

C

E



**Center for
Effective
Organizations**

**"EXPORTING" TEAMS: ENHANCING THE
IMPLEMENTATION AND EFFECTIVENESS OF
WORK TEAMS IN GLOBAL AFFILIATES**

**CEO PUBLICATION
G 00-7 (380)**

BRADLEY L. KIRKMAN
University of North Carolina Greensboro

CRISTINA B. GIBSON
Center for Effective Organizations

DEBRA L. SHAPIRO
University of North Carolina at Chapel Hill

May 2000

To become more globally competitive and streamline human resource practices, many multinationals are increasingly using work teams in their global affiliates. Here's what every manager should know before trying to implement teams across cultures.

**“EXPORTING” TEAMS: ENHANCING THE IMPLEMENTATION AND
EFFECTIVENESS OF WORK TEAMS IN GLOBAL AFFILIATES**

EXECUTIVE SUMMARY

Over the last 10 to 15 years, the use of work teams has proliferated around the globe. In order to better understand what makes teams effective in a variety of countries, we examined the role that national culture plays in determining employee receptivity to the implementation of self-managing work teams (SMWTs). Our research encompasses 378 work teams working in eleven organizations located in nine countries. We found that employees responded differently to the implementation of these teams depending on their values derived from the countries in which they live.

Employees were generally more receptive to the teamwork aspect of self-managing work teams when they valued collective interest more than individual interests (i.e., when they were collectivistic rather than individualistic). Employees were generally more receptive to the self-management aspect of self-managing work teams when they: valued equality in organizations more than status and power differences (i.e., low versus high in power distance); valued work activities more than non-work activities (i.e., when they were doing oriented rather than being oriented); and believed they (rather than external forces) control their personal and organizational outcomes (i.e., when they were free will oriented rather than deterministic).

Our recommendations for enhancing the success of SMWTs globally include using selection systems based on cultural values that are compatible with SMWTs, adapting the specific form of SMWTs to mesh more closely with national cultural values, altering the change strategies used when implementing SMWTs to match values, and adopting SMWT practices to conform to the specific labor laws of each country.

**“EXPORTING” TEAMS: ENHANCING THE IMPLEMENTATION AND
EFFECTIVENESS OF WORK TEAMS IN GLOBAL AFFILIATES**

It is approximately 9:00AM in a Motorola electronic chip-making factory in the Philippines. The ten members of the “Be Cool” team (self-chosen name) have assembled for a peer feedback session. Even though the team members are about to discuss each other’s performance, they are laughing and joking and are generally in good spirits. The meeting begins with a prayer from the book, *Our Daily Bread* (a Catholic reader). Team members here affectionately refer to one another as brother, sister, aunt, or uncle. There is a palpable family atmosphere to the meeting. Over the next two hours, we observe as one of the team members leads the discussion. Even though specific performance issues are discussed, no names are ever used. Examples are given but no one is confronted directly. We learn later that to single out a specific member or point fingers would risk the “loss of face” (i.e., an intense form of public humiliation) for that member. The feedback session ends with smiles, handshakes, and a renewed commitment to improve individual and team performance.

The above example illustrates that work teams are alive and well in a variety of cultures. The example also points out several key differences in the functioning of teams in the Philippines compared to the U.S. A peer feedback session in the U.S. in which no names are actually mentioned, no one is individually singled out, coworkers refer to each other as sister or uncle, and members genuinely smile and extend handshakes after receiving (mostly negative) feedback is unlikely. Rather, in the U.S., where individual accountability and responsibility are paramount, there is generally open discussion of an individual’s performance in a peer feedback session, and workplace relations are often more formal and less family-like.

The purpose of this paper is to examine the implementation and functioning of work teams in a variety of cultures. We hope to inform managers regarding the major obstacles to implementing work teams in global affiliates and the potential solutions for overcoming these roadblocks to team success. We highlight the specific cultural differences that our research has identified as critical to the effectiveness of work teams. During our research, we observed, interviewed, and collected survey data from work teams in Argentina, Belgium, Finland, France, Hong Kong, Indonesia, the Philippines, Puerto Rico, and the United States. Participating companies included eleven firms in the chemical, pharmaceutical, medical products, communications, health care, and imaging industries. See Table 1 for a detailed list of companies, industries, and country locations.

 Insert Table 1 about here

Support for our research came from numerous sources including the National Science Foundation, the Cato Center for Applied Research at the University of North Carolina at Chapel Hill, the University of Wisconsin Initiative for World Affairs and the Global Economy, the University of California Regents, the Carnegie Bosch Institute for Applied International Management, and the Center for Creative Leadership.

