-based or categorical. In the person-based mode, which tends to occur when the perceiver has low cognitive demands, perceptions are based primarily on the features and behaviors of the person being perceived, and information is integrated to form a unified impression of the person. Such a stimulus-based processing represents a leader-oriented view of leader perceptions. In contrast, the categorical mode of social perceptions predominates under higher cognitive load conditions which would be expected when a team member interacts with multiple others or observes an entire group interacting. Under this mode, the purpose and processing goals of the perceiver determine the relevance of perceptual categories, and these knowledge structures guide information processing. This mode corresponds to a perceiver-oriented model of leader perceptions and is the view that we adopt in this chapter.

This view emphasizes the importance of perceiver constructs (Lord & Maher, 1991) in explaining leadership perceptions and their impact. Extensive work in this area (Eden & Leviatan, 1975; Hall & Lord, 1995; Hanges et al. 2000; Maurer & Lord, 1991; Rush, Thomas, and Lord, 1977; Weiss & Adler, 1981) has demonstrated that prior beliefs about leader behaviors affect the perceptions of leaders and the encoding, recall, and rating of leadership behaviors. It is the events, behaviors and traits *as perceived by others* - not as they occur in any objective sense - that are crucial in explaining leadership perceptions (Hollander & Julian, 1969; Lord et al. 1986). For example, Lord et al (1980) partitioned variance in ratings of leaders into three components: subjects' group context, the leader being rated, and the group member actually doing the perceiving and rating. Group context explained between 10 and 27 percent of the variance in ratings on measures of leadership. Leader effects were also important, explaining between 19 and 52 percent of the variance. But consistent with the perceptual view of leadership, perceiver effects were nearly just as important, explaining between 17 and 44 percent of the variance in ratings.

To understand the role of leadership perceptions in determining team processes and outcomes, it is critical to distinguish between the perceptual processes associated with leaders' self-perceptions, and those associated with team members' (followers') perceptions of the team leader. We address each of these in turn below.

Leaders' self-perceptions. The self is a person's mental representation of his/her own personality, social identity, and social roles (Kihlstrom & Cantor, 1984). The mechanisms by which self-relevant information is processed, stored, and organized into a certain structure have mainly been conceptualized by models of social cognition. According to this approach, a person's self-perception is formed through experience and thought, and encoded in memory alongside mental representations of other objects in the physical and social environment (Kihlstrom et al. 1988). On the structural level, the self perception can be viewed as a collection of schemas, prototypes, goals or images (Sherman, Judd, & Bernadette, 1983). Each schema contains information, traits, roles and behavior, as well as knowledge of rules and procedures for making inferences and evaluating one's own functioning and development. Not all the information about the self is accessible at any particular moment. The part active at any moment is called the "working self" (Markus & Kunda, 1986; Markus & Wurf, 1987). Compared to deeper levels of the self-concept, the working self is more accessible, malleable, and tied to prevailing circumstances. The configuration of the immediate social environment determines the facet of the self that is most accessible (Erez & Earley, 1993).

Self-perception is to a large extent an agent of it sown creation (Gecas, 1982). Much of our own personal self-regulation operates in the service of developing and maintaining an acceptable self-perception. Stated another way,

we act in ways that maintain our sense of self. Three motives in the service of the self can be identified (Erez & Earley, 1993): (1) the need for self-enhancement, as reflected in maintaining a positive cognitive and emotional state about the self; (2) the self-efficacy motive, which is the desire to perceive oneself as competent and efficacious; and (3) the need for self-consistency, which is the desire to sense and experience coherence and continuity.

A leader's own behavior is often derived from their self-perception. Leader behavior, in turn, will be directed by a desire to maintain the self (Erez & Earley, 1993). A leader will tend to search for, critically examine, and demonstrate particular behaviors that are consistent with his or her sense of self. For example, a leader's self-perception might include beliefs associated with follower participation in decision-making, such as: (1) it helps employees develop self-confidence, (2) it is just and necessary, (3) it reaffirms the leader's membership in society, and (4) it promotes a positive self-image for the leader by advocating values respected by a given society. The first two beliefs are related to the self-efficacy motive, the third belief is related to the self-enhancement motive, and the fourth to a self-consistency motive.

