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The Concept of Cultural Synergy and the Global Organization

We live in an organized society, and organizations are an accepted part of life. Today, many organizations are becoming multinational global alliances with advanced telecommunications and data processing and a diverse, multicultural, mobile workforce. These growing international business concerns and the cultural synergy they create present exciting yet daunting challenges to study and understand. However, as the world becomes more interdependent, it is difficult to find an industry or segment of a country's economy that is insulated from the decisions of global managers and global organizations.

The purpose of this chapter is to explore the impact of cultural variability on global organizations and the resulting cultural synergy. We survey the emerging global landscape, highlighting shifts in the marketplace as businesses become more global. We examine various corporate cultural models to discover emerging structures and patterns as businesses form strategic alliances and transition into an international environment. We consider the growing number of virtual workplaces, as well as the technology and mediated communication needed to maintain them. The chapter concludes by acknowledging the global challenge of creating unifying visions as we continue to move our business mindset away from the mantra of "think globally and act locally" to "think both locally and globally, and respond as appropriate" (Moran & Riesenberger, 1997).

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The Emerging Global Landscape

Scholars looking at the emerging global landscape suggest that the driving forces are the current shifts in society, technology, economics, politics, and the environment (Moran & Riesenberger, 1997; Pascale, Millemann, & Gioja, 2000; Trompenaars & Hampden-Turner, 1998). These shifts have seriously affected the U.S. dominance of business, as evidenced by the declining survival rate of many successful companies and the loss of market share in many industries. To illustrate, here are some examples:

- Production of automobiles and trucks decreased 60 percent from 1960 to 1990.
- Computer production decreased 19 percent from 1980 to 1989, while in Asian countries it increased 35 percent and European countries' computer production increased 18 percent.
- Although the United States holds 75 percent of the world's manufacturing of aerospace products, current projections suggest that this dominance will erode as the European Airbus consortium grows even stronger (Gongloff, 2003).

The impact of these trends is significant in both domestic and global scenarios as large corporations and small businesses go international (Rossant et al., 2004). The end result is that many cultures around the world are experiencing significant change. For example, Europe has experienced economic reform with the introduction of the Euro, and in Japan the promise of lifetime employment with companies has been abandoned and traditional consensus-building techniques to preserve social harmony are being rendered obsolete in an era of rapid change (Baker, 2005, p. G1). Terpstra and Kenneth (1992) observe that "as the macro culture shifts, so does the micro culture of institutions [with] organizational cultures within these societies . . . experiencing profound transformations" (p. 91). These global factors are demanding a restructuring of organizations and a convergence of core competencies for managers and workers alike.

The Reconfigurable Organization and Globalism

At the beginning of the 20th century, scientific management prevailed. The organization was conceived as a well-functioning machine that was carefully designed to achieve well-understood goals. Today, we realize the organization

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is composed of people and success is often tied to the articulation of the work of many in organizations. Globalism and new, more porous conceptions of the organization characterize this new postmodern millennium (Schmidt & Gardner, 1995). The organization per se is less important, as workers create and recreate new organizations, invent new products and services, and adapt to an evolving environment. In this redefined organizational context, trust will matter much more because the informal dimensions of the organization will be where the action is (Froggatt, 2001). To succeed, we will have to develop new mindsets and work habits for a radically changing world. We need to be prepared for almost anything and be willing to give up some of the attitudes and postures that have limited our thinking and constricted our behavior. In *Future Shock*, Alvin Toffler (1970) keenly observed that “never before has the future so rapidly become the past [and] we need to open our minds to more distant futures, both probable and possible” (p. 27).

The current organizational restructuring frequently seen in downsizing and the establishment of network organizations are only the starting point for the many newly reconfigured organizations preparing to launch global operations. Several major corporations have delayered, outsourced, and created business-to-business supply-chain partnerships and ad hoc project teams that have emerged to address the task at hand. Jack Welch, former CEO of General Electric, coined the term “boundarylessness” to describe these new organizational structures that seek to remove typical communication barriers to the traditional hierarchy. However, this term has taken on new meaning and has expanded beyond just communication barriers. Tung (1997) argues that the four essential boundaries to be spanned to achieve increased organizational speed, flexibility, integration, and innovation are “vertical (hierarchical levels), horizontal (specialization and compartmentalization), internal/external, and geographical/cultural” (p. 166). She further suggests that “specialization and compartmentalization, which were characteristic of efficient organizations in the past, will prove dysfunctional in the future” (p. 182). Moran and Riesenberger (1997) also confirm these observations when they note that this new paradigm shift “requires organizations and managers to continuously be a part of a seemingly endless adaptive process involving both functional and cross-functional expertise” (p. 14).

