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CREATING VALUE WITH DIVERSE TEAMS IN TRANSNATIONAL MANAGEMENT: DIVERSITY AS LIABILITIES AND ASSETS

More and more companies use teams with a multicultural background to implement their global strategy. The shift from international team management towards transnational team management is evident. Thus, the main goal of this article is to discuss some specific implications that this shift involves. In the mainstream of these interests are: stages of team forming and development, task complexity and performance as well as advantages and disadvantages of team cultural diversity. The main conclusion is that managing multicultural teams demands the approach of strategic transnational human resources management that tries to capitalize on diversity and economize team management both in financial and social terms.

Keywords: multinational team, culture, team diversity, transnationalism

INTRODUCTION

Companies recognize that the demands to be responsive to local market and political needs and the purpose to develop global-scale competitive efficiency are simultaneous, if sometimes conflicting. They become more responsive to local needs while retaining their global efficiency. Thus, strategic approach to management needs to imply some transnational considerations. As Bartlett and Ghoshal explain, in contrast to companies taking the global view – which simply means developing global strategies, that is thinking in terms of creating products for a world market and manufacturing them on a global scale while implementing the same standard solutions in the worldwide management of subsidiaries – the transnational mentality recognizes the importance of flexible and responsive country-level operations, hence the return of national into the terminology (Bartlett and Ghoshal 1995, p. 11-13).

This transnational approach provides for linking and coordinating different global and local operations to retain competitive effectiveness and economic efficiency – as indicated by the prefix trans (Bartlett and Ghoshal

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2002). This idea is also known as glocal (global+local) – global effectiveness and efficiency that must go together with local responsiveness as the main objective is to win worldwide competition and the winning itself is conditioned by results obtained locally.

All this explains why international companies are rapidly increasing their use of multinational teams (MNTs), although, sometimes with great success and sometimes severe frustration. MNTs of many types are evident: the management team of an international joint venture, a group developing a product for multiple-country markets, a group responsible for formulating integrated European strategies, a task force charged with developing recommendations for rationalizing worldwide manufacturing, and, increasingly, even the top management team of the firm itself (Hambrick et al. 1998, p. 182).

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Thus, the main goal of this article is to discuss some specific implication that using MNTs involves. In the main stream of interest are those solutions that have been well-known in the literature since the beginning of the previous century and can be successfully combined with some new developments. Management, as an interdisciplinary science, makes use of results of other sciences, like sociology, cultural anthropology, psychology, organizational behaviour, communication, economics and so on. That is why the article covers some selected problems rooted in different sciences to show how the transnational character of MNTs may gain advantages within creating values over those without such a character.

1. THE SPECIFICITY OF MULTINATIONAL TEAMS (MNTs)

In the literature, multinational teams (identified with multicultural teams) are sometimes interchangeably called transnational teams. But some authors believe that there is a serious distinction between the two, and the author of this article shares such a viewpoint as well. Generally speaking, multinational teams are kinds of work group composed of multinational (multicultural) members whose activities span multiple competences, while a transnational team (TNT) is a group of people whose effective interpersonal relationships – based on diverse individual perspectives and qualities – recognize and integrate cultural differences to capitalize on these

differences. And transforming a multicultural team into a transnational team needs some special care of all current and potential stakeholders.

It is also worth mentioning that there are some other prefixes used with the term national. So far they have not been paid much attention to by authors. In short, we can discuss the understanding of teams with reference to these prefixes with connection to national as follows:

• global teams – focus on composition and task – members coming from different local units and solving problems at corporate level (against local),

• international teams – focus on composition – members coming from different local units and/or of different nationalities,

• cross-cultural teams – focus on culture and cultural differences conciliation to facilitate cooperation through these differences pursuing unity,

• intercultural teams – general meaning similar to cross-cultural teams but with an emphasis on cooperation not through but between separate cultures.

As the problem of lexical connotations of the term national with connection to various prefixes is more complicated and deserves much longer discussion, a separate article is recommended. It is enough to say that henceforth with reference to business corporations:

• multicultural team management is understood as those decisions and activities which are to satisfy team members' needs (of a personal character: social, professional, psychological, economic, etc.),

• international team management covers these decisions and activities that are related to achieving organizational goals (both of local units and the whole corporation composing of all local units),

• transnational team management understanding implies the mix of multicultural team's and international team's implications, that is taking into account both personal needs and goals of teams members as well as institutional needs and goals of an organization in its glocal dimension.

Two key factors strongly affect a multinational team's composition, operations and performance, and differentiate this team from other types of work teams. They are (Snow et al. 1996, p. 52-53):

• task complexity and importance (e.g. it typically works on projects that are highly complex and have a considerable impact on company objectives; is geographically dispersed; often with psychological distance between members),

• multicultural dynamic (it must be adept at handling a variety of cross-cultural issues, often related to national culture, organizational culture and occupational culture.)