THE INTERNATIONAL ORIGIN OF WORK TEAMS

Our research has included teams that range in the degree to which they are managed by external leaders as opposed to self-managing. Self-managing work teams (SMWT's) are a special category of teams that perform many of their own managerial tasks, such as goal setting, monitoring quality, and reward allocation. A common misconception is that SMWTs began in

Japan as a natural evolution from quality circles (i.e., groups of employees who meet voluntarily to solve quality problems). Contrary to this belief, SMWTs actually originated in the coalmines of Great Britain in the late 1940s and were first reported on by Eric Trist and Ken Bamforth, researchers at the Tavistock Institute in Sheffield, England. Teams of this type also emerged in Sweden, most notably at the Volvo Corporation in the 1950s. In the U.S., SMWTs first appeared at both Procter & Gamble and General Foods in the 1960s and were used extensively in the Rushton Quality of Work Project in Pennsylvania's Rushton Mining Company in the 1970s (an effort actually led by Tavistock's Trist).

Over the last 15 years, many companies have adopted some form of work teams and have "exported" this organizational structure to their global affiliates. Very little has been written on this trend in either the academic or practitioner literature. Because the use of such teams has exploded internationally, managers are in desperate need of guidance as to how to maximize the success of work teams in a variety of distinct cultures. More specifically, as the use of self-managing approaches has increased, managers need to know what factors within a given cultural context may influence the effectiveness of such an approach.

When employees in various cultures react to SMWTs, they may be reacting to only one or both aspects of the concept: teams or self-management. Clearly, in organizations, one concept can exist without the other. For example, an organization could implement teams without self-management. Many employees are assigned to work teams without changes in power or autonomy. Alternatively, an organization could implement an individual self-management system without the use of teams. Sales representatives working individually could be empowered to raise and lower selling prices on their own accord when making deals.

As we examine how employees in global firms react to SMWTs, keep in mind that it might only be one aspect of SMWTs that is accepted or rejected by employees. Regardless of whether employees accept the “team” or the “self-management” aspect, or both, our research demonstrated that employees who resisted were also less satisfied with their jobs and less committed to their organization than were employees who accepted SMWT aspects. At the team level, we also found that teams that had high levels of resistance also had lower levels of productivity, cooperation, and empowerment. Since we found that employee resistance leads to a whole host of negative outcomes for individual team members and their teams as a whole (and thus for organizations), it is imperative that managers understand why employees choose to accept or resist either aspect of SMWTs and also what can be done to improve the level of acceptance. We now turn to a discussion of the specific cultural values that we found were most important in determining whether employees accept the *team* aspect of SMWTs.

CULTURAL VALUES AND TEAMWORK

Perhaps the most important cultural value that affects whether an employee responds positively or negatively to teams is individualism-collectivism. This value refers to the extent to which a person values his or her own welfare as more important than the welfare of groups, organizations, or families to which he or she belongs. People who favor their self-interest over the interests of their groups are referred to as “individualists,” while those who promote the interests of their groups more than their own self-interest are known as “collectivists.” Even though some have argued that people can be simultaneously individualists and collectivists, most researchers tend to order countries along a continuum from primarily individualistic to primarily collectivistic. Countries that are considered highly individualistic include Australia, Belgium, Great Britain, France and the United States. At the opposite extreme, countries that are viewed

as highly collectivistic include Argentina, Israel, Japan, Mexico, the Philippines, and Puerto Rico. Individualists and collectivists co-exist in all countries; however, a country can be characterized by a dominant orientation. The U.S., for example, is highly individualistic when compared to countries like Indonesia, Mexico or the Philippines.

Compared to collectivists, individualists tend to respond more favorably to individual rewards and recognition versus team rewards, prefer to work alone rather than in groups, and desire to make their own decisions without considering the welfare of fellow team members. Conversely, collectivists are more likely than individualists to value harmony in groups, fear being singled out among their peers, and are often more satisfied working in groups rather than working alone. These differences between individualist and collectivist values have clear implications for teamwork.

In our research, Indonesia represented the most collectivistic country, followed closely by the Philippines. The most individualistic countries in our samples included the United States and Finland. In our interviews with team members in these countries, we asked employees to tell us what percentage of their pay should ideally be based on team performance and whether or not they believed team pay to be a fair reward system. Filipino respondents at Motorola indicated that over one-third of their pay should be based on team performance while the more individualistic U.S. and Finnish respondents at Genencor International (i.e., the second largest biotechnology company in the world) felt that less than 25 percent and 10 percent of their pay, respectively, should be based on teams. Also, over three-fourths of the Filipino respondents felt that team pay was a fair way to compensate employees while less than one-half of the U.S. and Finnish respondents felt that team pay was fair.

Comments from both collectivistic and individualistic countries in our sample reinforce these interview response percentages. Responses from collectivistic Filipino team members in a variety of the companies we studied included: “I like team pay because it matches the Filipino culture. It builds team spirit”; “It’s a good incentive to get teamwork and cooperation. No one is an island”; “It rewards team performance rather than individual/selfish performance”; “Despite being in different shifts, the members are very close, like a family”; and “When we win, we all win. When we fail, we all fail. It inspires teamwork.”