These transformed and reconfigured organizations still continue to struggle with the timeless issue of centralization versus decentralization as they seek to become global players. This is one of the most difficult dilemmas to resolve for those who hope to manage across cultures. Sullivan (1996) refers to this as “the art of being local worldwide.” Peter Schwartz (1991) notes more specifically that multinational organizations must possess the ability to coordinate and control their operations while responding to local needs and maximizing

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organizational learning. Centralization does impose rules and procedures that might challenge local cultures, and decentralization brings issues of consistency and core values into question. Still, the advantages for decentralization include maximizing economies of scale, flexibly competing at a global level, and reducing transportation and communication costs for products produced locally. However, the challenges are also greater—protectionism, trade barriers, local competitors, local distribution concerns, and cultural differences. Stan Shin (1998), founder and CEO of the Acer Group, explains two productive strategies they use for directing and managing a global business. One strategy is referred to as “global brand, local touch.” It develops local shareholder majorities around the world as well as local management teams. The second strategy he labels the “fast-food business model.” Similar to a franchise, each unit of the company in every location is independent and has different shareholders. In this way, the entire company is both virtual *and* networked. These strategies have proven beneficial to the Acer Group as they attempt to balance centralization and decentralization and cope with the challenges of globalism. Stan Shin would quickly note, however, that each corporation must discover and design its own international business plan.

Although most would agree in theory on the need for independence at the local level, it is often more difficult in practice. Frequently, tensions arise from divided loyalties split between local managers and their objectives and the global organizational goals. Additionally, alternative objectives and subgoals with changing priorities for each manager can emerge, causing employees to be puzzled and confused. McDonough and Kahn (1996) call attention to a multinational company where considerable cultural diversity existed and positions varied significantly within the organizational hierarchy. Tension was created when the European division’s top priority was to implement a telecommunications inventory management system, whereas at the corporate headquarters the focus was on converting existing databases. Production managers were fighting for increased throughput and shorter cycle times, but application engineers wanted additional time for systems integration and development standards. Employees caught in the middle were baffled and perplexed. Although conflict is typical within any large organization, it can become a complicated contest when managing conversations virtually across language boundaries and cultural constraints. The definite need for coordination and an understanding of cultural differences becomes obvious in this archetypical scenario of global business planning and communicating globally. It is increasingly difficult for companies to adhere to a mentality fueled by the geographic location of the home office and still remain globally competitive. Maznevski and Peterson (1997) suggest that “the days are passing when major

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multinational corporations such as General Electric or Matsushita could operate complex, dynamic industries from the unambiguous cultural base of a home country” (p. 61).

Successful global organizations need to assess their own distinctive corporate postures and strategically locate themselves along the power continuum of centralization/decentralization. Peter Schwartz (1991) states that “just as power is universally less centralized, so are information and culture” (p. 94). Decentralization is easier for some organizations and cultures than others. Trompenaars and Hampden-Turner (1998) note that organizations with a clear task and high context orientation are better equipped to delegate effectively, resulting in specific responses. Certainly, there is no master plan and no one organizational structure that can solve all the problems. What is clear is that over-centralizing or over-decentralizing can lead to failure (Lawrence & Lorsch, 1967). Therefore, each multinational organization must locate itself on this influence scale on the basis of how best to meet its own unique global strategic vision.

Corporate Cultural Models and Critical Cultural Factors

Businesses are reconfiguring in ways that create new corporate cultures shaped not only by technologies and markets but also by the cultural preferences of their leaders and the interaction of their employees as they respond to change. Galbraith (1997) proposes that, instead of merely responding to change, global organizations should be designed for change. Drucker (1997) reiterates this sentiment and suggests that it is not about replacing the current organizational designs, but that new designs are “being superimposed on them” (p. 4). He continues by noting that organizational design must incorporate “different purposes, different people, and different cultures” (p. 5). Pascale et al. (2000) use a compelling organic metaphor to describe the emerging global businesses based on the principles of self-organization. Their “life science model” suggests that organizations today develop like a new species by “creating an ecological niche—innovate . . . proliferate . . . aggregate” (p. 3). It is this rapid response sequence that successful multinational organizations need to emulate in order to remain competitive and to thrive in today’s brisk international business environment.

Odenwald (1996) explores contrasting corporate cultures and differing corporate values within three Japanese companies. Matsushita is very policy oriented, with a strong emphasis on customer satisfaction while maintaining a focus on its contribution to society to coexist and co-prosper. Its concern for

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individuals results in a lower sense of risk-taking as a company. Sony's culture, on the other hand, is liberal, with a focus on internationalism and a high tolerance for risk and change. Then there is Mitsubishi's culture that focuses on fair play in business, with an orientation toward employee satisfaction to ensure high morale. Minoru Makihara (1998), president of Mitsubishi Corporation, states that leadership should be strategically focused on relationships in which they "lead through global trust networks" (p. 18). In the United States private, for-profit enterprises such as Stanley Home Products, Mary Kay, and Tupperware as well as volunteer, nonprofit groups like Greenpeace, The Sierra Club, and MADD illustrate how organizations can tie into the strength of the independent individual worker for collective success. Moreover, the organization is sustained by the combined effort of its members who are imbued with a clear vision and outcome. The companies that "seize the high ground . . . by inspiring front line workers to operate as independent agents, pursuing their own solutions with little central control" will succeed and thrive in this volatile global bazaar (Pascale et al., 2000, p. 12). This networking has prompted some scholars to describe the new emerging organizational design as a web, particularly given our wired society (Drucker, 1997; Galbraith, 1997; Pascale et al., 2000).

