Introduction
The "hot topics" for the latter part of the 1990s would seem to be globalization, teamworking and diversity. It is almost impossible to read a management book or article or attend a conference at which one or more of these topics is not raised.

This interest coincides with a growing belief that one of the major sources of potential competitive advantage for businesses is the effective management and development of people. For example, Sparrow et al.[1] reported on an analysis of a worldwide IBM study covering 2,000 organizations and pointed out that the dominant view from participants was that an organization's people provide the only realistic basis for achieving a sustainable competitive advantage.

In a global context the management and development of people inevitably leads to considerations of diversity and related challenges. Bartlett and Goshal[2] discuss the challenges facing organizations which are intending to work effectively across borders. They identify the major challenges as being able to develop practices which balance global competitiveness, multinational flexibility and the building of a worldwide learning capability. They maintain that achieving this balance will require organizations to develop the cultural sensitivity and ability to manage and leverage learning to build future capabilities.

Turning to the topic of teamworking there is mounting evidence and opinion that this represents the most effective framework for achieving performance goals in organizations requiring greater fluidity and flexibility in responding rapidly to market challenges and opportunities. Senge[3] in looking at the dynamics involved in organizational learning and competitive success highlights the key role of effective teamworking. More recently Fisher et al.[4] have produced evidence which demonstrated, in a commercial rather than "classroom" setting, that diversity of team types within a team (using Belbin team roles as a framework) leads to more effective performance.

Bringing thinking relating to these "hot topics" together provides a background to considering issues relating to development and performance of international management teams.

For global organizations there is an increasing need to get groups of managers from different nationalities to work together effectively either
as enduring management teams or to resource specific projects addressing key business issues.

Many organizations have found that bringing such groups of managers together can be problematic and performance is not always at the level required or expected.

In addressing the issues relating to developing effective international management teams it appears that the following areas should be considered:

- Identifying the nature and implications of national cultural differences within the team.
- Establishing a basis for building understanding and awareness of cultural differences and how they may be managed.
- Formulating a framework for developing a high performing team which takes account of cultural differences and leverages the diversity present in an international team.

This article sets out to explore each of these areas and propose an overall framework for building international management teams.

The nature and impact of national cultural differences

It is useful to identify clear framework for analysing and understanding national cultural differences. Such frameworks have been developed by researchers and consultants such as Hofstede[5] and Trompenaars[6]. While the respective merits and drawbacks of different frameworks are widely discussed, I feel that use of one framework is helpful to illustrate the major issues which need to be considered. For this purpose I have selected Hofstede's basic model.

In his original work Hofstede identified four key dimensions which impact on national cultural differences. These are:

- **Individualism/collectivism**: This dimensions reflect the extent to which individuals value self-determination as opposed to their behaviour being determined by the collective will of a group or organization.

- **Power-distance**: At the core of this dimension lies the question of involvement in decision making. In low power-distance cultures, employees seek involvement and have a desire for a participative management style. At the other end of this scale, employees tend to work and behave in a particular way because they accept that they will be directed to do so by the hierarchy or the organization.
Overcoming the problems of cultural differences to establish success for international management teams

- **Uncertainty avoidance**: This dimension is concerned with employees' tolerance of ambiguity or uncertainty in their working environment. In cultures which have a high uncertainty avoidance, employees will look for clearly defined, formal rules and conventions governing their behaviour.

- **Masculinity/femininity**: This is possibly the most difficult dimension to use in an organization context. In practice, the difficulty is more to do with terminology and linguistics, in Hofstede's work the dimension related to values. In highly "masculine cultures" dominant values relate to assertiveness and material acquisition. In highly "feminine cultures" values focus on relationship among people, concern for others and quality of life.

The results of Hofstede's research are frequently borne out and reinforced by practical experience of multinationals seeking to implement global HR policies.

Higgs and Phelps[7] undertook research into Japanese financial organizations operating in UK markets and their findings showed evidence of practical experience which was explicable in terms of Hofstede's framework. In practice this has significant implications for the development of international management teams.

Using this framework it is possible to identify differences in responses to management styles, organizational preferences and motivation patterns. Table 1 illustrated some differences which can impact on the way in which managers from different cultures may behave and perform in a team. The table illustrated differences on the Hofstede dimension of uncertainty avoidance. From this it would appear likely that, for example, a UK member (low uncertainty avoidance) and Japanese member (high uncertainty avoidance) of a management team would have significant differences in their initial perceptions and expectations of both team purposes and processes.