It is important to establish a conceptual understanding of the implications of multinational composition for group functioning. Here are some key observations about MNTs (Mead 2005, p. 182):

• Nationality affects a person in numerous interconnected ways, ranging form the deeply underlying to the readily apparent: values, cognitive schema, demeanour, and language. These nationality-derived qualities, in turn, affect a person's behaviour, as well as how the person is perceived in an MNT.

• A MNT's chances of being effective depend on a variety of factors. However, prominent among these is the combination of a) the magnitude and type of nationality-derived diversity among members, and b) the nature of the group's task. That is, some types of nationality-derived diversity serve as endowments for the group, while other types of diversity create great difficulties. Whether diversity is an asset or a liability, in turn, depends on what the group is trying to accomplish.

• In contemporary global corporations, multinational teams serve useful purposes in addition to conducting their particular work tasks. Namely, MNTs often exist as a necessary by-product of a concerted global human resources system, in which superior talent from around the world is sought, motivated, and developed.

In most cases multinational teams come into existence in three ways:

1. From the top down – senior managers see competitive need, decide that a MNT should be formed, and put together a team with a particular mandate;

2. From the bottom up – they evolve naturally from the existing network of individuals who depend on each other to accomplish their work objectives;

3. From top to top – initiated by and with managers mostly at the very top of the company (at corporate or local level), often named management teams or management boards.

MNTs can be used in a variety of ways:

• to help achieve global efficiency, to develop regional or worldwide cost advantages, standardize designs and operations;

• to enable their companies to be locally responsible, to attend to the demands of different regions' market structures, consumer preferences, and political and legal systems;

• to enable organizational learning, to bring together knowledge from various parts of the company, transfer technology, and spread innovations throughout the firm.

It is widely believed that routine problem solving is best handled by a homogeneous team, while more ill-defined, novel endeavours are best handled by a heterogeneous team, in which diversity of perspective and

opinion allows more far-ranging generation and airing of alternatives. But some authors argue that three different types of group tasks, not two, need to be considered in order to make useful predictions about the effects of group heterogeneity. Extending the creative vs. routine dichotomy, Jackson set forth the extended typology of team (Hambrick et al. 1998, p. 193-194):

- creative,
- problem solving (or computational),
- task execution (coordinative).

These types of tasks are discussed in Table 1.

Table 1

Types of MNT tasks

The creative task	The computational task	The coordinative task
The creative task is one that can be approached in numerous ways, involving various types of stimuli or information, and for which there is no objectively verifiable "correct" answer. Among the key challenges in facing such a task are to generate a broad array of ideas, use already-generated ideas to develop even more and better-refined ideas, and then eventually to reach consensus on a solution which typically cannot be defended in a rigorous fashion. MNTs engaged in creative tasks include those responsibilities for worldwide or regional product development, market planning, and global strategy.	The computational task is one in which a boundle of fairly clearcut information needs to be assembled and analyzed, and for which there are relatively objective standards for assessing the correctness or superiority of a particular solution. For such a task, the chief challenges are to make sure that the full range of required information is obtained and processed by the team. This kind of task is also called problem solving. MNTs engaged in computational tasks could include those conducting analyses on worldwide manufacturing-site selection, global inventory and logistics planning, and tariff and tax rationalization.	The coordinative task is one requiring elaborate and well-orchestrated interaction among group members. The successful conduct of this type of task does not require creativity as much as interpersonal reliability, speed and accuracy of interaction, and a great capacity for prompt mutual adjustment among team members. Examples of MNTs engaged in such tasks are those responsible for executing an already-developed business strategy, environmental crisis-response teams (e.g. oil spill clean-up), and currency arbitrage groups. This type of task is also called task execution but here it is broadened to capture any task that requires intensive interpersonal coordination.

Source: Hambrick et al. 1998, p. 194, Evans et al. 2002, p. 311

Naturally, some team tasks are hybrids of these three types. Moreover, some teams may go through phases in which they move from one type of task to another, say, from primarily a creative task to a coordinative task.

2. STAGES OF MNT DEVELOPMENT

In the literature it is virtually accepted that teams develop through some specific stages. One of the well-known models identifies five distinct phases through which teams in organizations usually go. These stages are as follows [Greenberg and Baron 2000, p. 256]:

1. Forming: During this stage of group development, the members get acquainted with each other. They also establish the ground rules by finding out what behaviours are acceptable regarding the job (e.g. how productive they are expected to be) and interpersonal relations (e.g. who is really in charge). During the forming stage, people tend to be a bit confused and uncertain about how to act in the group and how beneficial membership will be. Once the individuals come to think of themselves as members of a group, the forming stage is complete.

2. Storming: As the name implies, this stage is characterized by a high degree of conflict within group. Members often resist the control of the group's leaders, and they show hostility toward each other. If these conflicts are not resolved and group members withdraw, the group may disband. Otherwise, as conflicts are resolved and the group's leadership is accepted, the storming stage is complete.