Trompenaars and Hampden-Turner (1998) propose four corporate cultural models that can help define and clarify the emerging organizational structures. Their models are based on the relationship between employees and their organization, the vertical or hierarchical system of authority, and the employees' view of the organization's mission and vision. The models are differentiated one from another on the basis of two primary dimensions—people versus tasks and the egalitarian versus hierarchical nature of the organization.

The *Eiffel Tower* culture corresponds to a formal bureaucracy in which the structure strongly defines one's legitimate role and place in the organization. Status and power are explicitly allocated to the position, and decision making reflects a depersonalized, rational-legal system that adheres to strict rules that ultimately uphold the hierarchy itself. In the Eiffel Tower culture, task and accomplishment far outweigh any concern for relationship. Examples of the Eiffel Tower model can be found in Australia, France, Hungary, and Venezuela.

The *Guided Missile* culture is also task oriented but has an egalitarian perspective that is "ends oriented" rather than "means driven." People are considered important to achieving ends; consequently, the use of self-directed teams and the matrix management of projects create a cybernetic culture that continually renews itself through feedback and open systems. Change is embraced as teams dissolve and emerge again on the basis of required tasks. In Guided Missile cultures, employees generally have greater loyalty to the project and their professions than to the organization itself. The organization per se is

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simply a place to get work done through the coordinated and combined efforts of others who share in decision-making and problem-solving. The Guided Missile model can be found in Ireland, Norway, and the United States.

The *Family* culture reflects the established power structure often seen in the traditional home, with a strong parent figure who cares for the family unit and has ultimate decision-making power that is accepted by the other family members. The dominant force is the sense of loyalty and high context that allows a great amount of information to be assumed and taken for granted. Relationships tend to be diffuse, such that the leader is influential and unchallenged in all situations (i.e., work, family, and community). The Family model is typical in Belgium, Greece, Spain, India, and South Korea.

Finally, the *Incubator* culture serves the self-expression and self-fulfillment of its employees. This culture is managed from a strong egalitarian perspective and performs best within an intensely emotional environment. The driving purpose of these organizations is personal development. The culture provides a sounding board for revolutionary thinking and the unleashing of inventive creativity. The structure is very loose, with few constraints, so as to encourage the “bootlegging” of time on other projects and to promote brainstorming and the entrepreneurial development of pioneering ideas. Employees are dutifully devoted to the organization but are individually loyal to their profession and committed to their self-interest (i.e., “I”-Incorporated). Consequently, they “may take a free ride until their eggs are close to hatching [and] larger organizations [can] find themselves successively undermined” (Trompenaars & Hampden-Turner, 1998, p. 180). For this reason, some suggest that these organizations are dependent on an individualistic culture and may be viewed as transitional rather than permanent. Examples of these types of organizations include the many start-up firms in the computer industry, whether it is Silicon Valley in the United States or Silicon Glen in Scotland. The Incubator model can also be commonly found in Canada, Denmark, and Switzerland.

Alignment throughout independent systems is required so that the selected corporate model and its purposes are synchronized with the culture and its values and worldview. Terpstra and Kenneth (1992) have identified five critical factors that multicultural corporations should consider when developing a corporate cultural model and/or choosing to expand into a new global area:

1. *Cultural variability* refers to the conditions of stability within the organization. The more unstable an organization is, the more it needs strong internal structures to manage rapid change, open communication channels, and decentralized decision-making with local experts to provide responses.

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2. Cultural complexity relates to high- and low-context cultures and concerns itself with the need to match the degree of context with the appropriate communication content, style, and quantity.

3. Cultural hostility is the degree to which local conditions appear threatening to employees and organizational values. It reflects the perception of the local or host culture toward the multinational corporation itself. The greater the degree of hostility, the more difficult it is to establish trust and build relationships between the host culture and the organization.

4. Cultural heterogeneity is the degree to which the organizational culture is similar to or different from the local or national culture. When cultures are very diverse or heterogeneous, it is more difficult to coordinate the behavior of local subsidiaries and their employees, thereby requiring management to be more differentiated and to decentralize communication and policy. The greater the similarities or increased homophily, the easier it is to purposefully communicate mission and vision.