From this brief illustration it is, hopefully, evident that in order to develop effective international management teams it is necessary to create an environment which both acknowledges and values cultural diversity and develops individuals' cultural awareness and sensitivity.

**Valuing diversity**

All too often multinationals see the cultural diversity within their operations as an area of difficulty rather than as an opportunity to build competitive advantage. This point is well illustrated by an exercise in the early 1980s carried out by Laurent and Adler[8]. International executives attending management seminars in France were asked to list the advantages and disadvantages of cultural diversity for their organizations. While 100 percent of participants were able to identify disadvantages less than 30 percent could identify any advantage.
Overcoming the problems of cultural differences to establish success for international management teams

Frequently understanding the nature and value of cultural diversity is not well embedded within company thinking and practice. In many ways thinking in this area has not developed in line with the trend to globalization. In an article in the *Financial Times* in April 1995 Houlder[9] commented on

<table>
<thead>
<tr>
<th>Low uncertainty avoidance</th>
<th>High uncertainty avoidance</th>
</tr>
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<tbody>
<tr>
<td>Achievement</td>
<td>Security</td>
</tr>
<tr>
<td>Leader as facilitator</td>
<td>Leader as expert</td>
</tr>
<tr>
<td>Minimum rules</td>
<td>Emotional need for rules</td>
</tr>
<tr>
<td>Open-ended learning</td>
<td>Structured learning</td>
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</table>

*Table I. What is important*

the apparent of organizations to develop managers with crossborder capabilities; in that article Daive McGill of BP points out that:

*Making someone aware of cultural diversity is something that has to start at day one when they join the company.*

It may well be that effective performance of international management teams is as much to do with the values of multinationals as with the development processes. Adler[10] provides some evidence for this in her analysis of organizational strategies for managing cultural diversity. This analysis is summarized in Table II and highlights the parochial response as being the most common.

However, it is important not only to understand differences between cultures. It is essential to identify the potential advantages and disadvantages likely to be brought to a team by managers of different cultures.

Table III, drawing from Hofstede's work, provides one illustration of comparative cultural competitive strengths.

<table>
<thead>
<tr>
<th>Type of organization</th>
<th>Perceived impact of cultural diversity on organization</th>
<th>Strategy for managing the impact of cultural diversity</th>
<th>Most likely outcomes of strategy</th>
<th>Frequency of perception and strategy</th>
</tr>
</thead>
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| Parochial: Our way is the only way | No impact: Cultural diversity has no recognized impact on the organization | Ignore differences: Ignore the impact of cultural diversity on the organization | Problems: Problems will occur but they will not be attributed to culture | Very common |
| Ethnocentric: Our way is the best way | Negative impact: Cultural diversity will cause problems for the organization | Minimize differences: Minimize the sources and impact of cultural diversity on the organization. If possible, select a monocultural workforce | Some problems and few advantages: Problems will be reduced as diversity is decreased while the possibility of creating advantages will be ignored or eliminated; problems will be attributed to culture | Common |
| Synergistic: The combination of our way and their way may be the best way | Potential negative and positive impacts: Cultural diversity can simultaneously lead to problems and advantages for the organization | Manage differences: Train organizational members to recognize cultural differences and use them to create advantages for the organization | Some problems and many advantages: Advantages to the organization will be realized and recognized; some problems will continue to occur and will need to be managed | Very uncommon |

Table II. Organizational strategies for managing cultural diversity
Table III. Potential competitive advantages of different cultures

<table>
<thead>
<tr>
<th>Power distance</th>
<th>Low Accept responsibility</th>
<th>High Discipline</th>
</tr>
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<tbody>
<tr>
<td>Individual/collective</td>
<td>Individual Management mobility</td>
<td>College Employee commitment</td>
</tr>
<tr>
<td>Uncertainty avoidance</td>
<td>Low Innovation</td>
<td>High Precision</td>
</tr>
<tr>
<td>Masculine/feminine</td>
<td>Masculine Efficiency Mass production</td>
<td>Feminine Personal service Custom building</td>
</tr>
</tbody>
</table>

In looking at diversity in international management teams it is important not to focus exclusively on the issue of cultural differences. In a recent Cranfield Executive Competences survey which examined management teams on a pan-European basis Kakabadse[11] made the observation that:

*To differing degrees, the same sorts of problems are shared across different nation states. The skill is not to be blinded by national parochial differences. Attention should be given to applying those levers that are required to focus on attaining business goals.*

This study reinforced the need to be clear as to the competences required for effective performance.