Team members' perceptions of leaders. There is only a small body of research that has explored the implications of subordinates' perceptions and leadership. This literature, however, has not examined the *impact* of individual differences in perceptions of a leader's behavior, but rather it has focused on

ascertaining what characteristics lead to the attributions of leadership. For example, Lord (1985) and Lord and Maher (1993) found that perceptions of leadership ability could arise via two different processes. First, leadership could be inferred based upon the perceiver's knowledge of the focus individuals' past performance: "Because leadership is commonly viewed as a determinant of good performance, leadership is an inference made about people associated with good performance" (Lord, 1985: 102). So the entrepreneurial founder of a new venture that becomes a successful business enterprise is often attributed the quality of 'leadership'. Secondly, a person could form their perception of leadership by being exposed to his or her behaviors or traits through day-to-day interactions with that person in an organizational setting.

According to this theory, categorizations are made based on the match of stimulus properties (actual leader behavior) to abstractions or prototypes derived from characteristics common to a category. Perceivers use degree of match to this ready-made structure to form leadership perceptions (Lord & Mahr, 1991). Several laboratory studies have shown that the fit of individuals' behavior to observers' prototypes of leadership affects leadership ratings (Cronshaw & Lord, 1987; Fraser & Lord, 1988; Lord et al. 1984). Results are consistent with a model in which at first a person is classified in terms of leadership based on his or her behaviors, and then further inferences about the person are based on the perceivers' implicit leadership theories, general knowledge associated with

leadership categories, rather than the person's actual behavior. In Brewer's (1988) terms, most processing is category-based rather than person-based.

Differences in perceptions. From the perspective of the model presented in this chapter, it is important to note that perceptions often differ. Given variations in experience, personality dispositions, empathic ability, interpersonal skills, and cognitive complexity, individuals will necessarily have different perceptions of the same social stimulus (Kelley 1963; Shaver, 1975). In addition, there may be transient motivational factors that can influence perceptions related to the immediate context (Shaver, 1975). As a result, a leader may have different perceptions of their own behavior than does the team he or she leads. This is because, when asked to describe their own behavior, a leader will often do so in terms of his or her self-perception (Lord & Maher, 1991). However, there are many other factors that may impact whether actual leader behavior demonstrated is consistent with these self-perceptions. In addition, whether this behavior is perceived by followers as consistent with the leader's intentions is also subject to many constraints and impacts.

In addition, members of the same work group may have varying perceptions of the team's collective behavior. Perceptual differences among team members can be explained by the fact that certain group members have more or less contact with the team and that important background factors differ among

members. In addition, the history of their interpersonal relations may lead team members to interpret the team's behavior in differing ways.

We use the term *perceptual distance* to describe the degree to which there are significant variations among the perceptions of individuals of the same social stimulus – in this case, either perceptions of the leader's decision-making behavior or of their team's cohesiveness. Under our terminology, *high* perceptual distance would imply large differences or variations in perceptions of the same stimulus whereas *low* perceptual distance would imply only small or no differences between individual perceptions.

The concept of perceptual distance has certain parallels to the construct of "social distance" proposed in the charismatic and transformational leadership literature (Shamir 1995), but essentially describes a different dimension of social perception. In the leadership literature, for example, the term 'social distance' refers to the effects of leaders on subordinates or followers at varying degrees of *organizational distance.* For example, it has been hypothesized that there will be fundamental differences in the perceptions of a leader's behavior between the subordinates who comprise the leader's most immediate circle of relationships and subordinates who do not have direct contact with the leader (Shamir, 1995). These varying perceptions are due largely to fundamental differences in the influence processes employed by the leader with 'close up' versus at 'a distance' relationships. In close situations, the leader will rely more upon personal example

and observable behavior to influence, whereas distant relationships demand that the leader employ rhetorical skills and the articulation of a guiding vision. These differences in influence approaches will result in different categorizations of what constitutes 'leadership' given a follower's proximity (or distance) from the leader. While still a phenomenon based on perception, social distance, in this case, refers to the *hierarchical* and *work relationship* distance between subordinates and their leader that in turn creates differences in the perceptions of what constitute their leader's behaviors.

Our conceptualization of 'perceptual distance' differs. It is not dependent on organizational or hierarchical distance but rather is a product of person-specific differences shaped by an individual's past experiences, personality dispositions, empathic ability, interpersonal skills, and cognitive complexity as well as the ongoing dynamics of the relationship with the social stimulus. These differences may cause a leader and the team or individuals within a team to have varying perceptions of the same social stimulus. In contrast to 'social distance', variations in these perceptions can therefore occur among individual members of a team who are at the *same* relational or organizational distance from the leader and from one another.

