6. Empirical findings from K&M International

6.1 Company description: K&M International

K&M International is a small company located in Ohio, Twinsburg. It is the world leader in the production of nature-related toys and operates in the USA, Canada, Australia, Singapore, Hong Kong, Japan, U.K., Denmark, France, Austria, Holland, Italy and Germany and has production facilities in China and India. Around 100 to 120 people work in the HQ in Ohio (approximately 30% Indians and 70% Americans). The product development team develops every year approximately 800 to 1000 toys. The company’s mission is: “To serve our global community, taking a leadership role in providing innovative nature-related toys that help fulfill our business partners’ common mission of education with recreation.” (K&M International, 2007)

K&M International was founded 1975 by Mr. Pillai who has a strong passion for children and animals and who realized that in the seventies the zoos and aquariums were in a pretty bad shape in the USA:

“I am the president and owner of the company. I founded the company. First, I used to be an engineer. Basically, I was a mechanical engineer. I used to work for a large organisation. This was General Electrics. I had a passion for children and animals. And I wanted to do something for children and animals in combination. I had to make a decision concerning the best way to do this. So, when I was working I used to look at all these toys around and I had to realize that the zoos and aquariums were in a pretty bad shape in the USA 30 years ago. Today, the zoos and aquariums have nice shops with a lot of animal related products. 30 years ago it was not that way. There were many not related products in the zoos. I got the opportunity to start a business in my garage. I used the savings from my job. I used to sell during the weekends to the zoos and aquariums in the USA. I drove to the zoos and aquariums and very soon I managed to find a niche. I bought the toys and started reselling them. At the beginning I did not have the opportunity to start with product development but by buying and reselling these toys the businesses started growing. Then I decided to leave GE. People were telling me that I was taking a great risk but I was very confident with what I was doing and I made a big step in my life. By the way, the first employees were me and my wife. We were packing the toys and then reselling them. Slowly, we started putting more products into the line and we build up good relationships with our customers. I have very good relationships. I was selling the products to zoos, aquariums and museums wherever this was possible. The business started growing. Today, I have sales people. It is not me who is selling the products. So, I
could concentrate much more on the product development. We have very good people here. As a company, we have different nationalities working here. We have multiple talents. The talent is what we are looking for. The nationality does not matter. Soon, we reached the point where we realized that we were successful. So the question was: “What is our next step?” I did not want to be a toy company. I wanted to be a niche player. A toy company is a big risk since there is a tough competition. We did not have the finance to do it. So, we decided to find a niche and be strong. As soon as I became successful in the USA I decided to expend my business. The question was again if I should go as a toy company or if I should stay a niche play and expend to Canada. After a couple of weeks, I decided to go to Canada. We build up an office there and started selling toys. Then I went to Singapore. There I met a woman who decided to go to Europe after she worked for us in Singapore. So, I asked her if she would like to support us in expending our line to the European market. She decided to do so. She was very capable and she started to expend our business in Denmark. The next step was the U.K. The last market was Austria. We soon built up our own infrastructure to a certain extent by building our own factories in India and in China. We have also suppliers from Hong Kong. I developed these people from zero to this extent. We also went to Austria where we started selling our products in the Vienna zoo six years ago. The next market was Holland. In Vienna and Amsterdam we started with the retail part (P: K&M 34; 3:3)."

The company pursues a multinational strategy and adopts its marketing activities to national customers’ needs. In future it plans to expand its businesses to CEE. We are not allowed to include any financial data about K&M International in this dissertation.

### 6.2 Major findings from K&M International

In this following section we will present the findings from the study conducted at K&M International in Twinsburg, Ohio. The researcher conducted 15 problem-centred interviews with team members and team leaders from India and the USA in August, 2005. The interviews have lasted for approximately one hour. The researcher has spent seventeen days in the corporate HQ conducting interviews, socialising with team members and participating in directors’ meetings. This chapter presents the categories of influence on MNT performance identified at K&M International and the relevant codes of each category, which are listed in Table 14. Problem-centred interviews have been conducted in English with Indian and American employees. The section also includes those quotations that present typical arguments for the relevant codes. The most frequently mentioned categories are corporate norms (mentioned by 93% of interview partners), followed by
the impact of corporate culture on teams and team leader characteristics (mentioned by 73% of interview partners) at K&M International. We could also obtain 51 quotations by 67% of interview partners that refer to cultural differences between Indians and Americans.

<table>
<thead>
<tr>
<th>Category</th>
<th>Codes</th>
<th>Number of quotations</th>
<th>Percentage of interviews per code (100% = 15 interviews)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural differences between American and Indian team members</td>
<td>Reference to cultural differences between Indians and Americans</td>
<td>51</td>
<td>67%</td>
</tr>
<tr>
<td></td>
<td>Most frequently mentioned differences: Individualism in India and collectivism in the USA</td>
<td>8</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>Power distance in India versus USA</td>
<td>9</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>Context sensitivity of Indian versus USA</td>
<td>6</td>
<td>33%</td>
</tr>
<tr>
<td></td>
<td>Gender egalitarianism in India versus USA</td>
<td>5</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Perception of time in India versus USA</td>
<td>4</td>
<td>13%</td>
</tr>
<tr>
<td>Industry context</td>
<td>Nature of business</td>
<td>5</td>
<td>20%</td>
</tr>
<tr>
<td>Organisational context</td>
<td>Organisational culture</td>
<td>22</td>
<td>73%</td>
</tr>
<tr>
<td>Corporate norms</td>
<td>Norms</td>
<td>111</td>
<td>93%</td>
</tr>
<tr>
<td>MNT dynamics</td>
<td>Knowledge exploitation and exploration in MNTs</td>
<td>11</td>
<td>47%</td>
</tr>
</tbody>
</table>
We start this chapter with a presentation of the influence of macro-variables on MNTs. The results show a strong impact of industry and organisational culture as contextual forces on MNT effectiveness. MNTs at K&M International consist of American and Indian employees. Different cultural standards of Americans and Indians have a strong impact on team processes and contribute to critical incidents when team members with different cultural backgrounds interact with each other. We will also show how MNT members contribute to company’s competitive advantage by sharing valuable tacit knowledge at directors’ meetings, international conferences and regular MNT meetings. In addition to the team leader competences required to effectively manage MNTs and individual team members’ skills and abilities, we will present data about leadership-cultural specifics of

<table>
<thead>
<tr>
<th>Team leader functions</th>
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<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Team leader</strong></td>
<td>52</td>
<td>73 %</td>
</tr>
<tr>
<td>Motivation</td>
<td>12</td>
<td>40 %</td>
</tr>
<tr>
<td>Communication</td>
<td>10</td>
<td>40 %</td>
</tr>
<tr>
<td>Decision making</td>
<td>6</td>
<td>33 %</td>
</tr>
<tr>
<td>Goal determination</td>
<td>5</td>
<td>27 %</td>
</tr>
<tr>
<td>Monitoring</td>
<td>4</td>
<td>27 %</td>
</tr>
<tr>
<td>Providing leadership</td>
<td>3</td>
<td>20 %</td>
</tr>
<tr>
<td>Conflict management</td>
<td>3</td>
<td>13 %</td>
</tr>
<tr>
<td>Task delegation</td>
<td>2</td>
<td>13 %</td>
</tr>
<tr>
<td>Selection of team members</td>
<td>3</td>
<td>7 %</td>
</tr>
<tr>
<td>Managing the weaknesses and improving</td>
<td>2</td>
<td>7 %</td>
</tr>
<tr>
<td>the strengths of MNT members</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team building function</td>
<td>2</td>
<td>7 %</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Team member</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personality</strong></td>
<td>6</td>
<td>33 %</td>
</tr>
<tr>
<td>Work experience</td>
<td>5</td>
<td>27 %</td>
</tr>
<tr>
<td>Social competence</td>
<td>4</td>
<td>27 %</td>
</tr>
<tr>
<td>Open-mindedness</td>
<td>6</td>
<td>20 %</td>
</tr>
</tbody>
</table>

Table 14: Categories and codes derived from the analysis of interviews conducted at K&M International (Source: Author)
India and the USA and the emergence of hybrid cultures in MNTs. Table 15 presents a short summary of major empirical findings from K&M International.

<table>
<thead>
<tr>
<th>Major empirical findings</th>
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</thead>
<tbody>
<tr>
<td><strong>Industry</strong></td>
</tr>
<tr>
<td><strong>Organisational culture</strong></td>
</tr>
</tbody>
</table>
| **MNT composition and cultural characteristics of American and Indian team members** | MNTs at K&M International consist of American and Indian members. The finding shows that if two groups with different values and norms of behaviour have to interact in one team, then the members will either adopt e.g. American or Indian norms of behaviour. These different cultural standards also lead to the emergence of conflicts and are usually the cause of clashes in team interactions. Demographic diversity creates faultlines, since demographic characteristics divide the network into subgroups. Although we did not seek to determine the level of individualism/collectivism in Indian and the American society, one of the major findings is the existence of a strong element of individualism in India and collectivism in the USA. This finding deviates from prior notions of individualism/collectivism. One would expect that employees who are high in collectivism will more readily accept the team aspect than employees who are more individualistic, since cultures that are collective exhibit more emotional dependence on the team, and are more conforming, orderly, traditional, team-oriented and particularistic. Indians are less likely to readily accept many of the concepts associated with teams and team work. Collectivism is oriented towards the family but not necessarily towards the organisation and its members. A high degree to which Indians accept the uneven distribution of power among members has been observed. In India,
they never question decisions made by people above them and people working for them never question their decisions, assuming that their power gives them the right to make such decisions and given their power their decisions had to be correct. Yet managers from the U.S. tend to solicit work-related ideas and suggestions from team members as a part of a democratic leadership style. American members view dependence on the team leader negatively, while Indian members obtain a sense of security from power coming from their leaders and view dependence as a positive quality. One could assume that this might be attributed to the level of uncertainty avoidance in the Indian culture. Yet according to Hofstede and Bond (1998) the cultural dimension “uncertainty avoidance” is ranged in the mid-range (40) in India even at a lower level than this is the case in the USA (46).

Indian members are more context sensitive than the American members who work with them in MNTs. Indians are more willing to change their behaviour in order to cope with their environment. Americans react in consistent ways in different situations. In South-India some behaviour that is judged appropriate for a given place, time, and person may not be appropriate for other times, places and persons. Consequently, Indians change their behaviour in order to meet environmental demands. The ability of Indian team members to adapt their working and communication style to the American way decreases communication problems, inaccuracy, misunderstandings and inefficiency in the MNTs.

The findings also show that team members from cultures characterised as being low on gender egalitarianism (e.g. India) may harm team effectiveness in the case they do not adjust to the values and norms of behaviour of (female) members from cultures high on gender egalitarianism (e.g. USA).

MNT norms

The results also show that the emergence of norms subsequently influences work processes and outcomes. In addition, they mediate the relationship between team composition and work outcomes. A broad range of team norms has been identified in this study.

Emergence of hybrid

Managerial values and attitudes are subject to change in MNT context and therefore studies aimed to explore the
effect of cultural dimensions on team effectiveness should be aware of the fact that culture is not a static variable but is changing and time has a strong moderating effect on it. Indian team leaders integrate the American managerial practices and adopt a different leadership style in MNTs. As a consequence of this phenomenon, we should rethink accepted notions of culturally determined managerial identities and go beyond seeing managerial identities in fixed national terms. When we study MNTs we must also consider country and cultural differences other than those provided by culture-general frameworks.

**MNT leader**

We could identify several team leader competences. These are the following: motivation, communication, decisions, goal determination, monitoring, conflict management, ability to provide leadership, selection of team members, managing the weaknesses and improving the strengths of team members, task delegation, teambuilding and knowledge of the local language of the country where the team operates. In addition to these competences, it is critical for an MNT leader to develop solid relationships with a variety of people from different countries and to be socially competent and to have the required interpersonal abilities. He is also expected to demonstrate real humility that he has only limited knowledge and skills required to carry out the activities of the team.

**MNT member**

Persons interviewed highlighted the importance of personality traits, team member social competence and open-mindedness as three main factors influencing MNT interactions.

Table 15: Major empirical findings from K&M International (Source: Author)

### 6.3 Toy industry

K&M International is the world leader in the production of nature-related toys. The company operates in a very competitive industry. There is intense competition and a constant need for innovation and improvement. Different types of MNTs (e.g., product development teams, customer support teams, sales teams, warehouse teams, customer support teams, IT teams, management teams etc.) are employed. The industry context has a strong influence on team composition, team members’ requirements, team tasks and MNT effectiveness. External factors such as weather or changing customer tastes may have a stronger impact on company performance than MNT effectiveness. Therefore, it would be wrong to assess
team performance solely by measuring a company’s profits or sales as has been done in prior studies on MNTs:

"The biggest challenge for me is getting them to make their budget. There are a lot of factors that… Customers have a lot of say what we ship and when we ship it. The zoo business in particular is a division that… There are so many variables that go into what we ship every month, whether place has major factors, how the … at the gift shop within the zoo are going, the customers come in the fall in one of our three showrooms that we have in Toronto, San Diego and obviously Cleveland and they place orders which I wished they were concrete orders but they are not. They make usually projections. This is where I think I am going to buy from you. And what happens is the weather will dictate if they will really take the product. Last month my business was down and I am not going to take the order I placed for you to ship in August. What happens we have that inventory and we make it stuck with…. It is the nature of our business and I wish we could change the culture and the way how we are doing it because they just won’t take products that they do not need. That does contribute a lot to our inventory problems. One thing that the overall projection for every customer we will always exceed the sales in whatever those projections are. It is the mix of the product. My biggest challenge is to try to make a budget with all these variables that come into play with that (P30: K&M 3; 22:22)."