5. Cultural interdependence refers to the economic dependence the organization has with other interacting cultures to obtain resources such as raw materials, equipment, technological support, and critical institutional and infrastructure processes. The more independent the organization is, the less need for strategic alliances and host culture support.

These critical cultural factors are helpful in gaining a global perspective and developing specific strategic objectives. Alldregde and Nilan (2000) studied 3M's leadership style to determine those characteristics of strong multinational corporations that respect and leverage other customs, cultures, and values to better understand and grow the total business. They found that it is highly important to optimize and integrate resources on a global basis, including manufacturing, research and development, and information technology. John R. Fulkerson, Vice-President of Organization and Management Development for PepsiCo Foods and Beverages International, concurs and describes the organization of the future as "global, competency based, virtual/fluid, empowered, decentralized, and connected" (Odenwald, 1996, p. 94). The global organization has the potential for exponential growth and financial success if the integration of cultures can be harnessed and aligned with the strategic goals of the corporation.

Globalism and Cultural Synergy

Several perspectives drive current research on the impact of globalization and cultural variability on multicultural organizations. Should organizations adapt to

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external cultural conditions or should their structural, process, and interpretive distinctions be retained despite cultural pressures? Stohl (2001) states that “environmental and technological pressures on contemporary organizations to become more and more similar clash with the proprietary pull of cultural identifications, traditional values, and conventional practices of social life” (p. 326). Barber (1992) would refer to this clash as the political forces of “Jihad vs. McWorld.” Those who assume a perspective of cultural convergence would encourage organizations to mutually accommodate to the external environment. Others who maintain a perspective of cultural divergence would warn against losing distinctive corporate characteristics and important corporate values (Stohl, 2001).

A third alternative perspective also exists that shifts the focus from a specific demographic or geographic culture to understanding how multinational organizations can jointly with the host country develop a “third culture.” For example, General Electric is rooted in a North American culture and Siemens is rooted in a German culture, but both are seeking an international mix as they go global. Although they are strongly influenced by their respective geographic and political worldviews, as they become increasingly international they combine their workforces to produce their products or services and jointly blend their respective views. The ultimate success for these organizations is when they can transform themselves and essentially metamorphose into a “third culture” in which they mutually share decision-making and capitalize on the synergistic output. Trompenaars and Hampden-Turner (1998) suggest that when two cultures blend, they dance with each other to “manage cultural polarities and value dimensions that self-organize in systems to generate new meanings” (p. 27). The resulting synergy allows global businesses to better manage their diverse components and create a stronger, more flexible and adaptive organization ready to compete in the world market.

SYNERGY DEFINED

Synergy is cooperative or combined action that can occur when diverse or disparate groups of people with varying viewpoints work together. The objective is to increase effectiveness by sharing perceptions, insights, and knowledge. But synergy is more than simply working together toward the mutual achievement of certain goals. The power of synergy rests in the reality that “when solving problems, groups are often smarter than the smartest people within them” (Surowiecki, 2004, p. G1). Consequently, when ordinary people using available resources are allowed to freely exchange opinions and argue points of view, extraordinary results can occur.

Synergy is also vital in solving complex international business problems. When a European conglomerate purchases the controlling rights of a U.S.

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rubber manufacturer or Common Market partners join together in a joint venture to produce an innovative airplane, synergistic skills are required. Differences in organizational cultures in these instances can either undermine the intended actions or can be used to enhance goal achievement. Synergy is needed to pool resources, talent, and capital for a successful operation. The very complexities of our super-industrial and postmodern society demand such collaboration, particularly in large-scale enterprises such as space exploration and research.

SYSTEMS THEORY, COMPLEXITY SCIENCE, AND THE NATURE OF SYNERGY

MIT professor Norbert Wiener (1967) coined the term cybernetics to describe the field of artificial intelligence and then went on to pioneer the study of information processing, feedback, and control in communication systems. Karl Weick (1979, 1989, 2001) applied information and general systems theory to organizational contexts, declaring that organizations only survive in hostile environments by managing to reduce equivocality or uncertainty through retrospective sense-making. He urged leaders to continually discredit much of what they think they know—to doubt, argue, contradict, disbelieve, challenge, question, and actively listen—in other words, to be synergistic. Complexity science represents a quantum leap forward, advancing information and general systems theory beyond their linear dimensions and causal constraints (Pascale et al., 2000). So, to facilitate understanding the nature of synergy, it is necessary to discuss several pivotal principles of systems theory and complexity science:

- *The principle of interdependence* suggests that systems consist of a network of relationships among interacting parts. Consequently, the functioning of one component relies on the other component. Synergistic group members understand the need to work together if they are to take advantage of available opportunities and achieve mutually desired objectives.

- *The principle of permeability* implies that information and materials freely flow in and out. This principle connotes a seamless quality to organizations that permits a higher order of sharing and distribution of human assets, important data, and capital. Trust is the fuel that makes permeability work. Synergistic groups need timely access to all available information and resources to solve the problem.