Integrating Team Design, Leadership, and Perceptual Theory: Proposed Relationships

We propose that the potential consequences of perceptual distance, both in terms of team processes and outcomes, will also depend on the cultural context in which teams are embedded. In other words, significant perceptual differences in a low *power* distance culture are likely to have different implications for team performance outcomes than in a high power distance culture. Similarly, perceptual differences among team members in low versus high *collectivism* cultures may lead to important differences in how team conflict is resolved and in the quality of intra-team communication. Specifically, integrating team design, leadership and perceptual theory, we propose several relationships (see Figures 1 and 2) concerning perceptual distance vis-a-vis team performance outcomes and team process outcomes. We will start with the former.

INSERT FIGURES 1 AND 2 ABOUT HERE

Perceptual distance between the team and a leader. We view perceptual distance between a leader and team members as most critical when the stimulus is the degree to which the leader is participative. Stated another way, when a team leader and team members differ in their perceptions regarding the leader's behavior this may have detrimental effects on performance outcomes of productivity and quality. Whether or not this is the case is likely to depend on the level of power distance prevalent in the cultural context.

In a high power distance culture, we argue that perceptual distance between the leader and team members regarding their leader's participativeness

will have little or no impact on the team performance outcomes. We argue that this occurs for three particular reasons. The team members' deferential attitude towards the formal power of their leader (Chen, 1995; Hofstede, 1991; Redding, 1990) allows group members to tolerate wide variations in perceptions of leader behavior without sacrificing performance outcomes. This tolerance will also allow group members to accept differences in leader-member relations without feelings of resentment arising to the point that they negatively impact group performance.

Secondly, the prototypes of leadership behavior in high power distance cultures will generally not place a premium on participative decisions, and therefore varying perceptions of the leader's behavior along this decision-making dimension will be far less meaningful than in a low power distance culture. Expectations are that the leader may demonstrate an inconsistency of behavior in decision-making styles and that this is permissible behavior. Differences are therefore not seen as dysfunctional.

Third, in a high power distance culture, it is important to maintain smooth interpersonal relations and to try to be agreeable under difficult circumstances. This includes being sensitive to what others are feeling and then adjusting one's behavior. Because of these values, team members in a high power distance setting may be reluctant to indicate a lack of understanding or to point out a leader's inconsistencies and mistakes to save the leader's face (Earley & Randel, 1997). Face refers to the evaluation of a person based on internal and external

social judgments (Earley, 1999). Particularly in high power distance cultures, a person's behavior in organizations reflects, in part, his or her attempt to establish and maintain face across a range of social settings (Earley & Randel, 1997).

On the other hand, in a low power distance culture, the opposite is likely to be true. As previously reviewed, in a low power distance culture, team members are likely to have a less deferential attitude towards leadership. And they are also likely to have higher expectations of consistency between ideal and realized leader behavior. Thus, team members will be far less accepting of perceptual distance between the leader and team members. In these cultures, this type of perceptual distance will be interpreted as inconsistencies in stated and actual leader behavior, and this inconsistency in behavior is likely to be interpreted as a sign of weak leadership. In a low power distance culture, this type of perceptual distance is more likely to generate confusion among team members and possibly resentment towards the leader. As a result, the leader's ability to influence the group towards achieving team performance outcomes will be far more limited. This is likely to impede the overall effectiveness of the team's task efforts as certain individuals resist the leader's directives. Given the above discussion, we propose the following:

Hypothesis 1: Power distance will moderate the relationship between leader-member perceptual distance (regarding the leader's participativeness) and productivity such that:

H1a: When power distance is low, the relationship between perceptual distance and productivity will be strong and negative.

H1b: When power distance is high, there will be no relationship between perceptual distance and productivity.

Perceptual distance within teams. A second type of perceptual distance captures difference within the team among members in their perceptions of the same stimulus. Here we focus on the level of cohesion as the critical stimulus. Team members may vary in the extent to which they perceive the team to be cohesive. This is because team members' personal characteristics shape their expectations of group characteristics, appropriate interaction rules, group efficacy beliefs, and group identity (Earley & Mosakowski, 2000; Lickel, Hamilton, Wieczorkowska, Lewis, Sherman, & Uhles, 1998; Markus & Kitayama, 1991).