MNT researchers cannot afford to continue to ignore factors beyond the organizational level of analysis such as industry context, if they want to explain and predict the behaviour of MNTs and their members. Industry, among other contexts, will affect MNTs and their members (Jelinek and Wilson, 2005). Consequently, companies operating in different industries will implement different types of MNTs and the industrial context will impact MNT performance.

6.4 Organisational context: K&M International

6.4.1 Organisational culture of K&M International

K&M International uses teams as the core performing units. The organization is designed to support teams and the logic of the organization is team-oriented and not individual-oriented. It supports teams and team building processes by introducing different team building activities where all employees are invited to participate. This way people from the company and different teams get the opportunity to know each other and form relationships. By getting familiar with members of different teams in the company, people are more willing to exchange relevant
information about market trends, product development ideas etc. and contribute to the company’s overall success. K&M International uses teams to perform the core work of the organization and a variety of team types are used to meet the needs of each situation. The type of team varies as the work varies and different types of teams are needed for different types of work. The corporate culture has been characterised as “a family-like culture”:

“When you work for K&M International you are not just a number. You think of you as a member of K&M family and that has been spread across the staff (P34: K&M 35; 17:17).”

“I know everybody by name. There is not anybody on the whole who passes and I do not know the name. That feels like a family to me as well. Here I know the people at warehouse, at account payable, account receivable. It positively influences the team work because people outside our department are comfortable to come to us and say: ‘I have an idea for product development!’ They are talking to us and they give us their ideas. It is definitively positive to feel as a family and to know everybody in the company (P35: K&M 14; 66:66).”

Such a culture is critical to the performance level of the teams. It motivates the employees to go above and beyond the call of duty, to aid fellow workers and contribute to collective success:

“Everybody in the company feels that he should do something; he should contribute to company’s success from the warehouse to the upper management and the owner. They promote communication among employees and promote their creativity you actually work in a creative department or not you can still have creative ideas. Things that may…. Everybody from the company contributes to our ideas. Somebody from the sales will call us and say: ‘Eh. I have this idea from a customer. What do you think about this?’ Sales people work with the customer and we want to make products for the customer and we want to listen what the people in the field are telling us. And if a certain customer says that he needs a certain product it is in our best interest to do something (P35: K&M 32; 107:107).”

The impact of founder’s values on organisational culture

According to Hofstede et al. (1990) the U.S. management literature rarely distinguishes between the values of founders and significant leaders and the values of the organisation’s employees. Yet “the values of founders and key leaders undoubtedly shape organisational cultures” (Hofstede et al., 1990: 311). Our findings are in accordance with this conclusion. The founder of K&M International has a strong influence on corporate culture and he creates a sense of mutual obli-
gation and loyalty, resulting in greater commitment and loyalty from his employees. He has a strong impact on decision making and is very powerful. This phenomenon can be illustrated by the following quotations:

“I am not sure if there is a lot of corporate culture here. It is Mr. P.’s culture. I have worked in a corporate atmosphere and this is the first time that I am working in an owner-based company. The culture is what Mr. P. wants it to be (P32: K&M 25; 93:93).”

“Employees feel like family members when they work in this company. And this is where they turned to be very successful. All the employees are very dedicated to Mr. P., to Mr. P. and Mrs. P. actually. And I think that basically they care very much for the employees and they show that they are always there for their employees. I do not know if this comes from the Indian culture. I have never been anywhere else except in the U.S. so I can not really compare. But this probably makes the teams in this company more successful (P33: K&M 15; 65:65).”

“Well, again I think being a small company I know several of my employees have had situations where they needed some help and being a smaller company and the owners knowing pretty much everybody who works with the company they are willing to help their employees out in certain situations like for example giving them money that they need but they are always willing to go a step and help you if you have a problem. And I again think that you will not have this in a larger company. The two owners of the company know you by name and you do not feel like you are working for this big corporate entity where you do not know who is on the top or hardly anybody in between (P38: K&M 3; 21:21).”

“They sometimes work 14 or 15 hours a day or even on weekend and without any complaint. That is because they know and respect Mr. P. and they know that they are working together for a common goal. They work as if K&M would be their own company. That is a tremendous thing that you will see very often in this company. They have targets to achieve, they work very hard for K&M and as a team they bring in themselves. I think that we have wonderful teams here. Everything is based on good relationships within the team (P31: K&M 19; 66:66).”

According to the literature, the key reference group that influences decision-making is likely to be the one that is the most powerful in the organization such as the founder (Schein, 1985) or a group of powerful members (Schneider, 1987). In India the owners’ and founding families’ authority and influence on the running of the firm is much higher than what was prevalent in firms operating in Western countries (Negandhi, 1973; in Mellahi and Guermat, 2004). We should keep in
mind that the owner of K&M International is originally from India. In India leaders are urged to create a family-oriented atmosphere in their organisations by cultivating a personalized and nurturant relationship with their subordinates, by participating in community functions, weddings, funerals, etc. (Khandwalla, 1996), so as to create a sense of mutual obligation and loyalty.

Presence of specific practices for managing team work at K&M International

In addition to organizational climate and culture, the context of an organisation also includes the presence of specific practices for managing team work and the patterns of social integration (Jackson et al., 2003). Team building activities support teams and team work in the company:

“To be successful I as a head of HR department in this company started a new project called ‘bridge the gap’. There are gaps between the teams and different people work in different teams........ So, we thought that we should bridge that gap. We should make these people talk to each other and become friends. Once they become friends, they will improve their relationship and once they have improved their relationship communication will improve. This program started 5 months ago. And we have some activities we do together. Once a month, after work we go to an amusement place and we play e.g. golf. We tie the eyes of one person and the other person has to tell this guy where to hit. So, we tell one team to select any other team from the company. And then these two teams play together. This way, people get to know each other and this facilitates communication and information exchange between the teams in our company. You can even invite friends. This helps us to build a team spirit in our company, to have successful teams and to facilitate the information flow between different departments of the company. Everybody should have a friend in this company. This motivates employees to stay in the company and creates a nice atmosphere. And do not get me wrong here! We are not encouraging dating here. We just encourage our employees to make friends. People are happier to work for us (P31: K&M 28; 144:144).”

“What we are doing here is ... I asked M. to call the people from the other departments and to let us have a small pizza party here. This forms relationships. What happens is that people get together and they develop some sort of attachment. This forms a real team. People from my company also meet after regular working hours. If my employees spend every day more than 8 hours of their life time here there should be some bonding. There should be some connection between the people (P34: K&M 24; 44:44). ”

Lack of information about the context in which many research studies have been conducted impedes our ability to understand the reasons for conflicting results
found across studies on MNTs. Understanding the corporate culture of K&M International helps understand why MNTs are so successful in this particular organisation. Creating an environment where teams can thrive does not happen by chance, but comes through time, effort, and commitment. The larger organisation must give some careful thought to what is needed to support teams. These reflective activities must occur regularly. The environment the teams work in and the corporate culture are critical to their performance level. Future research should study MNTs in their real organisational context. Only this way we can explain and predict the behaviour of MNTs.

The type of norms and values identified at K&M International and their impact on MNTs

According to Hofstede et al. (1990) shared perceptions of daily practices and not so much the shared values represent the core of a corporate culture. Corporate values that define what is important and norms that define appropriate attitudes and behaviours for employees are mostly consistent with team norms and values at K&M International. Team culture is also partly predetermined by the type of task to be fulfilled.

MNTs at K&M International adopt corporate norms in order to regulate members’ behaviour. These norms have an impact on how team members interact and communicate with one another, make decisions, solve problems and give feedback. Teams have also the freedom to define certain norms that help them better achieve their task. In addition to corporate culture the type of task influences team practices. For example, the product development team emphasizes norms that support innovation, promote creativity and encourage organisational members to develop original and useful products. In addition, members are expected to build upon others’ ideas rather than limit their attention to their own ideas:

Innovation-enhancing norm: “In the sense that we are constantly challenging each other with new ideas, new concepts, challenging each other to be really the best that we can be in what we are trying to do. I think this is very important. It creates an environment like a synergy of, you know, we are bringing these separate elements but together we are going to be successful..... (P29: K&M 14; 73:73).”

They are encouraged and rewarded for information sharing, particularly unique pieces of information, and for emphasizing greater tolerance for intellectual debate. These norms facilitate the generation and expression of creative ideas. Without a combination of diverse perspectives, the product development team may adopt the best individual idea rather than utilize the combined potential of the team:
Willingness to share information: “Again as far as with product department they go through and request a project. Nick comes to me and I will take it to my team and we will discuss it. Information flows back and forward. I give them the information they need and they give me the information I need. It comes to me and I discuss it with the team. The project request comes to me, I discuss it with my team and we may go to other directors outside of our group to discuss the projects further. And then... As far as they say that they are going to accept the project and so we have to get it completed. It is important that we share information and that everybody is willing to do so. Only this way we can benefit from the combined potential of the team (P39: K&M 7; 41:41).”

Teams at K&M International are very cooperative. Cooperative norms, in particular, reflect the degree of importance members place on their personal interests and shared goals, objectives, and mutual interests:

“The nice thing about our team since we are bringing different elements to the table if they are having a bad week or something happens on the IT side that is really you know quite bad hopefully we are doing such a great job and we can kind of smooth out the whole situation as a package.....And if IT is having a crisis hopefully we are having such a phenomenal success on our side. They are more willing to accept whatever shortcomings they may have. If we are not doing well hopefully the IT is providing such a great value to our customer so they are willing to accept some of our shortcomings because of IT.... (P29: K&M 12; 64:64).”

One type of norm that was crucial for team performance is an open communication norm. Open communication norms around task-related differences increase team performance:

Open communication: “What does work very well? I think when we are making a product the most important thing is the communication of the people working on the product and making sure that you are communicating very well. I think that our strength is definitively the communication along the group and the brainstorming, the idea and working it out from a concept to a finished product...... Is an open form. We discuss it openly with each other. The designers are involved in the project and we all sit down at the table and put the drawings at the table and discuss the thing, the price point, the market, the basic look of the product, what the age group should be and things like that. I would say an open form of communication (P35: K&M 4; 28:28).”

Creating shared goals is not a straightforward task in an MNT. Yet team members having a common goal are more effective than those having inconsistent and fractionated goals. Members who want to work together and who see how their mu-
tual interests can be served by doing so are more motivated to tolerate and cope with cultural differences in the team:

Common goals: "I have never had to interact with cultures until I started here...... If you take out the nationalities everybody is striving for the same thing. We are similar in a lot of more ways than we are different. In order to be and going back to this whole family thing of K&M it can be intercultural and it does not matter as long as we all strive to the same direction. And so business is just that a happy family produces and the bottom line is a healthy bottom line (P41: K&M 13; 70:70)."

Moreover, team leaders, who adopt a collaborative and diplomatic approach and who encourage team members to share constructive feedback with each other, increase team effectiveness and improve cooperation among individual members:

"Very constructive! And it is important, sometimes artists take it very personally since they worked on it themselves. You can criticize something with a positive construction or constructive feedback and instant of pointing out what is wrong with it you should point out what can be improved. Making it negative and making it positive. People respond to that better (P35: K&M 6; 39:39)."

"I am not going to shy away from communicating things. How I will approach it I will not say: ‘You suck. What have you done?’ If somebody has done something wrong, I am going to try to suggest different ways to go. So, it is something that I keep very private, I do not do it openly, I am not going to openly criticise anyone. But I always try to make it constructive criticism. It is something... It is dealing with something that you want to deal privately. I invite the person to my office and we discuss the issue but it is something that I will try to approach from sort of a constructive criticism point. ‘Eh. You did really well on this project. But this one area, maybe try to get it done this way.’ You must not put anyone down or hurt any feelings (P39: K&M 8; 45:45)."

"I give them constant feedback; I try to socialize with them. Giving constant feedback and letting them know when a project is completed and not taking it for granted. They should know that I appreciate their work and that they have performed well. We do it as a department on a weekly basis that we meet and sit doing so we discuss the projects (P39: K&M 12; 57:57)."

Justice in MNT settings is critical. Team leaders serve as a powerful source of social influence because they have limited amounts of resources and they distribute such resources among their team members selectively. This selective treatment leads to the development of different relationships with different team members. Teams with norms which regulate that these resources are fairly dis-
tributed among individual members have a higher degree of cohesion and the
danger that subgroups consisting of in- and out-group members (those with high
quality and lower quality relationships with team leaders) emerge is minimized:

“But at my company I try very hard to be fair to all my employees. There are
certain differences between American and Indian working styles but in order to
work together my major responsibility is to be fair to all people here at K&M. I
do not distinguish nationalities or anything here at this company. I do not care
where you come from. It is not an issue. It is important that you contribute your
part to the overall company’s success. This is what I am looking for. I do my
best in order to treat my employees fairly. People know this. They say to each
other: ‘If you do your job well, then he will be the person who will appreciate
your effort’ (P34: K&M 15; 26:26).”

