

In cross-national teams, cultural differences can be an advantage

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When we work with global executives, they sometimes share stories of failed negotiations, miscommunication, and cultural slights that led to missed global opportunities. But they've also shared countless stories of positive cross-cultural collaboration. Often cross-cultural teams produced more effective solutions than similar mono-cultural teams and there were situations where diverse cultural styles were synchronised into a [hybrid culture](#) that was more effective at meeting customer needs than either any one individual cultural approach.

Yet, when we open our academic journals we observe a less balanced perspective: the overwhelming focus of academic research emphasizes the **degree** of cultural difference and not culture itself. It assumes such differences translate into problematic conflict rather than synergy. Indeed, research argues that the greater the [distance](#) to be driven between two cultures, the greater the risk that leaders may crash the car on a road full of cultural potholes. Simply put, the assumption is that culture is a [problem rather than a resource](#).

Is it possible, however, that cultural differences could also be resources that could help propel the car forward? And if so, what types of cultural differences could serve as the starting point for synergistic interaction?

[Our research](#), recently published in the [Journal of International Business Studies](#), identified three specific cultural differences in leadership that were associated with *improved* firm outcomes and two others that hindered firm success in 274 joint ventures in China. This research builds upon the [cultural friction approach](#) that transforms the "cultural problem" into one in which culturally diverse leadership teams can work together to achieve synergy out of diversity.

This more complex approach requires leaders to possess knowledge of the central aspects of the local culture in order to make informed decisions whether to adapt to the differences or [to leverage their potential](#) and precipitate the formation of hybrid cultures where new rules and expectations about work, roles, and communication develop after culturally diverse team members work together. For instance, a [case study](#) of a German and Japanese joint venture found that the conflict resolution process eventually generated new processes that reduced cultural conflict,

yielding a hybrid culture with some differences converging toward common norms while other aspects of the cultures were maintained.

How can leaders tap culture as a resource? We recommend that leaders navigate the cross-cultural road with a balanced approach where they use cruise control when approaching differences with more synergistic potential, while mindfully steering the team through the parts of the road which contain potentially painful bumps:

1. **Know the types of differences that allow for synergies.** Our research found that when joint venture leaders differed in the [GLOBE leadership](#) dimensions of Charismatic (inspirational, having high standards, decisiveness, and integrity), Autonomous (independent and individualistic), and Self-Protective (face-saving, procedural, and concerned with security of the group), the firm was actually more likely to survive! Think of it this way: while two more reticent leaders might energize teams less, two overly dominant leaders might interfere with each other too much. Culturally diverse leadership teams can achieve [complementarity](#) by providing a balanced approach that allows the team to extract the advantages of both charismatic and [quieter](#) styles of leadership.

Differences on other dimensions likewise provide a more expansive repertoire. International firms operate in local environments with diverse situations and employees. While it is difficult for a single leader to flexibly switch styles without appearing inauthentic, a culturally diverse management team can identify experts and strategically divide labor to fulfill the diverse roles required.

While our research was based on the Chinese context, think about the differences on your own global teams and identify those that have typically offered you gains with little pain. These are areas where differences are [beneficial](#) and enable teams to be more creative and productive, and those differences rarely translate into destructive conflict. Our research suggests that these conversations are most likely to occur in areas where differences don't involve cultural pain points. These are differences you can preserve, with very little managerial control on your part—other than to perhaps encourage these productive points of friction.

2. **Know the cultural pain points.** In our China based research, differences in the Participative (delegating and encouraging input from others) and Team-Oriented (building cohesive teams with a common purpose) dimensions increased firm death. Why? Studies of Chinese culture indicate that aspects of these dimensions are integral to both Confucian and Communist leadership ideals—and operating in teams that vary on these organizing principles are cultural pain points for the Chinese.

As a leader, identify the types of difference on your global team that are offering you a lot of pain with little gain. These areas require a more active management approach. You can't empower, delegate, and under-manage these differences without risking chaos and conflict. When it's impossible for the group to come to a coherent and mutually agreed upon pattern of interaction, the leader has to step in and fill the vacuum by identifying integrative approaches. This could involve establishing appropriate ground rules, clarifying processes by which disagreement occurs, and identifying ways to recognize and respect the differences. Ignoring the differences in the hopes that diversity will spontaneously create value is not an option. Managers have to have a strategy to recognize and manage the specific areas of difference, understand why they're creating disruption, and then provide the structure to manage it to make [better decisions](#).

Conceptualizing culture differences as a distance to overcome results in leaders framing the management choice as one between either completely adopting the local culture or forcing the home culture on the locals. Even though this may be a valid approach in some situations, another approach is to recognize the differences and know when to manage them and when to let them persist and even amplify them. The best global managers locate the paths where they must mindfully steer their teams through rough patches, but they also cruise on the stretches of the road where differences are a resource.



Notes:

- This post is based on [Cultural friction in leadership beliefs and foreign-invested enterprise survival](#), *Journal of International Business Studies*, May 2016, Volume 47, Issue 4, pp 453-470
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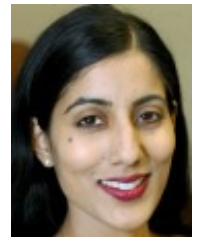
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