3. Norming: During this stage, the group becomes more cohesive, and identification as a member becomes greater. Close relationships develop, and shared feeling become common. A keen interest in finding mutually agreeable solutions also develops. Feelings of camaraderie and shared responsibility for the group's activities are heightened as well. The norming stage is complete when the members accept a common set of expectations constituting an acceptable way of doing things.

4. Performing: During this stage, questions about group relationships and leadership have been resolved – and the group is ready to work. Having been fully developed, the group may devote its energy to getting the job done. The members' good relations and acceptance of the leadership helps the group to perform well.

5. Adjourning: Groups may cease to exist because they have met their goals and no longer are needed (e.g. an ad hoc group created to raise money for a charity project), in which case the end is abrupt. Other groups may adjourn gradually, as the group disintegrates either because members leave or the norms no longer are effective for the group.

But international team building is not an easy task, especially when we recognize that what we have to deal with in practice is international team and multicultural team convergence. Although assembling multicultural teams does not differ much from creating monocultural teams, some new variables appears, as to mention culture, language, communication style or group dynamics (development). One widely cited model of team development in

communication sciences assumes that multicultural teams should proceed through as many as four stages of development (Ociepka 2002, p. 401):

1. Each member entering a team brings their own expectations, culture and values. The member starts perceiving that values make a set of norms which are characteristic for a given society and are not universal;

2. Even though serious problems with cultural differences arise in the team, the respect towards cultures of particular members is being induced;

3. The members start to trust each other. Sharing knowledge becomes more popular. Attention is focused on achieving the goals for which the team was called into being;

4. The team starts performing and realizing the goals or tasks based on cooperation between all team members.

There are evident similarities between these two models. Also summarized in Figure 1, they both encompass such elements as: getting acquainted with each other, coping with problems concerning social interactions, reconciling individual and cultural diversity, shifting from the focus on people to the focus on task as the former does not cause problems any more, performing what is to be performed.

Stage 1. Forming
Members get to know each other and seek to establish ground rules.

Stage 2. Storming
Members come to resist those rules which are strange to their culture.
Dissimilar behaviours may even cause hostility.

Stage 3. Norming
Members work together, developing close relationships and feelings of camaraderie. The respect towards cultures of the others is being induced.

Stage 4. Performing
Group members work toward getting their jobs done while maintaining good social relationships.

Stage 5. Adjourning
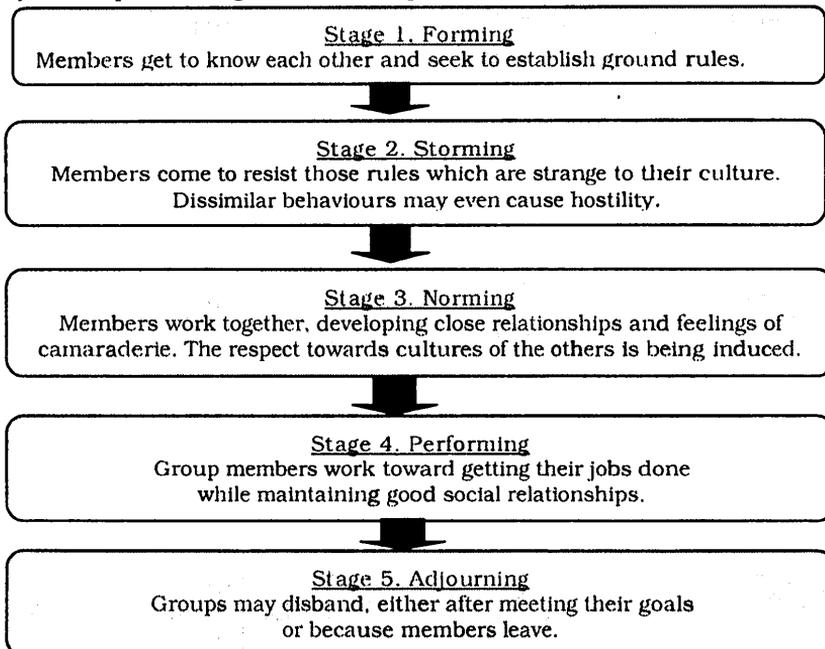Groups may disband, either after meeting their goals or because members leave.

Figure 1. The Five-Stage Model of MNT Team Development

Source: adapted from Greenberg and Baron 2000, p. 256, Ociepka 2002, p.401

Due to the changing demographics, differences in the employee pool are going to continue to increase over the next few decades. Managers will have to study socialization much more closely and intervene so that the maximum benefits result from hiring an increasingly diverse workforce. The managerial challenge will be to identify ways to integrate the increasing number and mix of people from diverse national cultures and backgrounds into the workplace. Much of the potential productivity and effectiveness of diverse workforce and teams depends on the ability of upper management to establish a positive climate for diversity. Hence, transnational management makes a new challenge. And how to communicate to manage effectively is only a small part of this challenge.