In Puerto Rico, one team member stated, “Our organization places more emphasis on teams than on individuals.” Still another said, “The Puerto Rican culture matches our emphasis on teamwork.” In the Philippines, the effect of collectivism extends beyond the reach of a single team. As one Motorola team member stated, “Once a quarter, each team meets with other teams to share team progress and get feedback from other teams. They are our customers.”

Responses from more individualistic U.S. employees in different companies included: “I worked hard, went to school, and have experience. There’s no point in achieving individual excellence if we have team pay”; “We are a team, but you’re accountable for yourself. You make yourself what you want to be. I don’t think it’s right to penalize everyone for the actions of one or two”; “I can’t control other people’s performance”; and “If someone screws up, I’m not paying for it!” Similarly, individualistic Belgian team members added: “When one person on the team doesn’t perform well, I would be negatively affected, and it’s not my fault”; and “Some people in the team aren’t experienced, and I would hate to have my pay dependent on people who don’t know about teamwork or have the skills. How can I trust them?”

Comments from individualistic Finnish employees at Genencor International read very similarly to those from the U.S. and Belgium. Team members stated: “If some members were

passive or did not perform well, it would hurt my salary, even if I was working hard”; “All workers don’t participate in teamwork; therefore, it would be unfair to base everyone’s pay on teamwork”; “I don’t want to bind my salary to their performance; if they do bad, my money goes down”; and “People are individuals. It is not necessary to share the same pay.” Also, in contrast to the Filipino team member comments regarding the meetings held between teams every quarter, U.S., Belgian, and Finnish team members complained about the lack of communication and coordination between teams. Finnish team members commented, “Information flow between teams is very challenging”; and “I would like to know more about other teams, how they work, how the members feel. I think we need to bring the different teams together sometimes.” One U.S. team member commented, “We never see the members of other teams. I’m not sure why, but we just don’t have any communication between teams.”

These comments underscore the fact that the effects of the low level of collectivism extend beyond individual teams. Team members in less collectivistic cultures lack the connectedness and sense of closeness between teams that seems natural in more collectivistic countries like the Philippines. This is evidenced by one Filipino team member’s comment that “Our national culture is supportive of teamwork. People prefer to belong to a team.” We now turn to a discussion of the cultural values that we found were most instrumental in determining whether or not employees chose to resist the *self-management* aspect of teams.

CULTURAL VALUES AND SELF-MANAGEMENT

In addition to the team aspect, the implementation of SMWTs also requires that employees take on more responsibility and autonomy than what is normally required in a traditional work environment. When employees self-manage, they typically set their own goals, monitor progress on their goals, adjust behavior to increase the chances of reaching goals, and, in

some cases, self-reward or punish. These actions are more or less well received depending on a number of cultural values that emerged as important in our study.

Power distance. We found that the cultural value, power distance, has important implications for whether an employee is receptive to self-management or not. Power distance is defined as the extent to which people in a society accept status and power inequalities as a normal and functional aspect of business. Countries that are “high in power distance” are thus those whose citizens generally accept status and power inequalities; and those “low in power distance” are those whose citizens generally do *not*. Countries that are high in power distance include Argentina, India, Malaysia, Mexico, the Philippines, and Puerto Rico. Note that many of the countries that are high in power distance are also the ones we discussed in the last section as being more collectivistic. At the opposite extreme, countries that are low in power distance include Finland, Israel, Norway, and Sweden (the U.S. is moderately low).

A good example of high power distance in practice is the caste system in India. There are four, highly recognizable societal levels in India that include: Brahmins (i.e., spiritual leaders), Kshatriyas (i.e., the military), Vaishyas (i.e., the business class), and Shudras (i.e., artisans, agriculturalists). Lying outside the caste system altogether is a fifth group known as the Pachamas (i.e., the untouchables or outcasts). Historically, differences in castes were noted by particular styles of clothing, specific last names, or accents and idiomatic expressions; and movement between the levels was extremely rare. Even though in modern day India caste segregation is slowly changing due to a higher rate of intermarriages between castes and intentional changes to last names, there remains an overall acceptance of power and status differences based on caste membership.

An example of low power distance can be found in the Israeli kibbutz system. Israel is known for its collectivistic values and low level of power distance. Participation is highest in the kibbutz sector, which symbolizes the value 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. The kibbutzim rotate the “leader” position throughout its membership so that a hierarchy exists, but the formally appointed leader does not exist as a permanent feature. Research has demonstrated that participation in managerial processes such as goal setting is highly effective in the kibbutz sector.

Differences in how people feel about power and status differences in organizations have clear implications for employee reactions to self-management. For example, people that are high in power distance tend to behave submissively in the presence of managers, avoid disagreements, and believe that bypassing their bosses is insubordination. People high in power distance typically take orders without question and obey the instructions of supervisors. Many of these countries have had long histories of strong military rule (i.e., Vietnam, Chile, China) contributing to the high power distance exhibited in organizations. The behavioral requirements of self-management, however, are often opposite those typically exhibited by individuals high in power distance. Self-management requires that employees begin to think for themselves, solve problems without management intervention, and take responsibility for decision making. Our research showed less acceptance of the self-management aspect of SMWTs from the people who are higher in power distance.