- *The principle of requisite variety* states that a system's survival depends on its ability to cultivate variety in its internal structure in order to cope successfully with variations introduced from external sources. Openness

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permits diversity, and an organization must be as diverse as the environment in which it exists. Variety brings richness, depth, and artistry to any endeavor.

- *The principle of feedback* proposes that corrective or negative feedback serves to keep the system on course, and growth or positive feedback serves to transform or change a system. Synergistic leaders and managers understand that communication and feedback are at the heart of “the great game of business” (Kouzes & Posner, 1993, p. 171).

- *The principle of balance or equilibrium* asserts that systems tend to resist deviation and maintain a steady course. This can be hazardous because the environment in which organizations are embedded is always in flux, and prolonged equilibrium can dull an organization’s senses and sap its ability to rouse itself in the face of change. Danny Miller (1990) notes that the higher the reliance on past practices, especially successful ones, the greater the organizational risk because it fails to anticipate the future. He labels this phenomenon the “Icarus Paradox,” where organizations extend and amplify the strategies to which they credit their success until tunnel vision rules and flexibility is lost. In order for organizations to remain competitive, they must learn to master these “perils of excellence” and “unlearn the past by questioning world views, opening up cultures, and disassembling structures” (Miller, 1990, p. 204). Organizations have to unfreeze before they can renew themselves.

- *The principle of adaptation* gives emphasis to the view that systems must change to survive in a dynamic environment. Complex systems become more vulnerable as they become more homogeneous, thereby revealing the importance of adapting to the greater cultural diversity.

- *The principle of connection* contends that systems must connect to one another and are always part of other systems. Global businesses need to increase the effectiveness and number of connections to which they can share and solicit information. Charles Handy (1998) refers to the core periphery model as one way to define these connections. There are people working in the core, while others work outside the core. In this way, power is distributed and membership communities are formed at various locations, resulting in distributed intelligence and better solutions.

- *The principle of negative entropy* suggests that openness permits systems to sustain themselves and grow rather than run down and deteriorate. John Kao (1998) uses the term “jamming” to describe the needed spontaneity and openness of synergistic organizations. He is referring to the improvisation of jazz where success depends on the need for everybody to perform as individuals and as a group.

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- *The principle of equifinality* involves multiple approaches to any system outcome. Synergistic organizations and groups realize that there are many pathways for accomplishing goals. Consequently they seek competent, curious, obstreperous people who agree on values and priorities, but who might think differently about how to get there.
- *The principle of holism* states that a system is more than the sum of its parts. We are all holographic images of the organizations we work for and the groups to which we belong. Each of us is important to the success of the organization or the effectiveness of the group. Everyone counts.

Complexity science is concerned with nonlinear effects where very small perturbations, such as the flutter of a butterfly's wings, may lead to a tsunami. For those in complexity science, the world is constantly changing beyond our powers of precise prediction. The challenge for organizations is being alert to both large and small changes and attempting to understand the world landscape as it unfolds. This may seem unnerving because it is comparable to walking on a trampoline, but that is the nature of reality—it is constantly new. Collins and Porras (1994) note in their bestseller *Built to Last* that the companies that have prospered the longest are those that preserve core values and skills while engaged in self-renewal and making creative use of their changing environments to stimulate progress.

SYNERGY AND CROSS-CULTURAL COMMUNICATION COMPETENCE

Cultural synergy in today's global economy requires that individuals within multinational organizations be culturally aware and competent in cross-cultural communication. Extensive research indicates that cross-cultural competence impacts the effectiveness of global corporations (Cox, Lobel, & McLeod, 1991; Matveev & Nelson, 2004; Townsend, DeMarie, & Hendrickson, 1996; Triandis & Singelis, 1998; Wheelen & Hunger, 1998). The culturally diverse workforce offers a variety of perspectives, skills, and attitudes (Maznevski, 1994) and outperforms homogeneous groups in identifying problems and generating more creative solutions (Marquardt & Horvath, 2001; McLeod & Lobel, 1992; Watson, Pitt, Cunningham, & Nel, 1993). In their study of Russian and American managers, Matveev and Nelson (2004) found that "cross cultural competence accounted for 20% of the variance in the performance level of multicultural teams" (p. 33). Ng and Tung (1998) found that multicultural divisions reported higher levels of productivity and financial profitability than their homogeneous counterparts within a multibranch financial services organization. Those organizations that

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have realized the benefits of diversity have learned how to maximize its strengths while mitigating the costs and are able to incorporate positive and winning communication skills.