The effectiveness of managerial staff in the conditions of a company's multiculturalism is supposed to be achieved by being strong on two dimensions of communication:

• courage – refers to the extent individuals display their feelings and convictions,

• consideration – refers to the amount of respect and understanding one has for the feelings and convictions of others.

A high-courage and high-consideration communication style creates a win-win situation; any other combination offers suboptimal results. Kenneth Davis points out there are four major types of expatriate communication style. Their characteristic features are described in Table 2.

Table 2

Styles of intercultural communication

Name of style	Description
Isolationist	– is low-courage, low-consideration communicator who brings a low embodiment of own cultural identity and convictions and also has a low regard for the cultural identity of the host population. Real communication is difficult with such person, and the result is a lose-lose situation.
Ugly tourist	– is high-courage, low-consideration communicator who has a high regard for own culture but is disdainful of the host culture. This individual sees the world through own cultural filter, and the result is a win-lose approach.
Gone native	– is low-courage, high-consideration communicator who is highly appreciative and understanding of the host country culture while deprecating his/her own. Such individual fails to advance the headquarters' goals, and the result is a lose-win situation.
Global communicator	– is high-courage, high-consideration communicator who has a strong sense of own cultural identity and a high level of consideration for the cultural values of the host society. Such individual contributes to a win-win situation by drawing out the positives from both the home and host country cultures.

Source: Sanyal 2001, p. 380

Managers who cannot work effectively with representatives of other cultures should take part in cross-cultural training. This is the way they can learn how to relate with people of different cultural traits. They can acquire respect and understanding towards values and ideas with which the managers have been unfamiliar up to now. Cooperation with others demands an approach that characterizes global communicator and facilitates creating win-win situations – the solutions that satisfy both parties.

3. SOME MULTICULTURAL TEAM PERFORMANCE ISSUES

An important question that may be asked is how a team's cultural diversity affects task performance. Considering this question, researchers, especially organizational behaviourists, have reasoned that when a culturally diverse group forms, its members first need time to adjust to their racial and ethnic differences. To the extent that people's differing perspectives and styles interfere with their ability to work together, task performance may suffer. With time, however, group members learn to interact with each other despite their different backgrounds, and these performance differences should disappear. Figure 2 provides some insight.
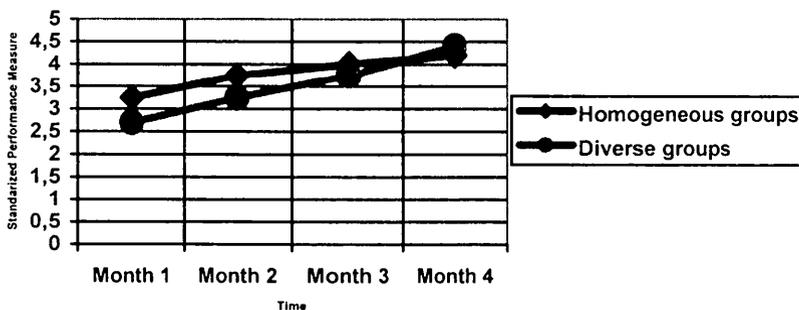
Who performs better - groups that are culturally heterogeneous or culturally homogeneous? According to one experiment, the answer depends on when performance is measured. Specifically, culturally diverse groups performed worse than homogeneous groups at first, but these differences disappear over time.

Figure 2. Task Performance in Culturally Diverse Groups: An Experimental Demonstration

Source: Greenberg and Baron 2000, p. 267

Global teams, according to DiStefano and Maznevski, fall into one of three clear performance categories as described in Table 3.

Table 3

Three models of global teams

The destroyers	The equalizers	The creators
These teams are unmitigated disasters. Their members mistrust each other, guard information jealously, and take every opportunity to attack other members. For example, on their team they may always perceive the Brits as too serious, the Germans as so stuck up about engineering they don't think anyone else has a brain, and the French as unable to care less about production quotas. In these cases, the energy that can be channeled into effective work is drained into negative stereotyping. "Team" decisions are made by the manager or formal leader without genuine discussion among members. The "team" destroys value rather than creates it.	This pattern is the most puzzling. The members feel they handle their differences well, that everyone gives their input, and that they resolve things pretty quickly and move on. These teams' senior managers, though, usually tell a slightly different story. One executive said, they guess the members get things accomplished but they assemble the best minds in the company, then produce a compromise that doesn't even approach the expected cost savings. In a word: mediocrity. The teams help their companies stay in the game but by not allowing the differences to surface in any way, the teams suffer because they can't leverage them for innovation or performance advantages.	These teams go far beyond the buzzwords "value diversity". Differences are explicitly recognized and accepted, even nurtured, and their implications are incorporated into every facet of the group's process. The members all recognize the mastery of the others, and understand the potential for synergy arising from their combinations. They develop constantly shifting dynamic that incorporates innovation into cooperative structures. In business practice these teams create value by bringing highly successful products to market in record time, achieving quantum leaps in cost savings in a price – competitive industry, inventing new types of alliances with global suppliers and clients, and moving successfully into territory that others were unable to conquer.