We saw examples of this phenomenon in the Motorola chip-making plant in the Philippines and the Genencor International industrial enzyme processing plant in Argentina. Employees in these facilities recalled feeling baffled when it was first explained to them that

they would be making decisions more autonomously in a new work system. Even after the teams had been in place for some time, many team members in these countries expressed strong reservations about becoming a team leader even though this position provided extra compensation. Fear of confronting fellow team members was the primary reason given by employees.

In general, Filipino business practices, similar to other Asian cultures, are also affected by the need to “save face,” or avoiding causing embarrassment, humiliation, or the loss of dignity of employees. As one Motorola team member stated, “Giving feedback is not easy, we are very careful not to embarrass our fellow employees. We are being encouraged to be more direct, but this is very difficult. We are doing it slowly.” This example shows that the leadership development of team members will be a difficult challenge for managers in charge of training and developing team members and leaders in high power distance countries. A Filipino employee stated, “Our national culture emphasizes status differences and deference to seniority. This can interfere with teamwork.” However, even in the Philippines, over time, cultural forces can effectively shape the exact form of SMWTs to closely match the values of a particular country.

Doing versus being orientation. In addition to power distance, the level of a person’s doing orientation has a profound effect on whether an employee chooses to resist self-management or not. Doing orientation is defined as the extent to which an employee values work activities over non-work activities, views his or her work as a central life interest, and sacrifices personal or family time to achieve work goals and finish work projects on time. Employees with a high being orientation prefer just the opposite; they tend to value spending more time outside of work with family and friends rather than committing long hours to an

organization. Countries considered doing oriented include Japan, the Philippines, South Korea and the United States. At the opposite extreme, countries considered being oriented include Argentina, Belgium, Finland, France, Mexico, and Spain.

A contrasting organizational example of doing versus being orientation is the effect that pay raises have on employees in the United States versus Mexico. In the U.S., managers motivate employees with the promise of promotions, raises, bonuses, and other forms of public recognition. Thus, in the U.S., pay raises often result in employees working longer hours to earn more money. Higher potential earnings typically lead to higher levels of motivation. Similar pay raises in Mexico have been found to have the opposite effect. In one study, when given a pay raise, Mexican workers were found to work fewer hours because they realized that they could achieve the same level of total earnings while working less. The hours gained due to working more infrequently are typically spent engaging in non-work activities such as spending more time with family and friends. If managers and employees in less doing oriented cultures do not enjoy their colleagues or current projects, they often quit. They will rarely work strictly for future rewards.

Doing versus being orientation has a strong impact on the likelihood of an employee behaving in ways that are consistent with self-management principles. Self-management requires that employees take on much of the responsibility traditionally reserved for management. When an employee must set his or her own goals, monitor progress, adjust effort, and potentially self-reward or punish, that employee basically assumes a higher degree of responsibility and autonomy. Simply put, such increased authority translates into more work for the employee. Thus, he or she will likely spend more hours on the job and have less time for non-work activities. Our research showed that employees who tended to be less accepting of the

self-managing aspect of SMWTs were those who were more being oriented rather than more doing oriented.

Team members in more doing oriented cultures like the U.S. and the Philippines did not necessarily view a being orientation as a stumbling block to the transition to higher levels of self-management. However, team members from being oriented cultures such as Belgium and Finland felt that some of the values dominant in their own contexts contribute to team challenges. Belgian team members at Genencor International commented “When equipment is broken, instead of fixing it right away, they have a cup of coffee hoping the machine will be fixed later by someone else”; and “Some team members have problems at home, and this can impede their productivity on the job.” One Finnish team member at Genencor commented “Older workers feel like they will get benefits regardless of how hard they work, simply because they’ve been with the company so long.”

Being orientation can also manifest itself in employee resistance to change, whether it is the actual change to SMWTs or the increased changes required when working in SMWTs. Several Finnish team members at Genencor commented on how slow typical Finnish employees are to adapt to change. They commented: “The Finnish take change slowly. They are much slower to adapt than Americans”; and “In Finland, radical change is difficult. You have to start slowly and on a small scale.” In Puerto Rico a team member stated, “Culturally, Puerto Ricans are naturally group oriented; but some groups are reluctant to change.” A possible reason for why being orientation is associated with a greater unwillingness to change is that change requires deviations from established and routine ways of carrying out tasks, and learning new tasks may require that team members work outside normal work hours, sacrificing valuable time with

family and friends. One potential implication of this is that managers may not be able to readily change the composition of teams in being oriented cultures.