“Fairness is very important. As long as every team member is treated fairly the
team will function effectively... (P34: K&M 28; 50:50).”

The empirical findings show the impact of corporate culture on team norms and
how these norms influence work processes and outcomes. A broad range of cor-
porate norms has been identified in this study. Most of them are consistent with
the corporate culture. Sometimes, team culture is partly predetermined by the type
of task to be fulfilled, e.g. product development teams. Successfully enacted team
norms can predict whether a diverse team will be more or less effective. The
negative effects of demographic heterogeneity diminish when corporate norms
encourage a focus on interdependent objectives and teams enact this type of norm.

6.4.2 Organisational strategy of K&M International

In the beginning, K&M International used to be a small company located in Ohio,
USA producing toys only for the American market. Today it is the world leader in
the production of nature-related toys and operates in the USA, Canada, Australia,
U.K., Denmark, France, Austria, Holland, Italy and Germany and has production
facilities in China and India. The company used to pursue a global strategy. Yet
today it follows a multinational strategy and tries to adopt its products to local
market consumer tastes and needs:

“The biggest challenge that we have now on the design aspect... In the USA
graphic design is more aggressive, brighter colours, big statement, because it is
so competitive on the shelf so that your products have to really stand out and
catch your eye on the shelf. Where I found in England, England design is very
clear and we have sometimes troubles switching gears because in the United
States we have been designing like this ever since I have started. So you have to start thinking in a different direction when you start doing things for Europe because they require something different. They do not like very loud design. It is very settled, very clear, and very simple where in the United States it is just the opposite. And then the translation, because translation for us is a big issue.... we are reselling these products in different markets and we are having a very hard time making all the changes that every country needs. We can not translate everything on a packaging. We have to kind of...(P37: K&M 6; 25:25)."

The diversity within the teams is positively related to their performance. Having people from India working in the HQ facilitates the interaction and information exchange with the company’s representatives and employees in the production facilities in India. In future, K&M International is even considering employing European designers in its product development and marketing team in the HQ in Ohio in order to benefit more from their knowledge about different markets, customer needs and desires. At the moment they are still working virtually with the artists, local sales people and market experts in Europe. This cooperation and virtual teamwork are very beneficial and have definitively increased the company’s competitive advantage.

The findings presented are in accordance with the literature. According to Richard (2000), higher racial diversity will be positively related to firm performance when the firm pursued a growth strategy. Companies that are involved in expansion and focus on ‘consumer to consumer marketing’ can benefit from market-related advantages obtained from cultural diversity. Diversity brings cultural sensitivity that is very important if the company enters new markets and tries to reach different market segments (Cox, 1993).

6.5 Different team tasks and their impact on MNTs at K&M International

By distinguishing among different types of teams, we have found that certain variables have a stronger impact on MNT’s functioning and the findings vary for different types of team. Consequently, the type of team matters for the determinants of effectiveness. At K&M International, interviews have been conducted with members of different teams, e.g. product development team, sales force team, IT team, customer support team, management team and virtual teams. Different teams are responsible for accomplishing different tasks and depending on the task the team members work more independently or interdependently. Consequently, task and goal interdependence have a strong moderating effect on team effectiveness. In MNTs with congruent task and goal interdependence, the
team leader's task of increasing the level of motivation, cooperation and identification is less challenging compared to teams with high goal but low task interdependence. It is much easier e.g. to motivate the customer support team members to work together and help each other than to increase the cooperation between individual sales people who are forming the sales force team and have one common goal but individual tasks. Each member is responsible for the sales in his own territory and consequently there is less cooperation and information exchange between individual team members:

“Yes, there are challenges but most of them have been here... The youngest person in the division has been here for four years. They range from 4 to about 8 years. So, they have been working together for many years. But each person has his own challenges as well. They each have a territory dealing with their customers as well. So, it is almost... I have to work with them individually to make their challenges and their budgets and their goals and if each one can do that we come together as a team on the sales side. It is much easier to get the customer service people to work together as a team which they do very well in covering for one another if somebody is busy jumping in and helping them, take the orders and things like that but from the sales side it is like baseball if you know American baseball. It is individual. Each one of my sales people has his individual challenges but if they do well they come together as a team (P30: K&M 4; 28:28).”

The tasks of the IT team are congruent and interdependent. This creates a positive climate in which Indian and American team members not only identify with their team and behave in a cooperative way, but are also motivated to exchange their perspectives and different opinions, to manifest creativity and supportive behaviour and to help each other:

“We are very interdependent. There are... Yes, we are very interdependent, dependent on one another. They are really.... They are the back on and without them we would not exist. Really without the support the things that we bring to the table if we stop offering that they would stop to exist as well. The nice thing about our team since we are bringing different elements to the table if they are having a bad week or something happens on the IT side that is really you know quite bad hopefully we are doing such a great job and we can kind of smooth out the whole situation as a package. K&M International is bringing to services this whole package. Part of it is computer, part of it is merchandising, and part of it is customer support and all of these other things. And if IT is having a crisis hopefully we are having such a phenomenal success on our side. They are more willing to accept whatever shortcomings they may have. If we are not doing well hopefully the IT is providing such a great value to our customer so they are willing to accept some of our shortcomings because of IT. Really as a
"I am the product development manager and my responsibilities are to take the product development process from concept all the way to the finished product with packaging and making it ready for the market..... I manage the staff of designers. These are about six designers and in addition to that I also design products myself: I started as a project designer and I still enjoy the creative process and I design products myself. So, I make sure that I am managing the department. The majority (4 members) of them are Americans in the product development team. Two are Indians. In marketing department we have an Indian woman working for us (P35: K&M 1; 10:10)."

"Everybody from the company contributes to our ideas. Somebody from the sales will call us and say: ‘Eh. I have this idea from a customer. What do you think about this?’ (P35: K&M 32; 107:107)"

"Then, the whole atmosphere in the company is motivating. We all are pretty much friend and we work closely together with each other. So, it is very easy to come up with new ideas. Somebody gives you suggestions and it is a day to day interaction between the team members. Then, Mr. P. also contributes to our ideas. He is very hands on. I mean he is part of the process in every step from coming up with the ideas and concepts to making sure that everything that we
do... I am not sure how he manages sales and other departments but with us he is very approachable. He is one of us and he just sits down on the table and he starts talking and telling us his ideas or he brings samples from places he has been to make our products better. He is just very approachable with everybody in our department and he treats everybody..... It does not matter if I am the manager. He speaks to everybody and tells everybody his ideas and gets their feedback (P35: K&M 21; 84:84).”

In order to draw the best expertise regardless of where it resides, K&M International also benefits from virtual teams whose members are located in India and the USA:

“The team I am working with the computer component we have a division which develops and manages the software that K&M has developed. There are three people who are working in the USA and who are managing the customer support side. And there are four to six people working in India on the development of that product. I work pretty closely with this team helping to develop a better, stronger software program that is better suited for this niche of the zoo we are so successful in. I do not work directly with the people in India. People that are here in the USA I work with them very frequently and they are kind of contact point for the people back in India....... That team is in a process of growing because they are developing two sides to the computer system. And they are totally developing the back office side of the system and they are looking to hire more people for that development process. (P29: K&M 2; 29:29).”

Consequently, the company uses different types of MNTs as the core performing units and basic units of accountability and work. The findings indicate that the type of team matters for the determinants of effectiveness. Yet most research (with only few exceptions, e.g. Van Der Vegt et al., 2003) conducted in this filled does not indicate the type of MNT and the types of tasks being performed. Lack of this information impedes our ability to understand study results.

Congruent task and goal interdependence create a positive climate in which dissimilar team members from K&M International not only identify with their team, and behave in a loyal and cooperative way, but are also stimulated to explore and exchange their different perspectives and opinions and to manifest creativity and innovative behaviour. This finding is in accordance with the literature. Interdependence, whether based on task inputs and processes or on shared goals and rewards, establishes connections and increases the need for cooperation between team members (Saavedra et al., 1993; Thompson, 1967). Members must interact to diagnose, analyze, and complete a task. Task interdependence requires and results in more cooperative behaviour and information sharing than does individual-based work (Colquitt and Noe, 1997). Strong ties between members should
therefore develop in interdependent work environments (Kozlowski and Klein, 2000). This cohesion may facilitate the exchange of information among team members by providing the opportunity for all members to discuss organizational policies and practices and to jointly interpret the team’s experiences (Roberson and Colquitt, 2005). The study conducted by Van Der Vegt et al. (2003) shows that under congruent high-high combinations of task and goal interdependence, members are more willing to exchange relevant data and to go above the call of duty to aid fellow workers and contribute to team success, whereas for team members working under congruent conditions of low task and low goal interdependence, little interaction is required and members pursue their personal interests.

6.6 Multinational team composition and functioning at K&M International

6.6.1 Team composition at K&M International and occurrence of bilateral conflicts

Around 100 to 120 people work in the HQ in Ohio (approximately 30% Indians and 70% Americans). Consequently, teams at K&M International consist of individuals from two different cultural backgrounds. In this section we will present the cultural differences between American and Indian team members and explain how these differences impact MNT performance.

Power distance and individualism/collectivism in India and the USA

A high extent to which Indians accept or reject the uneven distribution of power among members has been observed by Americans working in teams with employees in the production facilities in India as illustrated by the following quotation:

"It is very hierarchical. I think that there are many people who do not do much. They sit on their desk and just make few decisions. They are very lax in their work attitude in India. They are not real hard working, take a lot of breaks, work slowly... The lower people are very submissive. They will do anything that they are told to do like: ‘Do not speak until spoken to.’ You know and that type of thing (P40: K&M 13; 128:128)."

In India, they never question decisions made by people above them and people working for them never question their decisions, assuming that their power gives them the right to make such decisions and given their power their decisions have
to be correct. On the other hand, managers from the U.S. tend to solicit work-related ideas and suggestions from team members as a part of a democratic leadership style. American members view dependence on the team leader negatively, while Indian members obtain a sense of security from power coming from their leaders and view dependence as a positive quality. This dependence and hierarchy of Indian employees limits the ability of American team leaders to make team decisions and build effective teams. In addition, Indians have to face many challenges when they start working in teams at K&M International:

"American employees and this is true, American employees are very settled. You can not be direct with them. .... I know that I am his boss but this has to be a little bit indirect. They do not like authority. They do not like being told. This is a cultural difference. And this is very different as when you have to cope with Indian salesmen because in India boss, manager..... It is very formal, hierarchical, rigid... You are the one who makes decisions whereas here you are expected to make decisions with the others in the team... (P28: K&M 8; 65:65)."

"You stand up when your boss comes to your office. And this happened to me first. My first job here..... My managing director was only 29 years old making millions of dollars. Whenever he would come to my office I would stand up. It was just a reflex. He told me: ‘Stop it!’... So, I had to get used to it. Moreover, he expected me to make own decisions. I was not used to this. So, there were many challenges at the beginning. (P28: K&M 9; 65:65)"

This hierarchical emphasis of Indians is also identified by Hofstede and Bond (1998). According to their findings, India scores very high on power distance, as can be seen in the table below.

<table>
<thead>
<tr>
<th>Cultural dimensions</th>
<th>India</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power distance</td>
<td>77</td>
<td>40</td>
</tr>
<tr>
<td>Uncertainty avoidance</td>
<td>40</td>
<td>46</td>
</tr>
<tr>
<td>Individualism (Collectivism)</td>
<td>48</td>
<td>91</td>
</tr>
<tr>
<td>Masculinity (Femininity)</td>
<td>56</td>
<td>62</td>
</tr>
</tbody>
</table>

Table 16: Cultural dimensions of India and USA (Source: Hofstede and Bond, 1998)

Table 17 shows the societal cultural practices and values scales for India and the USA from the GLOBE project (Source: House et al., 2004).
The GLOBE project identifies India as part of the Southern Asian cluster. The cluster’s societal practices are rated high on group collectivism, power distance, and human orientation and low on gender egalitarianism. The other cultural dimensions are rated in the mid-range, around an average of 4. These findings are partly in accordance with my results and describe India as highly humane, male dominated, and hierarchical.