In teams with differences in perceptions, subgroups or factions may exist (Earley & Mosakowski, 2000; Lau & Murnighan, 1998; Ravlin et al., 2000). These subgroups may create "faultlines" (Lau and Murnighan, 1998). Faultlines are the "...hypothetical dividing lines that may split a group into subgroups based on one or more attributes." (p.328). Analogous to the geological faultlines under

tectonic plates, faultlines arise from a combination of team member attributes. Faultlines may underlie how team diversity affects functioning (Jackson et al., 1995; Lau & Murnighan, 1998; Zenger & Lawrence, 1989).

When faultlines exist, members retreat toward pre-existing subgroup identities for ego protection in the face of challenges or threats. Instead of forming a unitary identity, this creates a potential for relational conflict (Earley & Mosakowski, 2000; Jehn et al., 1999; Lau & Murnighan, 1998). For example, Fielder (1966) conducted a study of heterogeneous groups with Dutch and Belgian members who reported a less pleasant atmosphere and experienced more communication problems than homogeneous groups. Subgroup identities provided for easy retreat that subgroup members hesitate to abandon. The persistence of multiple subgroups is more likely within a team that has heterogeneous perceptions (Davison, 1994; Hambrick et al., 1996).

We argue that heterogeneous perceptions within a team regarding the level of cohesion will be particularly detrimental in a highly collectivistic culture. In a collectivistic society, members call for greater emotional dependence on one another than individuals from individualistic societies and tend to define themselves in relation to the groups of which they are a member. If these groups are goal-oriented, as are work teams, collectivists subordinate personal goals and prioritize the goals of the group. In other words, collectivists generally give priority to the collective interest (Triandis, 1995).

Because they identify with groups to a greater extent, collectivists draw a distinction between the groups to which they are a member (in-groups) and others (out-groups) (Chen et. al, 1998). In highly collective cultures, there is a strong sense of who is "in-group" and who is "out-group" (Earley & Gibson, 1998; Triandis, 1995). As such, we can assume that collectivists would expect other members of their group to associate with the group to the same extent that they do, themselves. If social identities are valued by collectivists, then variances in perception of cohesion should be threatening to social identity, because it signifies that differences exist in the bond that individuals feel towards the group. This condition should be detrimental to the process of a group in a collectivistic culture by decreasing cooperation and affect-based trust between group members (Chen et. al., 1998). We expect that this will have a degenerative effect on conflict resolution in the team.

In support of this notion, Kirchmeyer and Cohen (1992) examined the effects of constructive conflict on decision-making groups that were culturally diverse. In a laboratory exercise, 45 four-person groups recorded their recommendations regarding a business problem, and afterwards members individually completed a questionnaire on the experience. Ethnic minorities contributed considerably less to decisions than nonminorities 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 nonminorities. Thus, for managers facing growing ethnic diversity in the workplace, the practices of constructive conflict offer a promising approach to group decision making.

Similarly, Oetzel (1998) found that the degree of collectivism was a significant predictor for turn-taking and initiating conflicts in heterogeneous groups and competitive conflict tactics across all groups. More specifically, in interactions between Japanese and European Americans in a decision-making activity, he found that collectivism had a direct and indirect effect, mediated by self-construal, on turn-taking and conflict tactics and a direct effect for initiating conflicts with European and Americans initiating more conflicts than Japanese. Group cohesiveness was the only other variable significantly related to production efficiency.

Based on this initial evidence, and the theoretical frameworks presented earlier, we propose the following:

Hypothesis 2: Collectivism will moderate the relationship between team member perceptual distance (regarding the level of cohesion in team) and effective team conflict resolution, such that:

H2a: When collectivism is low, there will be no relationship between perceptual distance and effective team conflict resolution.

H2b: When collectivism is high, the relationship between perceptual distance and effective team conflict resolution will be strong and negative if large differences in perception are present.

Implications for Teams and Their Leaders

Our model has practical implications for both teams and their leadership. First, low power distance cultural settings may be more sensitive to differing perceptions of a leader's behavior. Therefore team leaders in these settings must be especially alert to the differences between self-perceptions of their leadership behavior and those held by the teams they lead. Wide perceptual distance between a leader and his or her team can potentially undermine the effectiveness of a team leader. Given this dynamic, it becomes essential that team leaders in low power distance settings understand and identify those leadership behaviors that require great consistency in their demonstration to team members. While we focused on the dimension of participative decision-making in this chapter, we suspect this principle applies to other leadership behaviors as well. While decision-making is among the most obvious, other areas such as conflict resolution, praise and recognition, communication of goals, and influencing tactics directly shape team outcomes and therefore should be considered as equally important leadership behaviors.