Determinism versus free will. The last of the cultural values we examined, determinism, also affects the extent of employee resistance to the self-management aspect of SMWTs. Determinism is defined as the extent to which an employee believes that his or her outcomes or success is due to forces that he or she cannot control. For example, deterministic employees believe that forces outside of themselves (i.e., God, fate, chance, luck) have almost complete control over the outcomes of the events in their lives. At the opposite extreme, people who are free will oriented believe that the actions they take in their environment will have a direct effect on the outcomes they receive in their work and personal life. Determinism versus free will, as a cultural value, has a link to the work of the American psychologist, J.B. Rotter, on locus of control. In the 1960s, Rotter developed a scale to measure whether people have an internal (free will) or an external (deterministic) locus of control. Thus, as is true of all of the cultural values, people within each country can vary on the extent to which they believe that they themselves control the outcomes in their lives, but in general, countries can be compared as to the average degree to which people have this belief.

Research on determinism versus free will at the country level has shown that Argentina, France, Belgium, and the United States are free will oriented while China, Japan, Singapore, and the Philippines are deterministic. An organizational example of the effects of determinism versus free will on work behavior regards the manner in which employees set goals. In free will countries like the United States, managers and employees view long-range, strategic planning and goal setting as integral to achieving success in business. It is not uncommon for organizations to have one, five, ten, and twenty-year goals and a set of plans for achieving them.

Employees in these societies feel as though these long-term goals are achievable if they take the correct courses of action and persist in their efforts to accomplish goals.

Conversely, employees in deterministic societies such as China will likely view such long-term goal setting as a less productive use of time. Since they believe that there are so many other forces at work that determine the outcomes of individual efforts, they also believe that any one individual does not have much impact on the achievement of long-term goals. High determinism tends to clash with the behavioral requirements of self-management. In fact, self-management relies primarily on self-set goals and adjustments to one's own behavior to reach both short- and long-term goals. To fully engage in self-management, one has to believe that he or she can have a direct impact on the achievement of goals. In support of this contention, we found that free will oriented employees accepted the self-management aspect of SMWTs more than deterministic employees did.

The most deterministic country in our research was the Philippines. For example, one Filipino team member at Motorola stated that, "God is very important here. Our faith helps the teams. Even the managers and the general manager pray with us." While religious devotion in and of itself does not mean that team members will not self-manage, it does attest to the strong role that employees in some cultures give to forces outside themselves in shaping their work habits and performance. Team members in a variety of organizations in the Philippines felt that it was important to include this spiritual aspect of their personal lives in their time spent at work. In Indonesia, it is very common for the workday to be structured around observance of daily religious ceremonies, and employees often comment about the role of a higher religious power in the organizational well-being.

In summary, we found that employee acceptance of teams and self-management was related to cultural values. Specifically, we found that employees who were high in collectivism more readily accepted the team aspect of SMWTs more than did employees who more individualistic; and that employees who were low in power distance, more doing oriented, and less deterministic accepted the self-management aspect of SMWTs more than did employees who held opposite values. We also found that when employees resisted either aspect of SMWTs, they reported being less satisfied and committed, and their teams had lower levels of productivity, cooperation, and empowerment.

Tables 2 and 3 show country groupings based on the rankings of various countries on individualism-collectivism, power distance, and determinism versus free will (researchers have yet to develop a comprehensive ranking of countries based on doing versus being orientation).

Insert Tables 2 and 3 about here

These tables can be used to determine where the team, self-management, or both aspects of SMWTs are likely to be readily accepted or resisted. For example, in Table 2, France potentially represents the most challenging country in which to implement SMWTs because it is both highly individualistic and high in power distance. Costa Rica, on other hand, may represent the easiest country in which to implement SMWTs because it is both highly collectivistic and low in power distance. In Table 3, employees within the countries falling into the individualistic-free will category will likely be receptive to self-management but resistant to teamwork. Conversely, employees within the countries falling into the collectivistic-deterministic category will likely to be receptive to teamwork but resistant to self-management. Even though part of the information

used to obtain these rankings was collected over two decades ago, the cultural values we measured in the nine countries in our study conformed to the rankings of this previous research. Thus, the cultural values we assessed have shown remarkable stability over time. We now turn to a discussion of the actions that managers should take when charged with implementing SMWTs in the global affiliates of their parent companies.

GUIDELINES FOR IMPLEMENTING SMWTs CROSS-CULTURALLY

Based on our research of the effects of cultural values on employee resistance to SMWTs, we recommend that managers take the following steps to help ensure the success of team implementation in global affiliates.

Use selection systems. It should come as no surprise that the first thing managers should concern themselves with when implementing teams in global affiliates is hiring the right people. Employees most likely to readily accept teams and self-management can serve “translator” and “bridge” roles for teams in contexts where many employees are likely to resist either teams or self-management. They may also be excellent candidates for the role of facilitator and can help in designing training programs to improve the general level of acceptance among team members in challenging contexts. Thus, as part of an integrated selection system (i.e., application, interviews, personality and ability instruments, and reference checks), managers could assess potential new hires on their level of individualism-collectivism, power distance, doing versus being orientation, and determinism versus free will. We know of several consulting firms that include such measures when helping organizations to re-design their selection systems in team-based organizations.