As far as group collectivism is concerned, our data shows contradictory results. According to House et al. (2004: 30) In-Group Collectivism can be defined as "the degree to which individuals express pride, loyalty, and cohesiveness in their organisations or families." Yet we recommend distinguishing family from in-group collectivism. This is what we have done in this study. Our results show a big difference between family collectivism at the societal level and in-group collectivism at the organisational level. In our study Indian members have reported that they behave more individualistically in India than this is the case in the USA. Their concerns for family or family members evoke strong collectivist behaviour but in order to serve family interests they usually behave in a very individualistic way at workplace. If their working colleagues’ needs and goals are opposed to the interest of their family there is a strong shift towards individualistic behaviour. This behaviour is intended to serve the family interests and turns out to be very competitive. Indians report that the working atmosphere at K&M International is very cooperative and supportive for teamwork, while the highly competitive

<table>
<thead>
<tr>
<th>Country</th>
<th>Assertiveness</th>
<th>Institutional Collectivism</th>
<th>In-Group Collectivism</th>
<th>Future Orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>3.70</td>
<td>4.25</td>
<td>5.81</td>
<td>4.04</td>
</tr>
<tr>
<td>USA</td>
<td>4.50</td>
<td>4.21</td>
<td>4.22</td>
<td>4.13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Gender</th>
<th>Power Distance</th>
<th>Uncertainty Avoidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>5.03</td>
<td>2.88</td>
<td>3.99</td>
</tr>
<tr>
<td>USA</td>
<td>2.89</td>
<td>5.29</td>
<td>4.02</td>
</tr>
<tr>
<td>India</td>
<td>3.36</td>
<td>4.92</td>
<td>4.15</td>
</tr>
</tbody>
</table>

Table 17: Scores for Societal Cultural Values and Practices Scales in India and the USA (Source: House et al., 2004)
Atmosphere in Indian companies limits team effectiveness and forces employees to behave in an extremely competitive and individualistic manner. Only in the case that they can find an opportunity to beat their colleague, they will go ahead. Climbing up in the corporate hierarchy is important in order to serve the interests of the family:

“In India, it is usually more difficult to have well performing teams. People try to compete with each other in order to be promoted. There are not so many challenging jobs in a company and at the same time the competition might be very strong. This is very true for India. I speak from my own experience since I used to work in India. People are not team players. Each one is trying to reach a certain goal on a competitive level. That destroys the cohesiveness of the team. It is not the team that works. Even despite the fact that India is a more collectivist society. You know people from India and China are collectivists when it comes to their role in the families but when it comes to their functioning in the company they are individuals. This is a very important point (P34: K&M 30; 60:60).”

One would expect that employees who are high in collectivism will more readily accept the team aspect than employees who are more individualistic, since cultures that are collective exhibit more emotional dependence on the team, and are more conforming, team-oriented and particularistic. Individualistically oriented cultures, such as the United States, Germany and Hungary, value autonomy, self-interest and performance. In contrast, collective cultures, such as Japan, Sweden and Russia, value group harmony, cooperation and satisfaction. Multicultural teams whose members differ in orientation between individualism and collectivism are likely to face challenges in developing team roles and norms because of different senses of organizational and individual responsibility (Bantz, 1993; in Matveev and Nelson, 2004). Yet Indians have reported that they learnt how to work effectively in a team when they started working for K&M International. Team leaders with prior experience in leading teams in India have been surprised by the level of cooperation in teams consisting mainly of American employees. Indians are less likely to readily accept many of the concepts associated with teams and team work:

“When you find an opportunity to beat the other person then you can go ahead. That is the work culture in India. That is because there are so many people in India and there are just a few jobs. Everybody is trying to beat you to a job. It is all about... If you slack a little bit somebody overtakes you. You are always watching people around you and watching what the people around you are doing. That is the Indian mentality. But here I find it a little different. People do not care about my job. They understand that this is my job and they will concen-
trate on their job. If they want to support you then they will come to you and will tell you: ‘Eh, I have got an idea. What do you think about this?’. In India it is all about trying to do everybody’s job and trying to prove yourself one better than the other. So, it gets very hard to motivate people in India. It is very hard to do team building in India. The mindset is not as open as it is over here. It is a very competitive work atmosphere in India (P32: K&M 24; 87:87).”

We assume that those high in individualism view team membership as task-specific and transitory, whereas those low in individualism view team membership as more long term. When in-group collectivism at the organisational level is high, team membership is highly integrated into a person’s life. Despite the fact that India is rated high on group collectivism (see Hofstede and Bond, 1998), our data shows contradictory results. Indians describe the level of competition in teams consisting of primarily Indian members as much tougher. It is always necessary to be one step ahead of the other member in order to stay competitive. Individuals will even stay longer and work until late in the evening in order to achieve better results than their team-mates during the regular working hours. This puts them one step ahead and makes them more competitive:

“There is probably one big difference. In India, if you want to achieve something in a company, you have to act as an individual. There is not enough room for team work. Only in the case that you perform better than your colleague you will be promoted. The atmosphere is very competitive. This prevents you from being a team player. There are not so many opportunities for each individual employee to be successful. And if there are not enough opportunities for all only the best and most successful will be promoted. You want to survive and in order to survive you will even betray your colleagues. In the USA you have plenty of opportunities. In India good jobs are limited. You will try to convince your boss that you are the one who deserves to be promoted (P42: K&M 25; 92:92).”

According to Kirkman and Shapiro (2001), employee acceptance of teams and self-management is related to deeply held cultural values. Employees who are high in collectivism more readily accept the team aspect of SMWTs than do employees who are more individualistic. In addition, a tendency for higher levels of collectivism is associated with greater job satisfaction and organizational commitment.

Yet the data obtained in this study raise doubts about Indians’ unequivocal nature of collectivism. In the classical study by Hofstede (1980), India’s score of 48 on a 100-point scale of collectivism-individualism indicates only a slight tilt towards collectivism. Verna and Triandis (1998) present a number of scenarios to samples of college students in Patna (Bihar, India) and Urbana (Illinois, USA). The findings indicate that Indian students opt for a higher percentage of collectivist (53%)
and a lower percentage of individualist alternatives (47%) than the Urbana students who opt for 39% collectivist and 615 individualist alternatives. However, the finding that 47% of the Patna students endorse individualist options, along with other studies referred to above, raise doubts about the sweeping generalization that Indians are collectivists (Sinha et al., 2001).

According to the results obtained from a study conducted by Kappor et al. (2003), the hypothesis predicting that the US sample will score lower than the Indian sample on collectivistic values and score higher than the Indian sample on individualistic values is partially supported. The Indian sample reports significantly higher scores on collectivism than the USA sample. However, the Indian sample also reports significantly higher scores on individualism than the United States (Kapoor et al., 2003).

There is indeed evidence of the presence of individualist orientation in India. Paranjpe (1998) has observed that in the intellectual and cultural tradition of India it is the individual, rather than the group, that has been the focus for moral responsibility. Furthermore, Indians are found to maintain an inner private psychological space that is central to their individuality (Roland, 1988, in Sinha et al., 2001).

Sinha et al. (2001) has examined the effect of eighteen situations on the choice of collectivist and individualist behaviour and intentions, or their combinations. A sample of 292 respondents, drawn from three locations in India, has participated in the study. The findings indicate that concerns for family or family members evoke purely collectivistic behaviour. Compelling and urgent personal needs and goals in conflict with the interests of the family lead to a mix of individualist and collectivist behaviour and intentions. Individualist behaviour intends to serve collectivist interests is the third most frequently opted choice.

This shows that the simplistic notions of individualism/collectivism are not enough to describe the Indian culture. According to GLOBE, organizational individualism and collectivism is distinct from societal individualism and collectivism (House et al., 2004). However, the two levels are expected to be interrelated, since societal level culture affects organizational work culture by shaping shared managerial assumptions about the nature of employees and how the organization needs to be structured for such employees (Kanungo and Jaeger, 1990). Yet, our results indicate that Indians are integrated into strong, cohesive in-groups which protect them in exchange for unquestioning loyalty outside of the organization at the societal level in their family surrounding, while in the organizations at the corporate level the ties between individuals are loose and everybody is expected to look after himself or herself.
Sinha et al. (2001) have found that a relatively impersonal place such as an organization or a market, compared to a family, facilitates exchange behaviour aiming at maximizing one’s utility. The in-group setting, on the contrary, enhances the salience of social norms regarding reciprocal expectations and appropriate codes of conduct. These in-groups also vary in their salience. A more proximate in-group such as the family induces stronger collectivist orientation than a distant group such as the community. Yet in an impersonal setting, individuals will feel free to pursue their individualist needs and goals. In addition, the person with whom people interact is another important determinant of either their collectivist, individualist behaviour or intention or a combination of both types. Family members cause pro-social, while others cause utilitarian responses (Sinha et al., 2001). According to Sinha (1990a), Indian employees extend cooperation and exhibit feelings of affective reciprocity primarily to family members and individuals who are perceived to be members of the same in-group. Behavioural patterns are strikingly different towards members who are considered to belong to non-family members. Relationships with these people are fraught with distrust, friction, and conflict (Saha, 1993).

We agree with Kirkman and Shapiro (2001) that employee acceptance of teams and self-management is related to deeply held cultural values. Yet when we study MNTs we must also consider country and cultural differences other than those provided by culture-general frameworks. These frameworks will never cover all information we need to know about people in different contexts. Each society has at least some qualitatively distinctive values that are not found in other cultures and that may have a stronger influence on team functioning than e.g. the notion of individualism/collectivism. Moreover, researchers should have a closer look at different constructs designed to measure “collectivism/individualism” before drawing any conclusions on expected behaviours. The literature review shows that there are mixed results as far as this cultural dimension is concerned. This represents an interesting avenue for future research.

**Context sensitivity of Indian team members**

Our findings also indicate that Indian members are more context sensitive than American members who work with them in MNTs. They are more willing to adapt their behaviour in order to cope with their environment. Indian team leaders report how they adapt their authoritarian leadership style and become more cooperative and participative. They have the potential to integrate, blend and accommodate their traditional values and western management practices in order to lead their teams more effectively. They change themselves by adapting their behaviours to the demands of the ever-changing context in their environment. In this way they create a hybrid managerial culture. They neither fully accept nor reject American values and norms of behaviour but they integrate them into their
cultural standards. They seem interested in adopting certain parts of it which they find useful and appropriate. The strong influence of situational factors strengthens the adaptive nature of an idea or behaviour of Indian members, while Americans react in consistent ways in different situations, as has been reported by several Indian interview partners:

“Similarly, five other Indians joined the company the same year when I joined the company. So, I know how they behave too. We all actually adjusted and learnt their system. I do not think that they came down to our level to try to study and understand our way of thinking or our culture. We had to adjust to their level and we are pretty much well coping with that now. So, obviously it is a big adjustment on our side and not their side. If something happens to an Indian and we culturally deal with such situations very differently from Americans. I do not think that they would do any research in order to try to find out how to cope with such a situation, but we definitively do. Otherwise, we could not create such a positive atmosphere in our teams and in our company. I am happy that I studied the American working style and their culture because now I feel very comfortable when somebody comes to the company. I know the system and I know how things are working here. It was a big step for us at the beginning (P31: K&M 11; 56:56).”

“My working style has changed so much since I have been working here. In India, it is all about being to the point and cut and dry. But then when you come here you start working with your team members in a way which is not so cut and dry. You try to be more diplomatic. I try to be more diplomatic but I am direct without being negative. I am direct but you know... It is always welcome. I have adopted my approach and style. The way I am talking now to my team members has changed. In India I had a different style of working with employees. The way people are talking and the way they approach a problem is different. People are more sensitive over here so you have to keep this in mind and you can not be that direct and rude. You have to credit somebody for what he has done and at the same time be objective and try to give feedback whether his job achieves the goals or if you have to do something different. You are constantly trying new methods. The communication style in the USA and in India is totally different (P32: K&M 42; 123:123).”

“We try to be.... How do you call it? You know stay back, watch, study and then move. We have that. However, I did not see Americans doing that to us. Obviously, they think everybody is like them. They do not try to adjust to the level we try to adjust (P31: K&M 11; 56:56).”

These findings are in accordance with the literature. In India, a large body of literature suggests that managerial behaviours are determined to a very large
extent by the situation rather than internal attributes (Miller, 1984; Sinha and Kanungo, 1997). Sinha and Kanungo (1997: 96) attribute the strong influence of situational factors to the high “context sensitivity” of the Indian culture. Their framework proposes two overarching dimensions characterising Indian culture: context sensitivity and balancing. Context sensitivity is “a thinking principle or a mind-set that is cognitive in nature and determines the adaptive nature of an idea or behavioural context.” This cultural dimension is under-researched in cross-cultural management literature. However, a number of recent studies have demonstrated that whereas the cultures of various countries differ on context sensitivity, many Eastern countries including India are high on this dimension (Gudykunst et al., 1985; Triandis, 1994).

Trompenaars (1993) reported that North Americans and most North Europeans behave in a rule-governed manner, whereas people from Eastern countries such as South Korea, China, and India behave in a context-dependent fashion. Sinha and Kanungo (1997: 49) noted that “some of the top men in Indian organizations are not quite consistent in their behaviour patterns and values.” In India some behaviour that is judged appropriate for a given place, time, and person may not be appropriate for other times, places and persons. Consequently, they adjust their behaviour in order to meet environmental demands (Mellahi and Guermat, 2004).