Once leaders have identified those leadership behaviors requiring greatest consistency of demonstration on their part, they need to establish various vehicles or means to assess how team members actually perceive their behavior on an on-going basis. Among the more common assessment tools today would be formal 360 degree feedback processes. For example, we are aware of one firm that uses 360 feedback with team leaders at various transition points in the progress of the team's task. At the same time, it is would also be useful to hold one-on-one feedback sessions with individual team members and possibly structure group feedback to the leader at different stages of a task. Feedback built around dialogues rather than simply survey instruments can provide a greater richness of data to the leader and may offer more profound insights into why perceptual differences exist in the first place. Finally, we recommend that team leaders negotiate norms and expectations about their behavior at the very beginning of a team's formation and then hold periodic assessment reviews to see whether expectations and norms have shifted due to events or other factors.

As our proposed model for teams suggests, it is not enough simply enough for the leader to identify their critical behaviors influencing team outcomes and to obtain feedback on them, but in addition, in collectivistic contexts, it is critical that team members share perceptions of team characteristics to arrive at a better understanding of what each perceives, expects, and is comfortable with. Lane, DiStefano & Maznevski (1997) suggest a three step

process that involves (1) understanding differences in perceptions, (2) bridging the differences, and (3) integration.

To help in understanding perceptual differences, we suggest that cross-cultural teams hold an initial session at the very beginning of each project to discuss expectations about specific team behaviors which are felt to be critical to the team's success. Each member might be asked to describe their preferred approach, identifying where problems might arise across members. From this, potential problem areas could be identified along with possible solutions. This of course assumes that team members are able to articulate cultural norms which in reality may not necessarily be the case. Given this dilemma, it would be useful to have an internal company consultant who could advise teams at the onset what they might expect in terms of cultural differences and how these might manifest themselves in dysfunctional ways.

We would also recommend that formal feedback sessions be established at certain specified junctures in the project team's life in which individual members share their perceptions about the team processes and perceptual differences are identified. Such a process assumes a level of comfort with open discussions which again may not always prove to be the case given cultural differences. One way to address this dilemma would be for team members to identify a team member who could serve in an ombudsman's role. Team members bring their concerns to this individual in a confidential capacity. The ombudsman, in turn, alerts the team to

potential problems. In addition, the team ombudsman canvases the membership from time to time to determine whether strong perceptual distance has arisen among members along specific team process dimensions.

In addition, it is important to keep in mind the notion of bridging identified by Lane, DiStefano & Maznevski (1997). Bridging requires finding commonalties among members and *de-centering*. The latter term refers to the process of sending and receiving communication with the other person's perspective in mind. The fundamental idea of de-centering is empathy: feeling and understanding as another person does. This may require some initial training for the team in active listening and interpersonal behavioral skills. At the very least, the team leader should in part be selected on the basis of their own emphatic ability given the influence of their position.

The final step of integration requires blame-free explanations and problem-solving – again something the team's leader might model and reward in their own actions. In their research, Maznevski and her colleagues (Maznevski, 1994; Maznevski & Chuboda, 2000; Maznevski & Peterson, 1997; Lane et al. ,1997) found that the single best predictor of effective group integration is team members' willingness to suspend blame for problems and to explain problems by trying to understand how members' different perspectives could have led the group as a whole to experience difficulties. This leads the team onward toward exploring alternatives and building a shared reality, developing trust, and common

rules, and building confidence in the team's ability to use different perceptions productively.

In conclusion, teams and their leaders need to become more aware of the role of individual perceptions and their influence on team processes and performance. Unfortunately, in the quest to accomplish their tasks, teams often become focused largely on task accomplishment itself failing to reflect and learn from the impact of psychological forces that may ultimately hinder what they are seeking – a successful project outcome. To overlook such forces, however, can mean that a team may pay a significant price when it comes to realizing its full potential as a working group.

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Figure 1. Proposed relationships.