Adapt the form of SMWTs to each culture. We acknowledge the fact that managers may not always have a ready pool of available workers to choose from based on cultural value

differences. For example, since the U.S. is, on average according to several studies, the most individualistic country in the world, finding workers who are highly collectivistic to facilitate teamwork may be more difficult. This would be especially true in a tight labor market characteristic of an economic boom. Thus, to adapt the form of a SMWT in the U.S., managers might introduce team-based changes such as team pay or peer evaluations tied to rewards and promotions more slowly and cautiously. Perhaps allowing team members to work more independently, rather than highly interdependently, at first might mitigate resistance based on individualism.

To adapt the form of a SMWT in countries such as Argentina, Mexico, and the Philippines, where employees are typically uncomfortable taking initiative without the permission of their managers (i.e., high power distance countries), perhaps the level of self-management characterizing the teams could be reduced, at least initially. Unlike in the U.S. where the traditional responsibilities of managers are transferred relatively quickly into the hands of team members, in higher power distance countries, managers should retain their responsibilities to a large degree at least until team members get comfortable with the idea of taking on more responsibility and autonomy.

In a related example, international researchers conducting motivation research in Russia in the 1990s experimented with three different motivation programs in factories: extrinsic rewards (in this case, U.S. goods); a behavioral management intervention in which supervisors provided social rewards for positive behavior; and participative management, in which employees were asked for their input consistent with traditional job enrichment programs. While the extrinsic reward and behavioral intervention programs resulted in significant increases in employee performance, the participative management technique resulted in a *decrease* in

performance. The researchers concluded that this counterproductive effect occurred because employees did not believe that their managers would truly consider their ideas. The long social history of high power distance in Russian organizations likely affected the disastrous results of the participative management intervention. However, if this same intervention were carried out gradually, the impact may have been quite different.

Our research shows that a similar effect occurs for the implementation of SMWTs. When employees' cultural values are incompatible with the demands and performance norms of SMWTs, they may not readily accept SMWTs, which in turn lowers the effectiveness of the teams. In countries where a high number of employees are expected to have incompatible values that are not likely to change, the exact form of the SMWT used will have to be permanently or gradually adapted to more closely mesh with the deeply held cultural values of country members. Failure to do so will likely result in the same counterproductive effects found by the researchers in the Russian factory setting.

Change the implementation strategy for each culture. In addition to adopting the form of the SMWT to mesh with a country's particular cultural values, managers should also adapt their SMWT implementation strategies to be consistent with employee cultural values. In countries that are, on average, low in power distance like the U.S., employees will most likely want to have a say in how the teams are formed, the specific nature of the reward and evaluation system to be used, and the nature of the tasks that will be performed by the teams.

Conversely, in countries that are characterized by higher levels of power distance such as Argentina, China, Mexico, or the Philippines, employees may not eagerly respond to chances to participate in SMWT implementation decisions. Researchers studying the implementation of SMWTs in Mexico have recommended that top organizational leaders must be more intimately

involved in the implementation of teams than would ordinarily be the case in the U.S. Due to the high level of power distance in Mexico, top management will need to take a strong, positive stance toward SMWTs and set clear expectations to legitimize their implementation.

Respect local laws. An additional factor to consider is the legal environment in a given context. Several Finnish team members at Genencor International stated that the labor unions in Finland do not allow organizations to use team pay. Similar to some industries in the U.S., the Finnish labor unions have regulated salaries for all jobs as the same level. Managers must often conform to national and state labor laws and the rules and regulations of industry unions. The compensation preferences contained in the comments above reinforce the different levels of collectivism in these countries and demonstrate that implementing team pay in the U.S., Belgium, and Finland will be more challenging than in a country such as the Philippines due to low levels of collectivism.

In summary, by choosing the right employees, adapting the form of SMWTs for each culture, changing the implementation strategy to fit cultural characteristics, and respecting the legal framework of various countries, managers will help ensure both a smoother transition to SMWTs and a higher level of receptivity on the part of organizational members. Our research shows that higher team productivity, cooperation, and empowerment and greater team member satisfaction and commitment will be the result.

A WORD ABOUT ACCEPTANCE OF SMWTs IN THE UNITED STATES

Interestingly, our research revealed that some of the strongest relationships between cultural values and employee resistance occurred in the U.S., on average, when compared with the other countries in our research. Our research also uncovered important clues about resistance in U.S. multinational headquarters and domestic facilities. For example, we found that

individualism-collectivism, power distance, doing versus being orientation, and determinism versus free will had stronger effects on employee resistance in the U.S. when compared with countries such as Finland and the Philippines. Recall that there is likely to be variation on each of these values within each country.