**Differences in communication style between Indian and American team members**

Indians have reported that they have a very direct communication style that they had to change when they started working in MNTs in the USA. Their style has become more indirect. They acknowledge differences in the communicative and interactional styles of American members and demonstrate a very high level of cultural empathy by showing understanding for these differences and working in a more flexible manner by becoming more indirect in giving feedback and criticising others in the team. They demonstrate more flexibility in resolving misunderstandings and are able to better understand and communicate team goals, roles and norm to others than their American colleagues. High level of forbearance in intercultural situations is displayed and they use this forbearance to work in a more flexible manner in the team. They adapt their communication style and integrate certain cultural American characteristics, whereas the opposite is true for American team members:

“When I criticize the American salesmen I do it in an indirect way as well. But Indians may perceive you as weak. If you say: ‘Can I meet with you at 7 o’clock?’ This is weak. You say: ‘I want you at four o’clock. What are you doing? Are you busy?’ Then they will come. The indirect style sometimes does not work with Indian employees. When you start criticizing here, then you may...”
“Everybody has development needs. Mine are that I work too much. But, by the way I think that you could improve there and there. What do you think about this?” (P28: K&M 12; 70:70).”

“The Indian style of working is very different from the American style. Also, the way Indian managers criticise their employees is very different. It is mostly all about being very direct. ‘This is not good. I do not like this. Do it in a different way.’ It is not about: ‘You know what you have done is quite good but how could we explore something a little bit different.’ (P32: K&M 28; 97:97).”

“One observation I made is that the American society is very inter driven or self driven. They are not really aware about what is happening around the world. They are not much aware of different cultures. They do not understand how people from different nations speak and react. There is one incident that we had. There was this senior person in our company and we had a Chinese team that came to meet us here. It is very hard to understand Chinese people. You have to speak very slowly and you have to understand what they are saying. So, I was talking to the Chinese people very slowly and I was trying to avoid long sentences because they do not understand the terminology... So, we had a conversation and there was this other person who tried to speak with them and he started talking in totally American English. They did not understand him. They replied back to him but they did not know what he was talking about. I had to explain to him that he could not talk to them like this. ....... They are pretty much culture blind. I do not believe that they are as open to cultures as they claim to be. Indians are much more open to foreign cultures and much more willing to adjust...... (P32: K&M 46; 135:135).”

“But when we talk about this indirect form..... You know even feedback is very settled. ‘Hey. Brad, you are an outstanding person and I love taking calls from you but you know what ..’ You know I have one American salesperson. She is good but she is a big talker. She will constantly repeat herself, she will not listen to you, and she will say the same thing that she speaks with you to other people. How to tell her that she has to improve this? You have to say: ‘Hey, you know last time I was getting my review done I had this useful framework. It is called Stop, Start, Continue. It is a good way to receive good feedback. You just ask five people to do it for you. It is really great. Would you do it for me?’ If I do that all the five people will say to her: ‘Stop talking too much.’ Then I can tell her: ‘What did you get out of that?’ Then she will say people tell her that she speaks too much or communication improvement. Then you can say: ‘You know I agree with that. You could do a much better job. You are a smart person but this is how people get it. Don’t repeat yourself.’ This is very, very subtle and indirect. You have to be professional.
When I speak with an Indian salesman then I can say: ‘Stop it. You talk too much.’ And he is going to keep it. Communication is much more indirect here (P28: K&M 11; 65:65).”

These findings contribute to the research on cross-cultural communication by exploring the relationship between cross-cultural communication competence and MNT performance. According to the results obtained in this study, the level of cross-cultural competence facilitates team work and improves the overall team effectiveness.

The literature says (e.g., Gudykunst, 1998; Spiess, 1996, 1998) that cross-cultural communication competence entails not only knowledge of the culture and language, but also affective and behavioural skills such as empathy, human warmth, charisma, and the ability to manage anxiety and uncertainty. The Cross Cultural Communication Competence Model (Matveev, 2002; Matveev et al., 2001) identifies four dimensions of this competence: interpersonal skills, team effectiveness, cultural uncertainty, and cultural empathy. According to this model, Indians working at K&M International are effective cross-cultural communicators. The study conducted by Matveev and Nelson (2004) has identified a positive relationship between the level of cross cultural communication competence of a multicultural team member and the performance of a multicultural team. The ability of Indian team members to adopt their working and communication style to the American way decreases communication problems, inaccuracy, misunderstandings and inefficiency in the MNTs and consequently the cultural diversity doesn’t diminish effective team functioning.

Gender egalitarianism in the USA and India

American team members have reported a low level of gender egalitarianism, which has a negative impact on team functioning. Women don’t seem to have the same rights and many of them are discouraged from telling their opinion since this can be damaging to their career. It is a challenging task to work together with male Indian members of the team and to effectively communicate with them. The fact that some female employees feel as second-class citizens and are discouraged from giving feedback and expressing their opinion has a harming effect on MNT functioning. To overcome these difficulties a huge adjustment is required on their side:

“Women do not have the same opportunities. They have a clear picture in their heads what women have to do and what they are not supposed to do. So, it is difficult to work with male Indian employees. There are also no women on management positions. Jennifer is the only one and I am surprised why. I wonder how she manages to effectively communicate with them. I have to be very careful when
giving feedback to my Indian co-workers. I had difficulties with one particular manager who is Indian. So I have to be very careful how I say things and how I work. That is probably one of the biggest challenges I have to deal with in the team. I have to adjust to their culture as well. As a woman you sometimes feel as a second-class citizen. And I am not the only one in this company who has this feeling. ....This has definitively been a challenge and an adjustment since I am used to being treated equally. And our American culture says that we should be equal, and diversity... Telling your point of view could be sometimes damaging to your career.... This is what I found out.... This is probably the biggest cultural difference (P33: K&M 17; 73:73)."

“There is something that does not impact me directly but I do see that the owner of the company and many other Indian people they do tend to put more of validity at something that male say and are maybe.... more with the male who works with them than the female. That is something that I noticed. I mean just say ... just an incident ... the owner of the company will walk down the hall and you see a female worker he may not even acknowledge her and if there is a male worker he will start a conversation with him. It is just something that I noticed and I do not know how to elaborate on it. I think that just the culture is .... I think that they try to do it and I think that is probably better here as in many other places I have seen but it is still there (P40: K&M 6; 76:76)." 

According to the GLOBE project, the societal practices in India are rated as low on gender egalitarianism (2.90). In the private sector, most woman-managers rely on family connections or long professional experience, while in the public sector they often need higher education attainments to break through the “glass ceiling” than their male counterparts (Wright and Tellei, 1993; in Gupta et al., 2002).

None of the studies on MNT effectiveness has examined the effect of gender egalitarianism on team functioning. Our findings show that team members from cultures characterised as being low on gender egalitarianism harm team effectiveness in the case they do not adjust to the values and norms of behaviour of (female) members from cultures high on gender egalitarianism.

Activity orientation: “being” versus “doing” orientation in India and the USA

We have found a fundamental difference between Indian and American activity orientation. Americans are much more focused on achieving results and they expect to be rewarded according to their achievements. They take a more thoughtful and rational approach and things are done only after some reflection. The following quotations illustrate the importance of achievement and the accumulation of
material wealth for American team members from a perspective of Indian employees:

"The first thing that comes to my mind is that in this country the main thing is results. I used to work very hard, 19 hours a day and I did everything. And I could not achieve my results. That works but you must have a very good story. This is so much result focused and it was very difficult for me initially because usually there are issues that I do not really have under control. It was o.k. in my culture but it was not o.k. here and actions have consequences. These are jobs where you are under huge pressure to perform. If you do not perform you are in troubles. This is one thing (P28: K&M 2; 42:42)."

"In the USA... It is money. This is another thing. I worked also for some European companies and it is not all about money. It is more about job satisfaction, happiness etc. Here you want money, you want promotion, you want raise. What is my commission on this? So those are the primary drivers. If you are not on track, if you are of your budget then you have 16 days to improve or we will fire you. Those things work. Where, when you deal with Indians it is more about job satisfaction. Job satisfaction is also important here but this is an easier way. You can hire and fire people. What motivates them most is either money or promotion or the threat to lose their job. Here, you have control over your variables. Whereas in some other countries like India you can not fire them, you can not give somebody 5% raise and somebody else only 2% raise. This is what I can do in my team here. I can give somebody 5% raise and somebody else 10% and no one will complain. Management is easier here. Goals are clear and there are not 15 goals that you are trying to maximize. Goals are much clearer and much more realistic, objective, defined. I find it very easy to be a manager in the USA compared to India. Indian salesmen are different. They like more recognition. Rewards, certificates... American salesmen want money. Indians want more this public recognition (P28: K&M 13; 76:76)."

These findings are in accordance with the literature. The basic orientation of the American culture is one of doing whereas Indians are more focused on being. The Indian work ethic, influenced by the Hindu religion, encourages people to work primarily for satisfying family needs and wants. Work in an American context (referred to as the doing orientation) is based on the Protestant ethic and is considered to be lifelong, and a calling from God (Kanungo, 1983). Societies characterised by the doing orientation give importance to achievement, accomplishment, accumulation of material wealth and economic activity, objectives that are not found in societies with a being orientation (Cavanagh, 1990; Stewart, 1972; in Gopalan and Rivera, 1997).
Time orientation of Indian and American team members

Indian team members have reported to be more oriented towards the past. The preference for planning, compartmentalizing, scheduling time and a sense of urgency tend to be less emphasized in India due to their time orientation. They are impressed by the way American members are coping with time issues. In addition, being punctual is a big challenge for many Indians:

"The second thing is that you have to be very professional. When I say I meet you at 1:45 then we will meet at 1:45. This means not one minute earlier, not one minute later. And people are very professional. When I worked in India for seven years you had to remind the people to come to the meeting and everybody is late. It is just a very social atmosphere at the work. The people here are very friendly but business alike friendly. It is very professional and you can trust people. If somebody tells you: 'I will send you an e-mail before the end of the day.' This means that before 5 p.m. it is in my inbox. This is unbelievable for me. I have a lot of respect for this (P28: K&M 3; 46:46)."

In a study, in which the importance of the past, the present and the future has been measured, Americans have regarded the future as most important and the past as least important (Trompenaars and Hampden-Turner, 1997). The preference for planning, compartmentalizing, scheduling time, and a sense of urgency that are characteristic of future-oriented societies such as the USA tend to be underemphasized in India due to a different time orientation (Gopalan and Rivera, 1997).

Heterogeneity of values and norms of behaviour of Indian employees

Finally, we would like to question the homogeneity of values and norms of behaviour of team members from India. Interviewees stress the fact that India cannot be studied as one country due to the heterogeneity of religions, practices, values and norms of behaviour etc. of people living in different regions of this country. Results in Bihar could be quite different from those obtained in Tamil Nadu. Therefore, studying the specifics of single cultures, in addition to the “culture-general” knowledge offered by etic frameworks, could be more useful in the case of India. The following two quotations show the subtleties of difference that can be found in the country:

"I was born in a small city called K. that is located in the Southern part of India. After my graduation I moved to a Metropolitan city called V. The culture, the language, the religion was very different from what I experienced in K., my hometown. So, that was an experience for me because all of a sudden I had to face a different culture, different people, and different language. Everything was different. I kept moving from one place to the other place and I have seen
different cultures, different people, and different religions. Consequently coming to the USA was not such a big challenge for me. I knew how to cope with cultural differences (P42: K&M 5; 37:37).”

“You can not compare the USA and India. In the USA you have one language whereas back in India people from different parts of the country will speak different languages, different religions. If you go to a Metropolitan city the managers will not have this authoritarian working style whereas if you go to South India they will have an authoritarian style of leadership. The majority of my Indian colleagues at K&M International are from the Southern part of India. In metropolitan cities everything is totally different. We have much more freedom. In Southern part if you are late to work for 10 minutes you will be punished in a certain way whereas in Bombay you can be 30 minutes late and you will not have to face any negative consequences since your managers are going to trust you that you will fulfil your duties even if you have to work until late in the evening. In South people are rigid and punctuality will be very important. If you work from 8 to 5 you have to be in the company during these areas. The working environment in metropolitan cities is totally different from the working atmosphere in smaller cities in India (P42: K&M 13; 49:49).”

These findings are in line with the growing body of research on national subculture heterogeneity (see for example: McSweeney, 2002). The basic contention of this body of research is that the assumption of homogeneity of values within countries and the notion of national culture sharedness are false (Bock, 1999; McSweeney, 2002) because they do not take into consideration the heterogeneity of managerial values within a country (Mellahi and Guermat, 2004). Given the diverse cultural, linguistic, racial and ethnic diversity in India, it would be impossible to explore the impact of a certain Indian cultural dimension on team effectiveness. As one of the employees at K&M International mentioned, the level of power distance in India will vary within the country, being high in the southern part of India and low in its Metropolitan cities.