Today we are transitioning into a new high-synergy postmodern society in which leadership fosters win-win and all triumph. It is an open system of connected people that emphasizes cooperation for mutual advantage. Social institutions promote individual and group development and utilize community resources and talents for the commonwealth. Successfully transitioning into the emerging postmodern era requires acceptance of this new high-synergy society that can provide new energy for international business practices. Synergy takes on increasing importance as multinational organizations, non-profit agencies, and governmental activities become more global in scope, more complex in practice, and more sophisticated in technology. Charles Handy (1995) declares that “the world is up for re-invention [and] we cannot wait for great visions from great people, for they are in short supply. It is up to us to light our own small fire in the darkness” (p. 286).

The Virtual Organization, Cultural Synergy, and the Global Marketplace

With today’s technology, time and distance are collapsed. Anyone can access anyone and anything through groupware, intranets, and expert systems. This technological mobility, along with increased globalism, has given rise to organizations becoming virtual—harnessing each other’s strengths via alliances, subcontracts, partnerships, and co-contracts. As global organizations become increasingly virtual, people in alliances and partnerships will jointly locate and integrate opportunities, ventures, and resources. In the virtual, real-time world, the line between organizational and national boundaries will blur.

DEFINING VIRTUAL ORGANIZATIONS AND WORK GROUPS

Ahuja and Carley (1999) define a virtual organization as “a geographically distributed organization whose members are bound by a long-term common interest or goal, and who communicate and coordinate their work through information technology” (p. 743). Some scholars use the term “virtual” to denote those organizations and teams whose members never meet face-to-face (Jarvenpaa & Leidner, 1998; Kristof, Brown, Sims, & Smith, 1995). However, most define a workplace as “virtual” when the majority of communication is mediated by technology (Maznevski & Chudoba, 2000; Townsend et al., 1996; M. Young, 1998).

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In general, virtual work groups create the structural mechanism for mitigating the increased travel, time, coordination, and costs associated with physically bringing people together. Many researchers are even considering “virtualness” a characteristic of all teams and are shifting studies away from comparisons between virtual teams and those that meet face-to-face (Griffith & Neale, 2001; Martins, Gilson, & Maynard, 2004). Griffith and Neale (2001) propose that teams exist on a continuum between purely face-to-face and purely virtual, resulting from the interplay between “the structures and capabilities provided by the technology, the demands of the task, and the structures that emerge” (p. 386). For example, organizations like Sun, IBM, and Caterpillar have created “collaboratories” of scientists and engineers in separate locales, who work in real time together on product development and design via televiewers, videoconferencing, shared computer displays or whiteboards, networked electronic notebooks, and synchronized Web browsers. These organizations also use electronic connections (EDI, shared databases, extranets) with vendors, suppliers, distributors, customers, sales forces, and subsidiaries around the world to transcend boundaries and ensure real-time responses (Bell & Harari, 2000). Netscape’s Marc Andreessen believes “we are seeing the networking of the world as the interconnecting of all businesses and a growing number of individuals creates a seamless electronic web” (Bell & Harari, 2000, p. 92).

GLOBAL ORGANIZATIONS, TEAMS, AND THE NATURE OF VIRTUAL COMMUNICATION

Global organizations operate in the midst of language and cultural diversity and consequently must surmount certain obstacles when using virtual communication. Orasanu, Fisher, and Davison (1997) identify three distinct ways that computer-mediated communication can go seriously wrong. First, messages may encounter transmission problems, prohibiting information from reaching its destination. Second, errors can occur when messages are transmitted so their original meaning is not conveyed as intended. Finally, messages may be accurately sent and received, but a shared understanding of the situation does not exist between the parties.

When the primary communication between members is mediated by either voice or computer and groups are multicultural, they are unable to make assumptions that would be typical within homogeneous groups on the basis of similar culture and nonverbal cues (Barczak & McDonough, 2003; Maznevski & DeStefano, 2000). People of different backgrounds know how to best communicate with those who are similar as a result of “built-in characteristics in their language which facilitates [sic] the conveyance of ideas to their own kind [and] they . . . [are] only vaguely aware of the dependence on these linguistic

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traits which make their job easier” (R. Lewis, 1999, p. 83). In the same manner, those who use technology are rarely aware of the traits and protocols that have become ingrained in their usage but that can facilitate or inhibit communication with others who may not be aware of these nuances. Examples include the use of acronyms (JIT, MRP, ROI), shortcuts (BTW, FYI, IMHO), and pacing behaviors as well as the frequency of how often one responds to e-mail. Orasanu et al. (1997) investigated a number of international airline disasters between 1972 and 1990 that claimed over 700 lives, and discovered in every instance a variety of communication failures due to a lack of cultural or linguistic awareness.