The issue of diversity, however, also needs to extend to consideration of diversity in personal styles and behaviour. In a team setting Belbin[12] has demonstrated quite clearly the value of diversity in team role and style in underpinning effective team performance.

**Building cultural understanding and awareness**

Hofstede proposed a general framework for building the competences required for operating in a cross-cultural basis. This may be summarized as:

1. **Building awareness**
   - of own culture;
   - of cultural differences.

2. **Developing knowledge:**
   - of the impact of cultural differences;
   - of the relative strengths and weaknesses of different cultures in a managerial setting.
3. **Building skills:**
   - identifying the impact of different cultural settings for managerial problems adapting behaviours to achieve effective results in different cultural settings.

Adler[13] points out that, in practice, it is through working on real problems and issues in a multicultural setting using a structured framework that skills and understanding are developed. It is in this practical setting that the benefits of diversity may be realized.

The need for such a practical approach and framework is reinforced in a study of European managers carried out by Kakabadse and Myers[14]. Furthermore, their study highlights the importance of developing skills in a team context and recommends development in actual teams designed to:

- build cohesion and consistency in teamworking;
- develop a shared vision and understanding;
- establish quality dialogue between members;
- establish feedback mechanisms to review and improve team processes.

**Developing a framework for building effective international management teams**

It would seem, from the above review, that a framework for developing effective international management teams needs to draw together:

- processes for understanding, valuing and leveraging cultural diversity;
- understanding and leveraging diversity in individual style and behaviour;
- understanding about factors relating to effective team performance.

The first two of these points have already been examined. However, it is important not to lose sight of what has been learned in a broader sense about the factors associated with effective team performance.

The factors relating to effective team performance have been the subject of considerable investigation. Much of the evidence is either case study based or "anecdotal". However, a number of broadly common themes emerge which have been reinforced in two comparatively recent studies. One of these studies[15] involved an examination of teams in a diverse range of multinational and UK organizations identified the following factors which were correlated with effective team performance:
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- team balance;
- leadership behaviour;
- inter-team working;
- overcoming hurdles;
- autonomy;
- shared understanding of goals;
- recognition;
- reward;
- full circle feedback.

In an earlier study, Higgs and Rowland[16] identified the following elements which were found to be determinants of effective management team performance in a major multinational's international project teams:

- a shared understanding of and commitment to team goals and objectives;
- clear and shared understanding of each team member's role and contribution
- recognition of the value of diversity in style, expertise and contribution;
- effective pooling of knowledge and skills.

The factors emerging from these studies indicate that the framework for developing effective international management teams needs to address:

- team purpose/charter;
- objectives;
- values;
- team member roles;
- teamworking processes.

Combining these requirements with cross-cultural considerations may be achieved by a framework which addresses both the "what" in terms of content and focus of the teamworking and the "how" in terms of style and working processes. Such a framework is summarized in Figure 1.

This framework has been found to be effective in practice. The building of the team around the need to address hard and specific business issues provides a clear context for examining the cultural and process elements of performance. Being able to anchor all activities and developments to hard deliverables provides focus for developing and applying understanding and helps to provide a clear and unifying goal for the team. In practice we have found that the achievement of the business-
related result reinforces the process understanding and learning which has taken place within the team.

**Embedding team development**

While the framework outlined briefly above can be valuable in building a specific team the overall issues reviewed in this article require a more concerted organization-wide approach. For many organizations the move to build multicultural management teams and leverage the ensuing diversity represents a major change. As such it may be worth viewing the process within the context of the change management framework first proposed by Lewin[17]. Figure 2 summarizes a potential overall framework for building more effective multinational management teams using Lewin’s model.

**Conclusions**

The growing trend to globalization of businesses is giving rise to a need for the development of effective international management teams. For many organizations this need will entail thinking more clearly about cross-cultural issues and more overtly and systematically understanding and valuing the benefits of diversity in international teams. Achieving this requires the integration of thinking and practice relating to team building, understanding of the benefits of differing personal styles and behaviours.

Although much can be achieved by working with specific teams, the truly successful global players are likely to be those which embed the change through integrated changes to selection, development, reward and recognition policies and practices. In doing this the value of effective multicultural working can be captured at many levels in the organization and international teams, be they project based or permanent, will tend to

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*Figure 1. A framework for developing international management teams*
Figure 2. Managing the change to multicultural teamworking

reach high performance levels more rapidly and consistently. This in turn can help organizations build global capability and competitive advantage.

Malcolm Higgs