**Occurrence of bilateral conflicts in team composed of Indian and American employees**

The differences in cultural characteristics of Indian and American team members lead to critical incidents in MNTs. In order to avoid the occurrence of bilateral conflicts, Indians adapt the working values and norms of behaviour of American employees and they make great efforts to assimilate with U.S. culture at least for the time they spend working in the company. Sometimes, this is challenging and hard to realize. The findings show that if two groups with different values and norms of behaviour have to interact in one team, then the members will either adopt e.g. American or Indian norms of behaviour. Yet these different cultural
standards also lead to the emergence of conflicts and are usually the cause of clashes in team interactions:

"You know, we have only Indians and Americans in our teams. If you have more nationalities in a group then you adopt much easier and then your level of patience, your level of understanding is much better. In a bi-cultural team it is either my way or your way. If there are more people from different national backgrounds then you try to blend all nationalities and do one common language. You try to adopt one way of working. You are much more willing to compromise and not just to compromise but also to bend yourself and to make everybody a part of the team because you know that you need everybody as part of your team (P32: K&M 47; 139:139)."

According to Fink et al. (2004), the larger the team and the more culturally different the members are, the less easily bilateral conflicts will occur since the likelihood to succeed with the establishment of new team norms increases with the level of diversity. If two groups with different values and norms have to interact in one team, then the adaptation of either norms A or B as team norms will take place or become a stalemate confrontation. This complies with our observations and it would be interesting to test the validity of these findings in different contexts in different teams in different companies.

6.6.2 Team identification and subgroup formation

A successful MNT at K&M International is characterized as having an integrated and synergistic culture. After mutual interactions, team members adopt a simplified set of rules and actions for how team members relate to one another, distribute finite resources, and interact socially. This creates a positive social environment within the team. Cultural diversity has negative consequences for the teams at the initial stage, since team members are more likely to experience ineffective team processes (e.g. poorer communication and decision making and greater conflict) that, in turn, result in lower levels of team performance (e.g. lower productivity and quality) and lower levels of team member satisfaction. Yet in the longer term these teams become more efficient and they develop clear rules of interaction. Time has a strong moderating effect on trust building and the development of team cohesion:

"The good thing here is that people have worked with each other for a long time and there is a way they respond to each other. This is great. People know who is good at what and they kind of balance each other. They have complimentary skills."
**People trust each other and there is a long working relationship** (P28: K&M 16; 82:82)."

Over time teams develop, share and enact a set of rules for how team members relate to one another, work capability expectations, and member perceptions. These factors create a positive environment within the team and have a positive impact on team identification and team performance.

When a new member joins the team, there is high conflict potential and high level of resistance to new ideas. The whole team building process starts again. Over time members learn to interact with each other and their different perspectives help them to generate innovative and creative solutions to resolve organizational problems and satisfy customers:

"It is sometimes just the way you talk and you use phrases which most Americans do not understand. They are not used to it. They criticize what you are saying and then you are upset and you retaliate by saying: ‘This is the right way.’ Initially, it was just the way I spoke English and just the way I was thinking because I had an advertising background. Consequently, there is a lot of strategic thinking that you are doing and that I found that team members here do not have. When you try to explain this to them they do not agree with you even if it is the right thing to do. So initially, there was a lot of conflict potential. But we learnt to understand each other and today we work fine (P32: K&M 18; 65:65)."

"The initial challenge I had to get these people work for me because I had a totally different background and nationality. There is the challenge of getting everybody understand my point of view. I have an advertising background. I used to work for an advertising agency for about 7 years. There are some modern things that you come with and some modern brand building ideas. There is a certain amount, a certain strategic thinking that you have in advertising and that you finally bring to the table and do marketing for a company. The challenge was to get the team understand your point of view, to understand branding, to understand strategy. Communication was another challenge. It was a challenge to make them understand consistency in communication and design and to finally motivate them to work for you. Today, everybody is pretty much on the same level now. We understand each other. It is getting better now (P32: K&M 2; 18:18)."

"The thing is that every new member who joins the team comes with some new way of thinking and you have your own previous background and your own experience and you want to bring it on the table. So there is resistance when a new person comes in. The question is how much more value you can add to us, how much better do you know my job than myself. There are all these chal-
"What is not so good is that they get set in their ways. I had to fight with this whole history. I have been here for 9 years and I have been here for 5 years. The downside is that teams are solid here. You come in and you have no option but to be part of the team. If you say something that the team is not comfortable with, or that the team does not know, or that the team disagrees with you have a conflict situation. For example, how do they do catalogue as a process. ... I met a lot of resistance in the teams at the beginning because my way was different. .... It is hard to get accepted as a new team member. You have to adapt to this value system. The team part is good but it definitely has some interesting conflicts. But it is good. Conflict is sometimes good. The key is a good balance between the existing and the fresh.... (P28: K&M 17; 82:82)."

The literature says that before being able to work together efficiently, culturally diverse group members need to share their perceptions, definitions and frames of reference so that they can later predict how, and explain why, other members react in a certain way (Larkey’s 1996; in Vallaster, 2005). This way they create a hybrid team culture (Adler, 1991; Earley and Mosakowski, 2000). A hybrid team culture refers to an emergent set of values and norms of behaviour that individuals within a team develop and share after mutual interactions (Earley and Gibson, 2002; Earley and Mosakowski, 2000; Earley and Gardner, 2005). Given team members’ diversity of values and assumptions about appropriate interaction, developing clear rules can be highly complex in MNTs (Earley and Gardner, 2005). Strategies for managing diversity in MNTs are based on the team’s stage of development. The initial team formation is characterised through trust building and the development of cohesion. Studies show that members of multicultural teams put more of their time and effort in creating cohesion and solidarity than do members of homogeneous groups. Diversity makes this stage of development more difficult and therefore the process should be based on using similarities and understanding cultural differences (Adler, 1991).

Another phenomenon that has been described is subgroup formation. Workgroup composition and particularly, diversity among members create barriers to effective group interaction. Demographic diversity creates faultlines, since demographic characteristics divide the network into subgroups. In contrast, similarities among group members tend to cue the formation of interpersonal relations and cohesiveness within the group and lead to the creation of nationally homogeneous subgroups consisting of either Indian or American members. One major reason for subgroup formation is the language barrier. It appears to be an even higher problem than functional and cultural differences:
“Today, my team is well organized. We work fine and I speak the same language. There are other Indians in the company who do not speak English as well as I do. So, then they definitively feel the divide. Some Indians who do not speak English well do not really mix with the Americans. They build their own group. Because I can speak very well English, I have no problem. I can speak with everybody (P32: K&M 45; 135:135).”

“However, I have to mention that sometimes you can observe that my Indian colleagues prefer working together. There is sometimes a light split between American and Indian employees (P42: K&M 21; 76:76).”

Theory and research have suggested that individuals are motivated to interact most with members of their own social categories (McPherson et al., 2001) and to emphasize the positive aspects of their categories in relation to other categories (which end up suffering by comparison) (Tajfel and Turner, 1979). The natural tendency may be to stereotype the other members of one’s team, to assume that they “just do not understand”, and to argue and defend rather than seek conciliation and integration (Van Der Vegt and Bunderson, 2005). Consequently, demographic diversity creates “faultlines” (Lau and Murnighan, 1998). This theme is also present in social network research, which suggests that similarity between members of networks affects the interpersonal ties or relationships in the network, since similarity positively influences interaction and communication between members (see Brass, 1995; in Roberson and Colquitt, 2005). In addition, language can be a big source of problems in MNTs and may be an even higher potential problem than functional differences and culture per se (Schweiger et al., 2003).

After mutual interactions team members at K&M International adopt a simplified set of rules and actions for how team members relate to one another, distribute finite resources, and interact socially. Similarities among MNT members facilitate the formation of interpersonal relations and cohesiveness within the group and lead to the creation of nationally homogeneous subgroups consisting of either Indian or American members.

6.6.3 Knowledge exploitation and exploration through MNTs

An interesting research questions is how MNTs can facilitate knowledge exploitation and exploration and its transfer across geographic and organizational boundaries. Teams at K&M International reduce the complexity of operations by facilitating this knowledge exploitation and exploration during directors’ meetings and international conferences where all chief representatives from the host country subsidiaries are present. The management team consists of eight members
(Indians and Americans) who are the heads of the different departments in the company. They meet on a regular basis to discuss the current situation, strategic choices and future plans. Everybody contributes to the discussions and everybody is welcome to express his/her opinion. The team consists of 7 male members and only one female director. By exchanging important information, brainstorming and leading discussions new ideas arise and new strategic and marketing plans are developed. Knowledge exploitation takes place when existing knowledge is shared within the management team during directors’ meetings. On the other hand, knowledge exploration is triggered by the exhaustive discussions and by the feedback from the heads of different departments of K&M International. This leads to the creation of new knowledge for future product development and marketing plans:

“Once a week we have the directors’ meeting and there are 8 to 9 of us going over what we did, where we are going and him hearing all these short presentations from each one of us. And he discusses the issues with us.... (P30: K&M 22; 65:65).”

“We have sales people, we have marketing people in there, we have product development people in there and every major division in the company is represented. Mr. P. says: ‘Why is the zoo/museum job not doing well?’ I have to explain that. ‘Did we do a good job ordering products?’ We have open communication and open criticism that is good criticism. We are not there to embarrass anybody. O.k.! We did not do a good job marketing our products. It could be anything. What are we going to do? Tell us what your plans are. And everybody in that room interacts with one another. Everybody in this management room contributes and interacts. Everybody has to say his point of view and add solutions. It is constructive criticism more than negativity.... After exhaustive discussions we come up with new ideas and new future plans (P30: K&M 33; 87:87).”

In addition to management team meetings, an international conference is organized every year. Employees with various cultural backgrounds from the different host country subsidiaries of K&M International come to Ohio in order to attend this conference. All chief representatives are invited to the company’s HQ. They spend one week getting to know each other, developing relationships, exchanging market relevant information, discussing problems and finding common solutions. They share their perspectives and knowledge and work together in temporary teams. They are asked to come up with new ideas about product launches, marketing strategies, new product development and product adaptation and to share their knowledge and develop new ideas. The exhaustive discussions lead to the creation of new knowledge for product improvement and adaptation:
"When we fail to communicate internationally, globally that is when we run into problems. So, that is a challenge. And we need to understand and feel that they are part of the global team. Every year they come. We do an international conference when all the directors from our subsidiaries come and we discuss all the important issues and show them the new products from the coming year. So, they come to our showroom. And they talk about their communication issues, inventory issues, sales issues, purchasing issues, customer preferences, local competitors .... These meetings are very effective. We come up with new ideas, new products and new marketing plans (P30: K&M 25; 73:73)."

"We invite all our offices around the world to come in and the product development, packaging and marketing puts on a big meeting. We show all the new items that we are doing, make it look like as if it is the actual piece, show it to the sales people so that they can start pre-selling. .... We try to bring everybody together for that one week and discuss all the issues that we have. We try to fix all the problems, if it is shipping issues or product issues or packaging issues. We try to talk about that and together we develop new strategies (P37: K&M 5; 21:21)."

These knowledge sharing activities lead to the exploitation of very useful marketing knowledge that contributes to the development of new products and the successful implementation of marketing activities. Knowledge exploitation and exploration also take place during intensive interactions between members of different teams in the company. They all have one common goal and are consequently highly motivated to exchange their ideas and contribute to the product development. Without this cooperative approach it would not be possible for the product development team, consisting of only six members, to come up with 800 to 1000 new items every year and sustain the company’s position of being the world leading company in the production of nature related toys:

"Everybody in the company feels that he should do something. He should contribute to company’s success from the warehouse to the upper management and the owner. They promote communication among employees and promote their creativity you actually work in a creative department or not you can still have creative ideas. Things that may.... Everybody from the company contributes to our ideas (P35: K&M 32; 107:107)."

"Yes. I work closely with product development. I kind of float in between marketing and product development. The way the process works…….. Then I work with product development manager and discuss how we are going to package it. We work hand in hand. Even tough I am in a separate division technically in the company I work very closely with the product development. I am involved with the initial development stages of the product. I need to know what
we are doing and what is coming up in the next months. So, we work really very closely. We have to. It is almost like we are one department. And also there is the marketing department. .... So, there is like three steps that I work through to get the packaging done. It is a lot of meetings, a lot of talking and a lot of communication and we all work together, people from the product development, marketing, sales or graphic design department. This is what makes us so successful (P37: K&M 3; 13:13)."

K&M International shows how MNTs may facilitate knowledge exploitation and exploration. According to Ichijo (2002), knowledge exploitation and knowledge exploration are indispensable for a company to increase its competitive advantage. Kyriakopoulos and Moorman (2004) found that market-oriented firms can gain important bottom-line benefits from pursuing high levels of both strategies in product development.

6.7 Individual team members at K&M International

6.7.1 Team leaders

Researchers and practitioners alike have endeavoured to understand the factors that enable the effective functioning of MNTs. One such factor is leadership, and especially, the competencies that managers must possess to be able to effectively lead such teams (Kayworth and Leidner, 2002). K&M International is a company that was founded by an Indian entrepreneur. Consequently, in addition to the team leader competences needed to effectively manage MNTs, information has been obtained about leadership cultural-specifics of India and the USA and the emergence of hybrid cultures that we would like to present in this section of the dissertation. We report findings that incorporate the perspectives of MNT leaders as well as members on MNT leadership together. Identifying and presenting dual perspectives is not the aim of this dissertation and consequently does not play an important role in this context.