The reduced access to social cues resulting from the absence of proxemics, kinesics, and paralinguistics can also prove challenging to effective virtual communication. Bordia (1997) observes that a “preoccupation with receiving, composing, and sending messages leads to a lack of awareness of social context” (p. 108) and often depersonalizes the communication itself. The absence of proximity often results in a loss of casual conversations that enable members to expand contacts that support their formal work or provide needed feedback and constructive support that helps to build rapport and smooth future conversations (Hage, 1974; March & Savon, 1984; Sarbaugh-Thompson & Feldman, 1998). When anonymity is involved, it may increase participation, but it also increases the potential for inappropriate behavior such as “flaming, excessive self-disclosure, [and] manipulation of other group members through violation of group behavioral norms” (Haythornthwaite, Wellman, & Garton, 1998, p. 210). Researchers have also found that technology-mediated communication requires more time and effort than face-to-face communication to exchange social information and uncover “situated knowledge” within teams (Sole & Edmondson, 2002).

Maznevski and Chudoba (2000) report that “effective global virtual team outcomes are a function of appropriate interaction incidents and the structuring of those incidents into a temporal rhythm” (p. 489). Their analysis included structural characteristics of media selection based on the characteristics proposed by Straub and Karahanna (1998): (1) richness, (2) social presence, (3) accessibility, and (4) recipient availability. Their results regarding media choices were consistent with the theories of media richness that contend that all organizational communication channels can be arrayed along a continuum. The “rich” end of this continuum (high in data) is anchored by face-to-face communication with instant feedback and multiple verbal and nonverbal cues, whereas the other end of the spectrum (low in data) makes use of impersonal static media such as bulletins and generalized computer reports. In between we find electronic mail, personal written communication, letters, and memos. Maznevski and Chudoba (2000) found that media choice was a function of the required

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decision process and complexity of the message, and “function followed form—the higher the level of decision process and/or the more complex the message, the more rich the communication medium used” (p. 484). They further reported that in effective teams, if a rich medium is not required, members will select the medium that is most accessible and “if an incident serves multiple functions or messages, its medium and duration will be shaped by the highest function and the most complexity” (p. 485). That is, when dealing with highly ambiguous and complex tasks, teams will choose to use a rich communication medium, but when dealing with a communication message low in ambiguity and complexity, teams will opt for a lean communication medium. For example, when a team needs to make a decision that requires extensive conversation because of strong feelings and opinions versus a clear factual discourse, effective teams will use a telephone conference over an e-mail exchange.

Many researchers indicate that virtual communications technology is a factor of the team’s task, its context, and its timing (DeSanctis & Jackson, 1994; Fulk, 1993; Hiltz, Johnson, & Turoff, 1991; Hinds & Kiesler, 1995; Turoff, Hiltz, Bahgat, & Rama, 1993; Zack, 1993). Tasks requiring greater levels of interdependence, for instance, require more complex modes of communication support and more frequent interaction (Maznevski & Chudoba, 2000; Mintzberg, 1989; Turoff et al., 1993). Social context also affects media choices, and “messages that cross boundaries are inherently more complex, but can be made simpler if members build a shared view of their task and strong trusting relationships among each other” (Maznevski & Chudoba, 2000, p. 486). Consequently, the greater the cultural and professional differences among team members, the more complex the team’s messages will be, whereas the stronger the shared views and relationships among virtual team members, the less complex the team’s messages will be.

CHALLENGES TO WORKING IN VIRTUAL ORGANIZATIONS

McDonough and Cedrone (2000) point out three primary challenges to working in a virtual global environment: (1) motivation, (2) creating a “safe” environment, and (3) managing the process of communication. Motivation requires that all members have a compelling reason and clear understanding of why they need to communicate with others and the benefits of collaboration regarding business outcomes.

A psychologically safe environment depends on trust and mutual respect often built from open information exchanges and meeting agreed-on deadlines. To facilitate this, many virtual groups have access to each others’ work products or an “electronic workplace” such as a bulletin board to post

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documented minutes and notes that can provide incremental exposure. Some work groups find it easier to start with simplified linear work that is objective or task driven (schedules, budgets, task prioritization) and then move toward nonlinear work requiring agreements, judgment calls, and innovation, where trust is indispensable.

The challenge of managing the process of communication includes being sensitive to technology selection and understanding the complexities of various media. Fulk and Collin-Jarvis (2001) suggest the following six criteria to determine the potential effectiveness of various media: (1) equality of participation, (2) socioemotional expression, (3) encourages consensus, (4) efficiency, (5) decision quality, and (6) satisfaction. In addition to media selection, Maznevski and Chudoba (2000) found that the temporal rhythm of communication was critical to the interaction process because “the rhythm prevented inadvertent transitions from happening and maintained effective interaction equilibrium patterns” (p. 488).