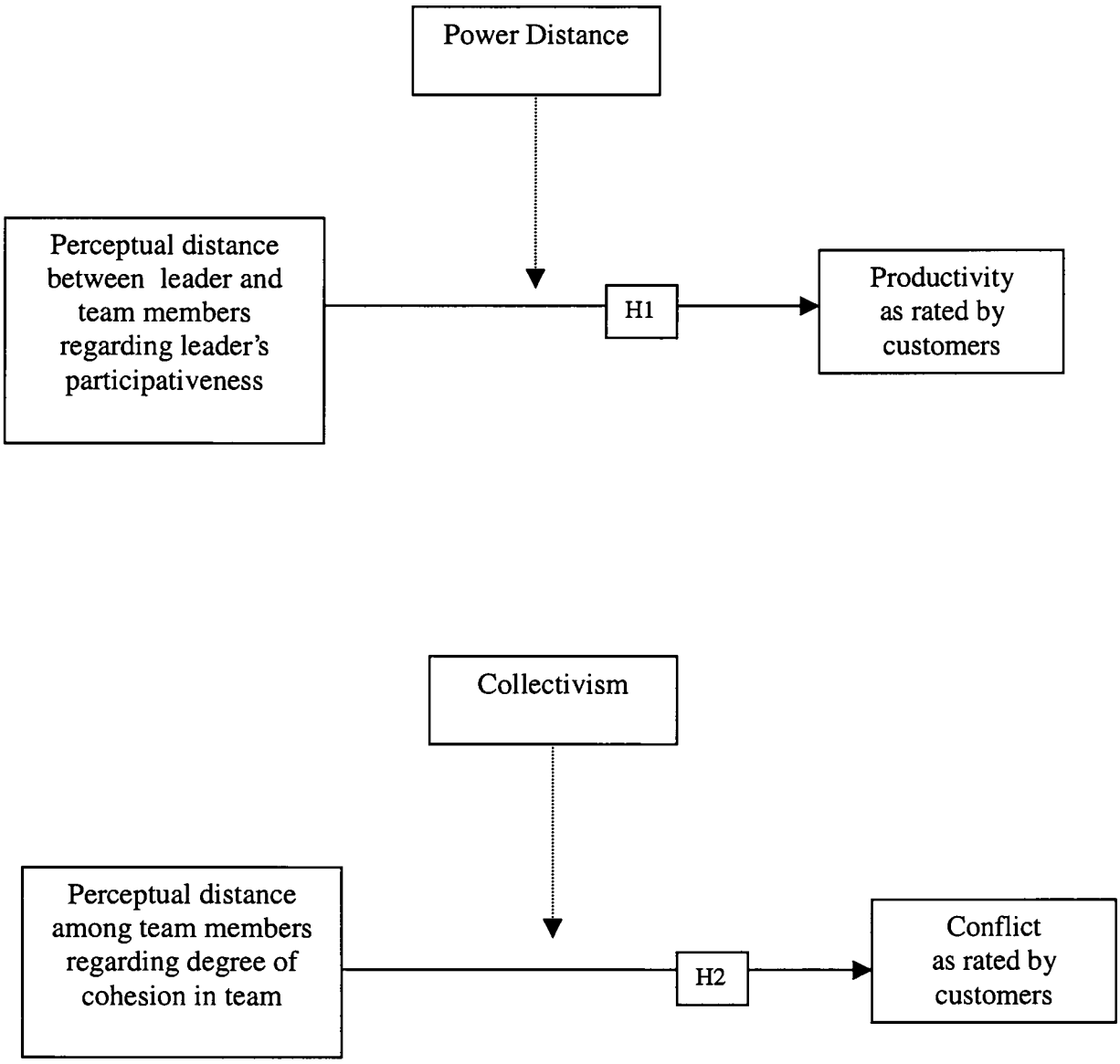

Figure 2.

Specific Predictions

	Low Power Distance	Hi Power Distance
High Perceptual Distance (large differences between leader and team members' aggregated perceptions of leader's behavior)	H1a: low productivity	H1b: high productivity
Low Perceptual Distance (small differences between leader and team members' aggregated perceptions of leader's behavior)	H1a: high productivity	H1b: high productivity

	Low Collectivism	Hi Collectivism
High Perceptual Distance (within team - large differences among team members' perceptions regarding level of cohesion)	H2a: high conflict resolution effectiveness	H2b: low conflict resolution effectiveness
Low Perceptual Distance (within team - small differences among team members' perceptions regarding level of cohesion)	H2a: high conflict resolution effectiveness	H2b: high conflict resolution effectiveness

Perceptual Distance:

The Impact of Differences in Team Leader and Member Perceptions Across Cultures

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