Indian versus American leadership style and the emergence of hybrid cultures

Indian leaders have been characterised as having a very authoritarian leadership style and their managerial practices have been described as obedience to authority and centralization of power. Social relations tend to be hierarchical and Indian team members are more status conscious. The majority has reported that they find it easier to work in superior-subordinate relationships. Team members who manage to meet organizational goals are rewarded by warmth, affection, and close
relationship with their leaders and those who consistently fail are shunned and ostracized:

"The leadership style in India is more authoritarian. They have this praise for power probably not all of them but definitely the majority. Leaders are more ambitious and they are striving for power. They would probably not criticize a worker for the job he has not done the way he was expected to do it but just fire him. They are stricter to their co-workers. If a leader in India does not like a person for some reason then this person is really in troubles. They also usually make drastic decisions and they do not take the time to tell their employees about the expectations they have and so on. They are very tough and very direct. They tell their employees straight ahead what they think and what they do not agree with. However, there is a lot of Western influence in India and many Indian companies are becoming more and more westernized. So, Indian managing style is changing as well. There is so much diversity in India and it is hard to say that there is only one style of leadership in India (P36: K&M 24; 85:85)."

They have reported to develop personal relationships with those members who accept their higher status and appear to seek their affection, guidance and direction. Team members who are reliable, trustworthy and loyal to the team leader have a high quality relationship with them and can benefit from this status by accessing higher levels of the organizational hierarchy. Indian team leaders serve as a powerful source of social influence. They have personal and organizational resources and they distribute such resources among team members selectively. Those who are close to the superior are bestowed with favours, while those who are not, tend to be distanced.

Team leaders and managers guide and direct their employees, not only in job related matters but also in family matters. They help the subordinates even at the expense of their inconveniences. As a consequence, they enjoy respect and team members’ loyalty. Team leaders delegate power and authority only to their own personally loyal subordinates and show affection, take personal interest in their well being and are committed to their growth. The majority pays great attention to employee welfare:

"All the employees are very dedicated to Mr. P., to Mr. P. and Mrs. P. actually. And I think that basically they care very much for the employees and they show that they are always there for their employees. I do not know if this comes from the Indian culture. I have never been anywhere else except in the U.S. so I can not really compare. But this probably makes the teams in this company more successful (P33: K&M 15; 65:65)."

"Honestly, I think that he has got good qualities from both sides. From what I can
see, he frequently comes to our R&D department, he visits us, and he asks ques-
tions about our progress. He has some good qualities of an American manager
and some good qualities of an Indian manager. Good qualities from an Indian
manager in the sense that if there is a new person coming to the USA and to our
company he understands how challenging this can be. Then this is a totally new
culture for this person. Mr. P. is very helpful and he even provides accommoda-
tion to this person. So, this is more the Indian way. This is part of his culture
and tradition. If he would be just an American manager, I am not sure how
much he would bother about the difficulties his employees are facing. He has
also qualities of an American manager. He is more professional. He knows what
to expect and what not to expect from his employees. Definitely, in this company
it is very hard to keep both sides and to act as an American and as an Indian
manager (P36: K&M 13; 61:61)."

“So, there is a difference in the sense that if it is a complete American culture
they stick to what is professional they do not really go to the personal side of
anything. In Indian companies leaders and this is also a characteristic of the
Indian culture... there is a tendency that they get more involved in your personal
life and do not just stick on the professional. They show interest for your per-
sonal life .... (P36: K&M 8; 51:51).”

Interview partners have reported that American team leaders tend to solicit work-
related ideas and suggestions from their employees. However, such an invitation
is viewed by several Indian leaders and team members as a sign of weakness and
incompetence:

“It is usually the boss who decides. Indian leaders have the feeling that they are
superior and they do not want somebody to give them an idea or suggestion
which actually overrules their decision. The Indian style is very different even
though I do not agree with the way it works and I prefer the way it works here.
Your opinion is important and subordinates have the right to say what they
think (P31: K&M 24; 126:126).”

“When I started working for K&M International I have already been well
prepared. American people are friendlier than people in India. And American
leaders are even more approachable for their employees than Indian leaders.
They have a different leadership style. Indians have a more authoritarian style
and the only thing they want to know is if you managed to reach your target.
Your effort does not play an important role. The accomplishment of the final goal
is the only thing that does matter. Whereas here managers will ask you: ‘Are you
going to achieve the goal?’ If this is not the case they will support us in reach-
ing the target. So, it is more of a cooperative approach. One example: ‘By the end
of August you should reach the following figure.’ At the end of the month they will
come to you and ask you: ‘Did you manage to reach the target?’ Whereas here we will define the target for the month of August and in the very first week we will have a meeting and discuss how far we managed to achieve our target in the first week of the month. If I e.g. was not so successful they will ask me why and we will try to find a solution and ways how to increase our sales..... So, I will get support in overcoming this struggle (P42: K&M 11; 41:41).

Indian members had to face many challenges when they started working for K&M International, since the managerial practices in the USA are totally different. They don’t reject them but they also don’t simply accept them. What they do is to integrate them into their management culture. They change the way they lead teams in India by adopting certain parts of it and improving the effectiveness of their leadership style and at the same time they preserve their managerial cultures and practices. By integrating local managerial cultural characteristics into their own, they produce new hybrid cultures. They adopt the most effective local managerial practices and at the same time improve their leadership skills and abilities. Indian team leaders learnt how to provide leadership when they started working at K&M International. In India nobody ever questions their decisions. They favour an authoritarian management style, whereas in the USA they adopt a more participative style. They learn how to provide leadership, and to cope with many different issues simultaneously, whether it is formulating clear goals, resolving conflicts, making good decisions, providing resources, or solving problems. Acting as a team leader in the USA is a much more challenging task. There is much more pressure on them to provide leadership:

“Team members are looking for leadership, so what does this mean. They are looking for direction. It does not matter if I am 18 years old or 25 years I am the leader here and team members who are working for me are looking for leadership. So, you have to provide leadership. Whether it is formulating clear goals, whether it is resolving conflicts, whether it is making good decisions, whether it is providing resources, or whether it is sometimes solving problems. There are many issues. In all these issues you have to provide leadership, take action, everything. People look at you as a team leader and you have to provide some kind of leadership. Being a team leader here is much more difficult than in India. You have to honour that. Every day. They are scrutinizing you and you are scrutinizing them. There is much more pressure on you to provide leadership. People have high expectations and they are looking for leadership (P28: K&M 21; 90:90).”

“You rely on your people here. You do not make the decisions by yourself. But when you are in a conference and we are tackling an important issue and people throw a bunch of problems at you they expect me to push back. And I am a smart boss and a better team leader if I say that there is one way to go. I
should not just ask my members what they think and they say: ‘O.k. Let us do this because three out of four want to do A.’ That is perceived as weak by the American employees. If you do that three or four times you lose that informal thing and it will not last. There is a lot of more aggressiveness. That is the common word that is used. Here, a leader has to be aggressive, whereas in India leaders do not have to be aggressive (P28: K&M 27; 94:94).”

All findings presented in this section are in accordance with the literature. In India, social relations tend to be hierarchical and people are status conscious, finding it easier to work in superior-subordinate relationships. Sinha and Sinha (1990) listed caring for subordinates, showing affection, taking personal interest in the well being of employees and commitment to their growth as the key characteristic of Indian managers. England’s (1987; in Mellahi and Guermat, 2004) seminal study found that Indian managers put more emphasis on organizational stability than their counterparts from other countries, pay more attention to employee welfare than to the goal of profit maximization and value obedience and conformity. They display a high level of personal involvement with their subordinates, extending even into their personal lives. Leaders provide nurturance contingent upon the subordinate’s task accomplishment (Sinha and Kanungo, 1997).

After reviewing over forty field and experimental studies of Indian organizations, Sinha (1988) considers the “nurturant-task (NT)” leadership style as highly suitable for an Indian work environment. A nurturant-task leader is one who “cares for his subordinates, shows affection, takes personal interests in their well being and above all is committed to their growth” (Sinha, 1990b:252). Subordinates who meet organizational goals are rewarded by close relationship with their leaders (Gopalan and Rivera, 1997).

Superiors tend to develop personalized relationships with their superiors (Sinha, 1980), while subordinates seem to have a moral obligation to accept the higher status of their superiors and to seek their affection. They feel insecure if their superiors tend to maintain only contractual relationship (Dayal, 1976; Kakar, 1978). The superiors, too, have a moral responsibility to nurture the subordinates and to guide and direct them, not only in job related matters but also in career and family matters. As patrons, they are expected to help the subordinates even at the expense of their inconvenience. The superiors still enjoy familial respect and the subordinates’ loyalty (Sinha and Kanungo, 1997).

In addition, the powerful play in Indian organizations tends to be very personal, wherein those who are close to the superior are bestowed with all kinds of favours, while those who are not, tend to be distanced (Sahay and Walsham, 1997). Roland (1988) described the relationship towards powerful people in Indian organizations as submissive and accommodating to avoid conflicts. In a
similar vain, Jain and Dwivedi (1990; in Mellahi and Guermat, 2004) noted that rules of paternalism and powerful superiors govern Indian organizations.

This study has shown that managerial values and attitudes are subject to change in an MNT context and therefore studies aimed to explore the effect of cultural dimensions on team effectiveness should be aware of the fact that culture is not a static variable but is changing and time has a strong moderating effect on it. Indian team leaders have integrated American managerial practices and adopted a different leadership style in MNTs. As a consequence of this phenomenon, we should rethink accepted notions of culturally determined managerial identities and go beyond seeing managerial identities in fixed national terms.

**Team leader functions and characteristics**

One key factor that enables the effective functioning of MNTs is leadership. In the course of the study several competencies that leaders must possess and functions they should fulfil in order to effectively lead such teams have been identified. Table 18 shows the most frequently mentioned team leader functions and the number of quotations per function.

<table>
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<tr>
<th>MNT leader functions</th>
<th>Sample quotation</th>
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| Motivation           | "He shows a lot of appreciation and he motivates people. And I think I am always motivated by what it is that my area is contributing to the big or to the whole and I think this would be motivating for everyone regardless of what it is that you are doing in the company. It is important to know how your product is contributing to the overall success. This is motivating. **The team leader should stress the importance of your individual work** (P 29: K&M 27; 90:90)."
| Communication        | "You know I still think I will go back to my communication thing I really think that a team leader needs to frequently communicate with those who needs to be his subordinates and other people honour him and to frequently remind and make it a priority to let team members know what they are contributing is really valuable to the whole process (P29: K&M 24; 90:90)."
| Decision making      | "Daily there are decisions… and if I am not able to come to a decision at a certain point than we will go to Jason, the manager of the product development, and ask for his..."
input. He will then help as to make the final decision that is important and that will affect the whole team (P40: K&M 5; 49:49).”

“When decisions have to be made, then I use to bring all the members here together. I ask them to raise their hands if they think that this is the right direction where we should go. .... Sometimes there are no answers and then you need to make leadership and decisions. It does not always function the democratic way. You can have democratic processes. Good. But sometimes there must be somebody to make the final decision. Other ways things do not run the way they should (P34: K&M 20; 38:38).”

| Goal Determination | “A good team leader must formulate clear goals and give a clear direction (P28: K&M 22; 90:90).” |
| Monitoring | “From what I can see, he frequently comes to our R&D department, he visits us, and he asks questions about our progress (P36: K&M 10; 61:61).” |
| Conflict Management | “There is sometimes conflict between designers arguing about a certain product or about the price. Sometimes people do get frustrated and they take it personally. I think that everybody in our group has been. You try to work through it as quickly as possible. I make sure that both sides express their opinions and then we let the group decide what the right direction to go with that product is. Everybody does get along and we work very well together. Occasionally it happens. Sometimes during the discussions we had more intense with certain people and this is why I try to work through that and to see both sides and to hear what is happening and to understand the situation (P35: K&M 12; 56:56).” |
| Providing leadership | “If you are the one who has to lead a team and give clear directions to a team then you first have to have your fundamentals and your knowledge at place to be able to lead your team in a certain direction and then take valuable insights from your team. This is important in order to help achieve a goal. If you are not knowledgeable about where you want to go how can you lead a team? A team leader must have the ability to lead his team (P32: K&M 33; 110:110).” |
| Selection of team members | "The challenges for me are to put the right people together and create the right product. However, if I do not have the right people I will also not succeed with the best product. This is my major challenge (P34: K&M 4; 14:14)."

| Managing the weaknesses and improving the strengths of team members | "I have to ask them: 'What is your strength?' At the next management meeting I am planning to ask: 'You are managing so many people. What are you looking at?' I strongly believe in managing the weakness and improving the strengths and not the other way around. I do not want the people to work on their weaknesses (P34: K&M 6; 14:14)."

| Task Delegation | "It is very important to know the talents of your team members. It is my job to assign the projects to the designers and it is based on what they could do best, based on the skills that a particular designer has that is who finally gets that type of product to work on it. We have really talented people in this company. It is very important to recognize talents of the employees for the benefit of the team and for the benefit of the company and use them for what they can do best (P35: K&M 28; 89:89)."

| Team building function | "I want my employees to be in that situation. I have to develop my people to the degree that they feel like a big team here. Team work is essential. .... And my task is to strengthen the cohesiveness of my team (P34: K&M 14; 20:20)."

| Knowledge of local language | Working with the gift shop in Vienna, one of the biggest barriers and challenges, is just the language barrier and certainly that has applications for me and for M. And how are we going to best communicate with one another? I do not have frustration I guess just concern that what it is that I am communicating has being completely communicated to her. Since we are always going through somebody is translating for us you know I am spelling out this paragraph of information and somebody needs to translate that to her and I have no idea what is it that is being communicated to her. And I just hope that they grab the entire essence of what I am saying and not just kind of filtering what they consider the most important part. I am particular about what it is that I want to communicate. And I am sure she is M. has the same concern. She has many years of experience working in this gift shop and managing this gift shop. Things that she is sharing back to me that are
valuable and that are important and I am sure that at time that she must consider: ‘I hope that he is getting the whole story and not just bits and pieces of what the translator is communicating.’ That has been a challenge. It is always... We depend on the trust of the translators that he is sharing everything because I know from my end that everything that I am saying is what I want to be passed on to her. I think there is that barrier to overcome. I mean...I am the leader of the team in Vienna and everything would be much easier if I could speak German (P29: K&M 30; 114:114).”