Source: DiStefano and Maznevski 2000, p. 47-48

The authors suggest that there are three steps to creating value: map, bridge, and integrate. Creator teams interact according to these steps. To map, they describe the differences among members and the impact of those differences in objective, measurable ways. To bridge, they communicate in ways that explicitly take the differences into account. Integrating directs them to create team-level ideas by carefully

monitoring participation patterns, resolving disagreements, and creating new perspectives.

Concluding, a global team may be transformed into a transnational team if there is an opportunity, ability and, first of all, willingness to:
- use a global style of communication,
- take a creative approach to interpersonal relations and problem solving,
- recognize other cultures' value,
- capitalize on cultural and individual differences.·

Depending on the performance appraisal being used, the national culture and team performance may cause problems even in homogeneous groups. In individualistic cultures, like British, Canadian, American, German, people value highly individual accomplishment and personal success. In other countries, however, such as Israel and the People's Republic of China, which are referred to as having collectivistic cultures, people value shared responsibility and the collective good of all more highly. Different approaches to responsibility and accomplishment may result in the appearance or lack of social loafing. Social loafing is the tendency for group members to exert less individual effort on an additive task as the size of the group increases. People working in groups are not expected to engage in this phenomenon. Doing so would mean failing in their social responsibility to the group – a responsibility that does not prevail in individualistic cultures. In fact, people in collectivistic cultures can be expected to be more productive in groups than when alone as they are strongly motivated to help fellow group members. In other words, not only would they not loaf, they would work especially hard.

Greenberg and Baron provide a case where these ideas were tested. Managers from the United States, Israel, and China were asked to take part in an interesting experiment. Each manager was asked to complete an "in-basket" exercise. This task simulated the daily activities of managers (e.g. writing memos, filling out forms, rating job applicants) in all three countries. Managers were asked to perform this task as well as they could for one hour but under one of two different conditions: alone, or as a part of a group of 10 managers. Participants who worked alone were asked simply to write their names on each item they completed and turn it in. Participants who worked in the group condition were told their group's overall performance would be assessed at the end of the hour. Fellow group members were not present physically, but they were described as being highly similar in their family and religious backgrounds as well as in their interests. (The researchers

reasoned groups of this type would be ones whose other members would be especially reluctant to let others down by loafing.)

To compare the various groups, each participant's in-basket exercises were scored by converting the responses to standardized performance scores.

The results clearly show that social loafing occurred in the United States. In other words, individual performance was significantly lower among people working in groups than among those working alone. The opposite was found in each of the two highly collectivistic cultures (i.e. China and Israel). In both countries, individuals performed at higher levels when working in groups than when working alone. These people not only failed to loaf in groups, they actually worked harder than they did alone. Because they strongly identified with their groups and were concerned about the welfare of other members, managers from collectivistic cultures placed their group's interests ahead of their own. These findings only occurred, however, when people believed they had strong ties to the members of their group (Greenberg and Baron 2000, p. 269-270).

This research proves that social loafing is not a universal phenomenon. It is rather culture that determines the intensity of people's tendencies toward social loafing. We may conclude that individual interests guide performance among cultures that stress individualism while among cultures that stress collectivism group interests come first and guide performance. This conclusion is also supported by G. Hofstede whose well-known research resulted in defining five cultural dimensions, with individualism vs. collectivism as one of them (see more: Hofstede 2002).

4. CREATING MULTINATIONAL TEAMS WITH SPECIAL CARE

The general considerations on team performance, as partly presented in the previous chapter, is that working through and within teams involves various kinds of implications. Since organizations want or have to operate through multicultural teams, they need to take more proactive than reactive activities to make teamwork work. Thus, assembling teams requires the right combination of skilled people and also individuals who are willing to work together as a team. When done effectively, designing a work team is a project that involves four distinct stages. Carefully following these steps is a useful way of giving teams a head start on the road to success. The details are presented in Table 4.