One possible explanation for these findings is that the cultural value “constellation,” or the set of multiple values characterizing a particular country, predispose the people of that country to feel free enough to openly resist management initiatives. For example, we originally thought that employees in the Philippines would resist the self-management aspect of SMWTs due their high levels of power distance and determinism; and, indeed, some Filipinos did choose to resist SMWTs based on their cultural values. However, we also found that the relationships between both power distance and determinism and employee resistance *was stronger in the U.S. when compared to the Philippines*. We believe this difference exists because the very cultural values that would lead an employee to be uncomfortable with self-management in the Philippines are the same cultural values that might suppress open resistance to organizational authorities by some employees.

For example, we stated earlier that employees high in power distance would tend not to openly challenge their bosses and would typically accept supervisor assignments and commands without question. Thus, rather than openly resist self-management, many high power distance employees are likely to accept the implementation of SMWTs without question, even though the behavioral requirements of SMWTs are likely to clash with their deeply held cultural values. A similar explanation exists for determinism. If employees do not believe that their actions can effect change in their environment, they will likely see little to gain from resisting management initiatives like SMWTs. They will accept such changes as inevitable and quietly go about the

task of learning and adapting to the new work system. Again, the very cultural values that we believed might lead employees to openly question SMWTs are the same cultural values that will likely suppress any open resistance to the new system from employees who hold these values strongly.

These findings have implications for managers who are struggling with SMWT implementation in the U.S. and may help to explain why over 50 percent of all work team implementation initiatives end in failure or fail to meet expectations in the U.S. Since the U.S. is, on average, lower in power distance and determinism compared to the other countries in our research, U.S. workers are less likely to readily accept some of the concepts associated with teams and self-management. Many U.S. employees tend to be comfortable challenging their superiors and will likely believe that they can effect change in their organizations by openly resisting. In addition, since the U.S. is, on average, individualistic, employees are more likely to stand up individually to demonstrate resistance when compared to employees in collectivistic countries (i.e., the Philippines) where individuals fear being singled out and conformity is the norm.

For these reasons, employee resistance may be more likely in the U.S. than in many other countries in the world. Indeed, the prevalence of employee unions, strikes, protests, and grievances in the U.S. attests to a culture where opposition to management in general is common and acceptable. The same advice given above to managers implementing SMWTs cross-culturally applies to managers implementing these types of teams in the U.S. Selection systems should be used, SMWTs should be adopted to more closely match cultural values, implementation strategies should be adopted to mesh with employees' culture, and local labor laws (which may vary from state to state) must be respected.

CONCLUSION

In conclusion, our research has shown that work teams are alive and well across the globe. The teams may not always look the same, get paid the same way, or even get implemented in the same manner. What should matter most to managers, however, is that employees working in these teams are often highly motivated, productive, committed, and satisfied. Following the recommendations that we made in this paper should help to ensure that those outcomes are realized in a variety of cultural settings. And in a multinational organization, this fulfills a critical business need. As one team member in a global company said, “In many ways we have a lot of freedom, because there’s an ocean that separates us [from our affiliates]. In some things we have to be globally consistent, because it has to roll up...but in some ways, we have to operate differently, because we have so many countries and languages.”

SELECTED BIBLIOGRAPY

For a more comprehensive discussion of the theory underlying the use of self-managing work teams in a multinational context, see Bradley Kirkman and Debra Shapiro's article entitled, "The Impact of Cultural Values on Employee Resistance to Teams: Toward a Model of Globalized Self-Managing Work Team Effectiveness," in *Academy of Management Review* (July, 1997). For an empirical test of the propositions found in the above article, see their article, "The Impact of Cultural Values on Job Satisfaction and Organizational Commitment in Self-Managing Work Teams: The Mediating Role of Employee Resistance," in *Academy of Management Journal* (in press, Fall 2000).

For more information on employee resistance to teams in the U.S., see their article (with Robert Jones) entitled, "Why Do Employees Resist Teams? Examining the 'Resistance Barrier' to Work Team Effectiveness," in *The International Journal of Conflict Management* (in press, Fall 2000); and their article entitled, "Employees' Reaction to the Change to Work Teams: The Influence of 'Anticipatory' Injustice," in the *Journal of Organizational Change Management* (Winter, 1999). For a specific examination of U.S. employee reactions to team-based rewards, see their article entitled, "Understanding Why Team Members Won't Share: An Examination of Factors Related to Employee Receptivity to Team-Based Rewards," in *Small Group Research* (April, 2000). To read the seminal study of self managing work teams from the coal mines of Great Britain, see Fred Emery and Ken Bamforth's article entitled, "Some Social and Psychological Consequences of Long-Wall Methods of Coal Getting," in *Human Relations* (April, 1951).