Table 18: MNT leader functions at K&M International (Source: Author)

**Motivation** is the most important leadership function. By showing appreciation for the work done by individual team members and giving constructive and instant feedback, team members are more motivated to contribute to the team’s success. Team leader **communication** is also essential for effective team leader performance. Leaders who share information with team members, to let them know what they are contributing is really valuable to the whole process and who enforce the creation of norms that encourage team members to communicate among themselves frequently and openly, are more successful in leading teams. Sometimes it is necessary **to make the final decisions** and team members expect their leaders to fulfil this task. It does not always function the democratic way and therefore it is important to have somebody who will take the responsibility and make the final decision. Another two team leader competences that have been identified and considered as important by MNT leaders and members at K&M International are **goal determination and monitoring**. Sometimes there is a high conflict potential in MNTs. Members get frustrated and took it too personally. They expect the team leader to make sure that both sides express their opinions, to let the team choose the right direction and to finally **resolve the conflict**. A team leader also has to have the fundamentals in order to be able to lead a MNT. Without being knowledgeable about where to go he is not able to lead his members. Consequently, the **ability to lead a team** is also identified as an important MNT leader competence. To **select the right people and to manage their weaknesses and help improve their strengths** is essential for team effectiveness and a team leader function. He is responsible for **assigning the tasks** to members based on what they can do best and the skills they have. It is very important to recognize talents of the employees for the benefit of the team and for the benefit of the company and use them for what they can do best. Two interview partners also mentioned **team building and the knowledge of local language** as important team leader competences.
In addition to the functions mentioned and described above, for a MNT leader it is critical to develop solid relationships with a variety of people from different countries and therefore it is necessary to be socially competent and to have the required interpersonal abilities. A successful team leader has the ability to build relationships and to bind people together for common purposes. **Social competence** is critical for effective team leadership. He is also expected to **demonstrate real humility** that he has only limited knowledge and skills required to carry out the activities of the team:

"I think that first of all it is very important to be very open-minded and look within yourself for your own weaknesses. It is important that you work on your own weaknesses, improve yourself and that you are able to lead your team on. You can grow from your weaknesses and your team's strengths. You can not grow from your team's strengths. If you have soothing weak, then you look for strengths in your team. But you have to have the ability to look within yourself and to see: 'O.k. This is what I like. This is how I can do better and this is how I can motivate my team'" (P32: K&M 36; 110:110).

These MNT leadership competences, functions and abilities have been identified as necessary requirements by other researchers too. The literature seems to suggest that team leader competencies comprise certain personality factors (e.g. openness), have a cognitive component (e.g., knowledge about foreign cultures), and include a behavioural component (e.g., ability to change behaviour according to cultural cues, cf. Earley and Ang, 2003; Thomas and Inkson, 2004). Joshi and Lazarova (2005) have identified 5 competences that are considered as important by MNT leaders and members across multiple locations. The same competences have been identified to have a strong impact on team effectiveness in the course of this explorative study.

### 6.7.2 Team members

Individual team members react to socialization attempts in MNTs in different ways. Interviewed persons have highlighted the importance of personality traits, team member social competence and open-mindedness as three main factors influencing MNT interactions.

The personality of individual team members has a strong influence on MNT performance. The right fit of personalities in a team contributes to its success or failure to achieve certain goals. The role of personality in MNT's is highlighted in the literature analysis. In analogy to the expatriate adjustment literature (Ward et al., 2001), it can be assumed that specific personality traits are supportive for
MNT work. Therefore, it is important to choose the ‘right people’. Psychological tests, handpicking of experts and assessment centers are management tools right at hand (Neyer, 2004):

"First of all, you have to recognize that people have different personalities and that you have to work with them as personalities. Probably the biggest issue in a team is that most people are honest and they try to be honest with other people. If there is a slack and some people try to take over, and within a team you have a person who wants to be the leader, a person who wants to be... and a person who just wants to sit back and not really have much priority and is too shy and maybe this quiet person has a lot of ideas and is just too shy to express them. All of us are different personalities and we should create an environment where everybody feels comfortable and free and there should not be a person who tries to dominate another. This may not be their attempt but their personality. Some do very well and some do not (P33: K&M 6; 43:43).”

"With artists, it is a different breed of people. There are a lot of egos involved. Personality that goes into the work! You have to find the right people in order to work together because we put so many hours in work together. Things are stressful and if you do not have the right mix of people you become self-destructive. And I have been in art departments before where these people just do not get along and I think with graphics you really have to be involved, you have to be friends; you have to be able to handle the stress. You might not agree with somebody on what is going on but you will have to agree with this person. And this can happen. I think this is the toughest part of the work. It is like American baseball. You have a series of people who all do the same thing if you do not work together the team loses. It is the same thing (P37: K&M 8; 29:29).”

Socially competent team members who have the required interpersonal abilities and the ability to appreciate the value of different perspectives represented in MNTs increase team effectiveness. They are able to display patience in intercultural situations, to be tolerant of ambiguity and uncertainty due to cultural differences, and to work in a flexible manner with others on a MNT. They show appreciation for a variety of working styles, and have the ability to view the ways things are done in other cultures not as bad but simply as different. These findings are in analogy with literature on cross-cultural communication (Matveev and Nelson, 2004).

In addition, cultural distance between team members has a strong influence on team effectiveness. Members from India had difficulties at the beginning finding the right ways of interaction and showing understanding for different cultural values and norms of behaviour. As soon as they became familiar with the cultural differences, they knew how to react in different situations and could show more
understanding and tolerance for different norms of communication, decision making and criticizing. Again, time has a strong moderating effect on team effectiveness.

6.8 Summary of empirical findings from K&M International

The study has been conducted at the HQ of K&M International. The researcher has spent seventeen days at K&M International and during this period of time she could conduct fifteen problem-centred interviews with members and leaders of different MNTs, e.g. product development team, sales force team, IT team, customer support team, management team and virtual teams.

The industry context has a strong influence on team composition, team members’ requirements, team tasks and MNT effectiveness at K&M International. Industry, among other contexts, affects MNTs and their members. Consequently, companies operating in different industries implement different kinds of MNTs and the industrial context impacts MNT performance.

Organisational culture has a strong impact on team effectiveness. K&M International uses teams as the core performing units. The organization is designed to support teams and the logic of the organization is team-oriented and not individual-oriented. Such a culture is critical to the performance level of the teams. It motivates the employees to go above and beyond the call of duty, to aid fellow workers and contribute to collective success. The larger organization must give some careful thought to what is needed to support teams. These reflective activities must occur regularly. The environment the teams work in and the corporate culture are critical to their performance level.

K&M International pursues a multinational strategy. Companies that are involved in expansion and focus on ‘consumer to consumer marketing’ can benefit from market-related advantages obtained from cultural diversity in their teams.

Congruent and interdependent tasks create a positive climate in which Indian and American team members not only identify with their team and behave in a cooperative way, but are also motivated to exchange their perspectives and different opinions, to manifest creativity and supportive behaviour and to help each other. Consequently, the type of task has a strong influence on team cohesion and collective team identification.

Seventy percent of the employees working at the HQ are Americans and thirty percent are Indians. MNTs at K&M International consist of American and Indian
members. By studying these MNTs, we could obtain valuable information about cultural specifics of India. Although we did not seek to determine the level of individualism/collectivism in Indian and the American society, one of the major findings is the existence of a strong element of individualism in Indian and collectivism in the USA. This finding challenges prior notions of individualism/collectivism. One would expect that employees who are high in collectivism will more readily accept the team aspect than employees who are more individualistic, since cultures that are collective exhibit more emotional dependence on the team, and are more conforming, orderly, traditional, team-oriented and particularistic. Yet Indians are less likely to readily accept many of the concepts associated with teams and team work. Compelling and urgent personal needs and goals in conflict with the interests of the family lead to a mix of individualist and collectivist behaviour and intentions.

A high extent to which Indians accept or reject the uneven distribution of power among members has been observed. In India, they never question decisions made by people above them and people working for them never question their decisions, assuming that their power gives them the right to make such decisions and given their power their decisions have to be correct. Yet managers from the U.S. tend to solicit work-related ideas and suggestions from team members as a part of a democratic leadership style. American members view dependence on the team leader negatively, while Indian members obtain a sense of security from power coming from their leaders and view dependence as a positive quality.

The empirical findings also indicate that Indian members are more context-sensitive than the American members who work with them in MNTs. They are more willing to change their behaviour in order to cope with their environment. Americans react in consistent ways in different situations. In South-India some behaviour that is judged appropriate for a given place, time, and person may not be appropriate for other times, places and persons. Consequently, they change their behaviour to meet environmental demands. The ability of Indian team members to adapt their working and communication style to the American way has decreased communication problems, inaccuracy, misunderstandings and inefficiency in the MNTs.

None of the studies on MNT effectiveness reviewed has examined the effect of gender egalitarianism on team functioning. The findings show that team members from cultures characterised as being low on gender egalitarianism (e.g. the USA) may harm team effectiveness in the case they do not adjust to the values and norms of behaviour of (female) members from cultures high on gender egalitarianism (e.g. India).
A fundamental difference between the Indian and American activity orientation has been observed. Americans are much more focused on achieving results and they expect to be rewarded according to their achievements. They take a more thoughtful and rational approach and things are done only after some reflection. In addition, Indian team members report to be more oriented towards the past. The preference for planning, compartmentalizing, scheduling time and a sense of urgency tend to be less emphasized in India due to their time orientation. They are impressed by the way American members are coping with time issues.

The finding shows that if two groups with different values and norms of behaviour have to interact in one team, then the members will either adopt e.g. American or Indian norms of behaviour. These different cultural standards also lead to the emergence of conflicts and are usually the cause of clashes in team interactions. Workgroup composition and particularly, diversity among members creates barriers to effective group interaction. Demographic diversity creates faultlines, since demographic characteristics divide the network into subgroups. Time has a strong moderating effect on trust building and the development of team cohesion. By the time teams develop, share and enact a set of rules for how team members relate to one another, work capability expectations, and member perceptions. These factors create a positive environment within the team and have a positive impact on team identification and team performance.

In the case of K&M International, knowledge exploitation takes place when existing knowledge is shared commonly in MNTs at directors’ meetings and international conferences. On the other hand, knowledge exploration is triggered by the exhaustive discussions and by the feedback from the subsidiaries’ staff and leads to the creation of new knowledge for future product development.

We could identify several team leader competences that are needed to effectively manage MNTs. These are the following: motivation, communication, decisions, goal determination, monitoring, conflict management, ability to provide leadership, selection of team members, managing the weaknesses and improving the strengths of team members, task delegation, teambuilding and knowledge of local language of the country where the team operates. In addition to these competences, it is critical for an MNT leader to develop solid relationships with a variety of people from different countries and to be socially competent and to have the required interpersonal abilities. He is also expected to demonstrate real humility that he has only limited knowledge and skills required to carry out the activities of the team.

Individual team members react to socialization attempts in MNTs in different ways. Interviewed persons have highlighted the importance of personality traits,
team member social competence and open-mindedness as three main factors influencing MNT interactions.

Indian members face many challenges when they start working for K&M International, since managerial practices in the USA are totally different. They don’t reject them but they also don’t simply accept them. What they do is to integrate them into their management culture. They change the way they lead teams in India by adopting certain parts of it and improving the effectiveness of their leadership style and at the same time they preserve their managerial cultures and practices. By integrating local managerial cultural characteristics into their own they produce new hybrid cultures. They adopt the most effective local managerial practices and at the same time improve their leadership skills and abilities.

Managerial values and attitudes are subject to change in an MNT context and therefore studies aimed to explore the effect of cultural dimensions on team effectiveness should be aware of the fact that culture is not a static variable, but is changing and time has a strong moderating effect on it. Indian team leaders integrate the American managerial practices and adopt a different leadership style in MNTs. As a consequence of this phenomenon, we should rethink accepted notions of culturally determined managerial identities and go beyond seeing managerial identities in fixed national terms.