Table 4

Creating teams in four stages

Stage 1: Prework
Before teams are actually created, a decision must be made whether a team should be formed. A manager may decide to have several individuals working alone answer to him or her or a team may be created if a manager believes it may develop the most creative and insightful ways to get things done. When considering this, it is important to note exactly what work needs to be done. The team's objectives must be established, and an inventory of the skills needed to do the job must be made. In addition, decisions should be made in advance about what authority the team will have. They may be advisory to the manager, or they may be given full responsibility and authority for executing their task (i.e., self-regulating).
Stage 2: Creating performance conditions
Building on the prework, the organization must ensure the team has the proper resources to perform its work. This involves both material resources (e.g., tools, equipment, money), human resources (e.g., the appropriate blend of skilled professionals), and support from the organization (e.g., willingness to let the team do its own work as it sees fit). Unless managers help to create the proper conditions for team success, they are contributing to its failure.
Stage 3: Forming and building the team
Three things can help get a team off to a good start. First, managers should form boundaries – that is, clearly establish who is and who is not a member of the team. Some teams fail simply because membership is left unclear. Reducing such ambiguity can help to avoid confusion and frustration. Second, members must accept the team's overall mission and purpose. Unless they do, failure is inevitable. Third, organizational officials should clarify the team's mission and responsibilities – that is, make perfectly clear exactly what it is expected to do (but not necessarily how to do it). Will team members be responsible for monitoring and planning their own work? If so, such expectations should be explicit.
Stage 4: Providing ongoing assistance
Finally, once a team is functioning supervisors may need to help the team to eliminate problems and to perform even better. For example, disruptive team members may be counseled or replaced. Similarly, material resources may be replenished or upgraded. It may be unwise for a manager to intervene in a successful team that has taken on its own life, but it also may be unwise to neglect opportunities to help a team do even better.

Source: Greenberg and Baron 2000, p. 276

Herewith, an international company should be able to provide the resources and support for those working in multinational teams. Managers supervising such teams need to understand processes such as group dynamics, especially how national cultures affect group functioning (see also: Yan, Hunt, 2005). That is why not only creating teams in well-arranged stages needs some special care, as exemplified in Table 4, but also an

appropriate preparation of team members to perform common tasks in culturally-diverse conditions is of high importance. Preparation, among many other activities, may cover adequate training within the scope of cultural differences.

DiStefano and Maznevski propose the cultural orientation framework that can be successfully used in cultural training. This framework is covered in Table 5.

Table 5

The Cultural Orientation Framework

Issue 1. Relationships among people		
What basic relationships among people are most natural and/or most effective? Who is everybody responsible for, who must be taken care of, and who must everyone obey and be accountable to?		
Response 1: Collective	Response 2: Hierarchical	Response 3: Individualistic
One's major responsibility is to and for a large group such as extended family or peer group. In effective teams and organizations individual contributions are not identified, and roles and responsibilities are highly fluid.	Interaction is most effective when there is unequal distribution of power and responsibility. Those higher in the hierarchy have power over and responsibility for those lower.	One's major responsibility is to and for oneself and immediate family. In effective teams and organizations, individual contributions are identified and each person has a specific role and set of responsibilities.
Issue 2: Relationship to Environment		
What kind of relationship do we have with the world around us? How do we see ourselves in relation to the world around us? What is our role with respect to the world around us?		
Response 1: Harmony	Response 2: Mastery	Response 3: Subjugation
We are not separate from our environment, but are part of it. Organizational problems are best resolved by adjusting elements in a large system to achieve and maintain balance over the big picture and long term.	We can and should control our achievement. Organizational problems are best resolved by identifying which elements to change, and then changing them. If you control the environment, you will have fewer problems.	There is a large element of our environment that we can't and shouldn't control. We shouldn't jump to make changes before we see if the problem can work itself out, or before waiting to see how the problem fits into a large plan outside of our control.

Issue 3: Mode of Activity

What mode of activity best suits interdependence and interaction in our society? How should we engage in activity, and how should we count on others to act?

Response 1: Being	Response 2: Doing	Response 3: Thinking
Teams and organizations function best if we do everything in its own time. We should identify broad goals and adapt them as circumstances arise, and should conduct work and move towards goals as seems appropriate at a given time. It is important to enjoy the process.	Teams and organizations function best if we set agendas with specific goals, constantly strive to achieve those goals, and continually engage in productive work.	Teams and organizations function best if we approach everything we do with great deliberation and rational thought, and with a great deal of attention to detail. We shouldn't act until we are certain we are doing the best thing.

Issue 4: Human Nature

What is the basic, underlying nature of humans? Is human nature (a) essentially good or evil; and (b) basically changeable or not?

Response A1: Good	Response A2: Evil	Response B1: Changeable	Response B2: Unchangeable
Assumption that humans are essentially good; if they do bad things, it is an anomaly or because of forces in the environment. People should be trusted at first.	Assumption that humans are essentially evil, if they do good things it is because they are consciously trying to overcome their nature. People shouldn't be trusted until they have earned the trust.	A person's basic nature can change. If a person is essentially good now, he or she can change to become essentially evil, and vice versa.	A person's basic nature can't change. A person who is good now will always stay good, and vice versa.

Issue 5: Time

How do we think about time? What role does it play in our decision-making and day-to-day life?