Allwood and Schroeder (2000) studied the virtual communication patterns of an international online community and identified five important skill sets used for communication management. The first is a summons that refers to catching the attention of a potential receiver, often through the use of a name or greeting. The second is providing feedback to let others know the message has been received and understood. Third is turn management used as a way to share the “virtual floor” with others. The fourth skill identified for online conversations is sequencing and understanding when one thing must precede the other. Sequencing is often a challenge in the online environment and is affected by technology and processing delays that often lead to redundancy in the form of repetition or paraphrasing. Finally, one must own communication management. This involves the need to choose the right expressions or change your contribution for various reasons, such as errors in content, clarification, or a change of mind. In some cases, communication management also includes the process of soliciting feedback to ensure that the receiver has interpreted the message as intended.

A final challenge confronting virtual organizations concerns the political nature of communicating in this environment where access seems endlessly open. Previous research had proposed that virtual organizations were less hierarchical and that role and status effects were reduced (Beyerlein & Johnson, 1994; Camillus, 1993; Goldman, Nagel, & Preiss, 1995; Sproull & Kessler, 1986). Several studies concluded that participation would ultimately become more egalitarian when compared to face-to-face groups (Bikson & Eveland, 1990; Straus, 1996), and electronic communication was believed to help increase participation while lowering distinctions among members (Dubrovsky,

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Kiesler, & Sethna, 1991). More recently, however, scholars have discovered that virtual groups tend to recreate hierarchies and remain somewhat centralized (Owens, Neale, & Sutton, 2000). Ahuja and Carley (1999) assert that “the reason for this rests in the communicative efficiency and robustness of the hierarchical form and in the benefits of role” (p. 20) to manage work processes. The opportunity to excel may rest with the organization’s ability to balance control with the need for innovative thinking and open collaboration.

VIRTUAL FREEDOM AND TECHNOLOGY-MEDIATED COMMUNICATION

The spirit of freedom has the potential to thrive in the virtual organization. Freedom is the act of liberating employees from organizational rules and structures that suppress speed, agility, and imagination. This freedom is definitely evidenced in Buckman Laboratories (Harvard Business School case study number N9-899-175) located in Memphis, Tennessee (Buckman, 1997, 2000; Meek, 1999). When Robert H. Buckman inherited the company in 1978, it had about 500 employees and provided specialty chemicals to a variety of industries in seven countries. He made up his mind to change the organization so that customers could be served better and faster. Buckman replaced the old command-and-control model with open information sharing, and technology was made available to the general managers and salespeople that allowed them to share information electronically. Then he linked all employees or associates to a variety of databases and online forums that allowed them to exchange knowledge that was constantly being updated. Buckman Laboratories now sells to customers in 90 countries, business is conducted in 15 languages, and half of the associates are outside the United States. The tremendous progress and significant rewards achieved by Bob Buckman were not without conflict, resistance, and frustration, but today Buckman Laboratories attests to the value of the virtual workplace and dramatically illustrates that, when the potential of the individual is optimized, the power of the organization is maximized.

Technology-mediated communication is integral to the virtual workplace and often creates the structure for conversations in global organizations. Computers and computer-related technologies are stimulating and supporting a virtual revolution in the workplace that is turning international business and global markets upside down. The new business model is predicated on anticipating the customers’ constantly changing business needs and quickly responding. Tom Peters (1992) describes the emerging marketplace as one populated by “ephemeral organizations, joined in ephemeral combinations to produce ephemeral products for ephemeral markets . . . FAST” (p. 18).

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Summary

The emerging global landscape is in flux, and many multinational organizations are struggling with creating inclusive worldwide mission statements and visions that foster cultural alignment. As they seek solutions to the complicated issues globalism presents, many organizations are reconfiguring themselves. New and more elastic corporate cultural models are being adopted to address the critical cultural factors influencing today's international business environment. Increasingly, these models hope to capitalize on cultural synergy and the diversity within the workplace.

Cultural synergy, through collaboration, emphasizes similarities and common concerns to integrate differences and enrich human activities and organizational systems. It requires looking at the challenges and opportunities together, accessing whatever information is needed together, and finally taking bold and imaginative action together. Constantly changing market concerns, sociopolitical issues, and technology urgently require a resilient, resourceful workforce that can take advantage of cultural synergy.

As the global marketplace expands and changes, so does the way multinational organizations structure themselves and conduct business. Increasingly, more are becoming virtual organizations and emerging as trusted guides and a helpful channel to what is new. Disney has expanded its domain to become a reliable medium to family entertainment. Dell has become more than a manufacturer: it is a portal for computers and electronic solutions to problems. Harvard University has expanded beyond being an excellent degree-granting institution to becoming the world's preeminent brand-portal for learning. Brandeis University professor and former Secretary of Labor Robert Reich (2000) puts it well when he says that in this new global economy, "economic value comes not from assets . . . but from the domain of trust [and winning companies] stand not for specific products, but for continuing solutions" (p. 37).

We cannot ignore these changes and the new order of doing business if we hope to remain globally competitive. Cosmopolitan leaders need to accept the changes and embrace the global opportunities presented.