For an empirical examination of the role of collective efficacy in the performance of teams in both U.S. and Asian cultures, see Cristina Gibson's article entitled, "They Do What

They Believe They Can? Group Efficacy and Group Effectiveness across Tasks and Cultures in *Academy of Management Journal* (April, 1999). For a discussion of intercultural communication difficulties in teams, see her book chapter entitled, “Do You Hear What I Hear? A Framework for Reconciling Intercultural Communication Difficulties Arising From Cognitive Styles and Cultural Values”, in Miriam Erez and Christopher Earley’s book entitled, *New Perspectives on International Industrial/Organizational Psychology* (Jossey-Bass, 1996). For a review of the cultural construct individualism-collectivism, see her article (with Christopher Earley) entitled, “Taking Stock in Our Progress: 100 Years of Solidarity and Community” in the *Journal of Management* (June, 1998). For an empirical examination of leadership across cultures, see Cristina's article entitled, “An Investigation of Gender Differences in Leadership Across Four Countries” in *Journal of International Business Studies* (April, 1995).

For case studies devoted to the study of using teams in non-U.S. cultures, see Georges Buzaglo and Susan Wheelan’s article entitled, “Facilitating Work Team Effectiveness: Case Studies from Central America in *Small Group Research* (February, 1999) and Alen Cheney, Henry Sims, Jr., and Charles Manz’s chapter entitled, “Teams and Total Quality Management: An International Application” in Manz and Sims’s book, *Business Without Bosses* (Wiley, 1993). For specific information on implementing self-managing work teams in Mexico, see Chantell Nicholls, Henry Lane, and Mauricio Brechu’s article entitled, “Taking Self-Managed Teams to Mexico,” in *Academy of Management Executive* (August, 1999). To find out more about the implementation of various motivation programs in Russia, see Dianne Welsh, Fred Luthans, and Steven Sommer’s article entitled, “Managing Russian Factory Workers: The Impact of U.S.-Based Behavioral and Participative Techniques,” in *Academy of Management Journal* (February, 1993).

For additional reading on cultural value differences between countries, see Geert Hofstede's book, *Culture's Consequences* (Sage, 1980); his article entitled, "Motivation, Leadership, and Organizations: Do American Theories Apply Abroad?" in *Organizational Dynamics* (Summer, 1980); and his article entitled, "Cultural Constraints in Management Theories," in *Academy of Management Executive* (February, 1993); Fons Trompenaars book, *Riding the Waves of Culture* (Irwin, 1993); Jack Scarborough's book, *The Origins of Cultural Differences and Their Impact on Management* (Quorum, 1998); Nancy Adler's book, *International Dimensions of Organizational Behavior* (South-Western College Publishing, 1997), and Miriam Erez and P. Christopher Earley's books entitled *Culture, Self-identity and Work* (Oxford, 1993) and *The Transplanted Executive* (Oxford, 1997).

TABLE 1
Participating Companies and Their Locations

Company	Industry	Location(s)
Genencor International	Biotechnology	Argentina, Belgium, Finland, U.S.
Motorola	Computer Electronics	Philippines
Downey Community Hospital	Health Care	U.S.
Rio Hondo Hospital	Health Care	U.S.
Freeport Hospital	Health Care	Indonesia
Kodak	Medical	U.S., Philippines, Puerto Rico, France
Smith Kline Beecham	Pharmaceutical	Philippines, Puerto Rico
Merck	Pharmaceutical	U.S., Philippines, Puerto Rico, France
Johnson & Johnson	Pharmaceutical	Puerto Rico, France
General Electric	Medical	U.S, Philippines
Warner Lambert	Pharmaceutical	Philippines, Puerto Rico

TABLE 2
Country Rankings on Individualism by Power Distance*

	Individualistic	Moderate Individualism-Collectivism	Collectivistic
High Power Distance	France	Arab Countries, Brazil, India, Mexico, Philippines, Yugoslavia	Ecuador, Guatemala, Hong Kong, Indonesia, Malaysia, Panama, Salvador, Singapore, Venezuela, West Africa
Moderate Power Distance	Belgium, Italy	East Africa, Greece, Iran, Japan, Portugal, South Africa, Spain, Turkey, Uruguay	Chile, Columbia, South Korea, Pakistan, Peru, Taiwan, Thailand
Low Power Distance	Argentina, Australia, Canada, Denmark, Great Britain, Ireland, Netherlands, Norway, New Zealand, Sweden, Switzerland, United States	Austria, Finland, Germany, Israel, Jamaica	Costa Rica

*All rankings obtained from Geert Hofstede's book, *Culture's Consequences* (Sage, 1980).

TABLE 3
Country Rankings on Individualism by Determinism*

	Individualistic	Moderate Individualism-Collectivism	Collectivistic
Deterministic		Arab Countries, Japan, Turkey	China, Singapore, West Africa
Balance of Free Will and Determinism	Italy, Sweden	Austria, Brazil, East Africa, Finland, Greece, India, Portugal	Hong Kong, Indonesia, Thailand
Free Will	Australia, Belgium, Canada, Denmark, France, Great Britain, Ireland, Netherlands, Norway, Switzerland, United States	Argentina, Germany, Spain	Pakistan

*Rankings on individualism-collectivism were obtained from Hofstede (1980). Rankings on determinism versus free will were obtained from Fons Trompenaars book, *Riding the Waves of Culture* (Irwin, 1993).