Response 1: Past	Response 2: Present	Response 3: Future
We should have a strong respect for tradition and our past. In making decisions, we should rely strongly on what has worked in the past.	We should be interested in our past only as it helps us understand today. Today's needs are the most important, and the short-term future should also be considered.	We should be interested in the past and present only in how they have potential to affect the long-term future. We should easily sacrifice things today to benefit the long-term future.

Source: DiStefano and Maznevski 2000, p. 61

According to the Cultural Orientations Framework, based on theories rooted in cultural anthropology developed in the 1950s and 1960s (see: Kluckhohn, Strodtbeck, 1961), every society must address a limited set of issues concerning interactions among people and with the environment. There is a limited set of typical responses to each issue, and every individual prefers one or sometimes two responses over the others for each issue. Most people who grew up in the same society tend to have the same set of preferences, but not always. For example, most Americans prefer individualism over collectivism over hierarchy for relationships, but many Americans are more collective than individualistic. No response is better than the others in all situations – the authors of the framework explain. The best solutions to a company's most complex problems will inevitably incorporate a variety of these perspectives. The five most important issues and their corresponding typical responses listed in Table 5 provide some useful guidelines.

5. ADVANTAGES AND DISADVANTAGES OF MULTICULTURAL TEAM DIVERSITY

Because of the nature of culture, cultural differences may provide the greatest potential for creating value. Culture affects what we notice, how we interpret it, what we decide to do about it, and how we execute our ideas. Multicultural teams, then, have an enormous wealth of material with which to create innovative approaches to complex organizational challenges, and a broad range of operating modes with which to develop new ways of implementing solutions. Today's business cannot flourish without the creative value afforded by high-performing transnational teams.

Some companies create special teams to solve cross-cultural problems. Establishing cross-national teams to examine the underlying cultural factors that have led to problems in a management process signals to employees in overseas business units that their values and management approaches are respected by the company. Drawing on their ideas, and then encouraging them to share their resultant approaches with other affiliates, affirms their sense of contributing to and belonging to the international company. Thus, in addition to producing management processes that are responsive to different cultures and countries, and that draw on talent from throughout the multinational company system, this process fosters a sense of organizational membership and identity in managers. In short, the benefits can significantly

outweigh the cost in the longer term, and, if approached in the methodical manner suggested, the organizational learning approach can likely result in additional benefits in employee attitudes and ultimately organizational performance (Milliman et al. 2002, p. 42).

Based on analyses of successful teams, several suggestions can be identified (Greenberg and Baron 2000, p. 281-282):

- Diversify team members.
- Keep teams small in size.
- Select the right team members.
- Train, train, and train.
- Clarify goals.
- Link individual rewards to team performance.
- Use appropriate performance measures.
- Promote trust.
- Encourage participation.
- Cultivate team spirit and social support.
- Foster communication and cooperation.
- Emphasize the urgency of the team's task.
- Clarify the rules of behavior.
- Regularly confront teams with new facts.
- Acknowledge and reward vital contributions to the team.

There are also some criteria suggested for evaluating the success of MNT shaped in the form of questions (Deresky 2000, p. 44-45):

- Do members work together with a common purpose? Is this purpose something that is spelled out and felt by all to be worth fighting for?
- Has the team developed a common language or procedure? Does it have a common way of doing things, a process for holding meetings?
- Does the team build on what works, learning to identify the positive actions before being overwhelmed by the negatives?
- Does the team attempt to spell out things within the limits of the cultural differences involved, delimiting the mystery level by directness and openness regardless of the cultural origins of participants?
- Do the members recognize the impact of their own cultural programming on individual and group behavior? Do they deal with, not avoid, their differences in order to create synergy?
- Does the team have fun? (Within successful MNT, the cultural differences become a source of continuing surprise, discovery, and amusement rather than irritation or frustration).

The relative level of effectiveness or productivity depends on how the group's diversity has been managed. Research shows that culturally diverse groups tend to be either the most or the least effective when compared with average productivity of homogeneous groups. As stated previously, diverse groups are typically more effective in situations requiring creativity and innovation, in long-term groups, and where members, selected for their expertise, are accorded respect and equal power. Table 6 lists the advantages and disadvantages of group diversity, which may be also perceived as the assets and liabilities of multinational teams.

Table 6

Effects of multicultural group diversity

Advantages (assets)	Disadvantages (liabilities)
Full utilization of resources: • Greater pool of skills and talent • Broad range of perspectives • Richness of ideas, points of view • More creativity and innovation • Possible solutions to problems • Reduced risk of groupthink	**Poor utilization of resources:** • Members don't acknowledge skills, knowledge, value of others • Poor communication and interpretation in group • Different norms, behaviors • Enhancing negative national stereotypes • Unaccepted management styles
High personnel development: • Opportunity to share, understand • Learn from others' approaches • Learn different experiences and technology • Role models for motivation of others throughout organization	**Low personnel development:** • Personality conflicts • Lack of trust • Closed to new ideas • Negative motivation for nondominant group members • Poor role modeling
Increased productivity: • More effective and creative groups • Respect, motivation of members • Greater acceptance in organization of decisions through diverse representation of employees	**Decreased productivity:** • Complexity of group processes • Lack of trust or cohesion • Ineffective discussion and decision-making process • Lack of consensus • Low commitment

Source: Deresky 2000, p. 451

The final question that may be asked is whether heterogeneity helps or hurts group performance. In particular, three theoretical refinements serve to

allow much greater subtlety and precision in estimating the effects of group heterogeneity on performance (Hambrick et al. 1998, p. 189):

1. The benefits and costs of group heterogeneity depend on the nature of the group's task.

2. The relative benefits and costs of group heterogeneity depend on the specific dimensions on which heterogeneity is being considered.

3. Curvilinear effects must be anticipated. That is, increasing heterogeneity may be helpful to group functioning only up to a point, beyond which the costs outweigh the benefits.

Diversity is the vast array of physical and cultural differences that constitute the spectrum of human differences. Nowadays, what a lot of international companies believe is that social harmony does not require people from various cultures to assimilate (or melt) together into one. Rather, people's separate identities should be maintained and accepted by others. The old melting philosophy fell into disrepute. Supplanting it was then the notion of cultural pluralism. Thus, the management of social diversity needs to be accompanied by cultural pluralism being nursed on a regular basis.

The basic conclusion is we need to move from managing multinational teams in their international dimension to managing transnational teams (TNT) to create their value with diversity in strategic transnational human resources management as well as capitalize on diversity itself. Comparing to strategic international human resources management (IHRM), strategic transnational human resources management (THRM) covers these decisions and actions which refer to employees, give direction for personnel operations in their long run, are oriented towards realization of both 1) transnational corporation's global and local objectives, and 2) its socially diverse employees' needs, and are of substantial long-term significance to the organization's success. Then, the major shift in managing teams in international companies needs to be from multiculturalism towards transnationality.

CONCLUSIONS

Attaching the prefix trans to national is not only a purely language operation but some specific ideology that issues from economizing the approach to multicultural teams used within human resources management in worldwide corporations. Economizing should not be understood as one involving only liabilities and assets in financial terms. Even one of sociological perspectives explaining social interaction is based on the

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CONCLUSIONS

Attaching the prefix trans to national is not only a purely language operation but some specific ideology that issues from economizing the approach to multicultural teams used within human resources management in worldwide corporations. Economizing should not be understood as one involving only liabilities and assets in financial terms. Even one of sociological perspectives explaining social interaction is based on the

assumption that maintaining relations with others covers so called social exchange (Vander Zanden 1998, p. 172-173). It depicts us as "social bookkeepers" who order relationships by maintaining a mental ledger of rewards, costs, and profits. Rewards are anything we will incur costs to obtain. Costs are whatever we attempt to avoid. And profits are rewards less costs. We exchange not only money and material things, but also social goods – affection, security, prestige, information and so on. In so doing, we use a minimax strategy – we minimize costs and maximize rewards. In business terms it means that when members of multicultural teams capitalize on their social relations and become transnational teams – companies may gain profits in whatever terms, financial or social, too.

To take advantage of this opportunity in pursuing global effectiveness and efficiency, international companies need to employ a glocal approach that emphasizes local responsiveness. Thus, managing transnational teams implies taking into account both personal and institutional benefits, and creating value with diverse teams in transnational management should be associated with perceiving cultural diversity as liabilities and assets.

As mentioned in the introduction section, this paper is a small part of the research project on international companies operating in Poland. The main conclusions developed here need some other research, especially in the field of using transnationality as a strategic advantage of multinational organizations.

Hence, further research should focus on calling into existence teams which are to support and develop the transnational approach, which is believed to be an advanced method of multinational corporation management, since being flexible enough to capitalize on differentiated contributions by national units may facilitate prosperity in integrated worldwide operations. This demands taking some strategic viewpoint into account that incorporates glocal business strategies and glocal HRM strategies to work out the most desired characteristics of a transnational team. This makes three major contingency variables influencing on team performance: corporation strategies, local strategies and glocal dimensions of the team. Corporation strategies and local strategies are subdivided into business and HRM strategies, and substrategies. Glocal dimensions of team cover task type and human (or social) diversity (the wider understanding of diversity in comparison to cultural diversity, namely including not only different nationalities, ethnicities, cultures, but different sexes, ages, educational backgrounds, religious and political orientations, and many others as well).

This brings about another research issue – whether it is possible to anticipate TNT performance by finding the best fit between business strategies, HRM strategies, and team diversity and tasks. If so, then how to determine the measurable indicators to elaborate that fit and what methods and tools may be needed to maintain and advance transnationality.

In both theory and business practice, it means we are at the beginning of the way leading to transnational value-creating conceptions.

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