

## Chapter 6

# A Practical Approach to Managing Multinational Teams

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### ABSTRACT

*In current organizations, managing teams is becoming more important and complex, due to the critical, practical, and strategic implications of doing so. Team composition has dramatically changed in companies, capturing new social and demographic tendencies, and making teams more diverse and multicultural. In this context, organizations should pay particular attention not only to teams and their functioning, but also to team managers and how they effectively implement practices to guide teams towards company goals.*

### INTRODUCTION

The internationalization of businesses and the creation of a wider space in which many different individuals interact and work makes it desirable to examine organizations, employees and work processes in greater depth. The current economic environment clearly demands flexible and dynamic organizational structures, a far cry from those traditional companies focused on high levels of hierarchy and individual work. The complex nature of modern organizations requires the creation of strategic teams working in an appropriate work climate and benefiting from efficient human resource management systems to improve their autonomy and performance. More than ever, the existence of multinational work teams has become a key feature in companies.

In this context, companies need to foster collective and cooperative behaviors between their employees, in order to reach common goals and to be competitive. In fact, this focus provides work teams with a new role in organizations, as they become the basis from which firms can generate sustainable competitive advantages. Although, theoretically, teams have great potential to make organizations efficient; in practice, the implementation of collective work leads to a number of difficulties. The internal dynamic of teams demands a relevant degree of cohesion and coordination. Hence, the interaction between different individuals needs to be managed effectively in order to achieve the adequate functioning of the

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team through the generation of synergies. Synergy generation always involves a number of difficulties, even more so when teams are composed of diverse and heterogeneous members. Synergies usually refer to those situations in which two or more individuals work together in a very efficient way that produces greater results than the sum of the individual and independent efforts.

Despite managing teams having traditionally been considered as one of the most relevant tasks for most managers, as mentioned above, in current organizations, this function is becoming even more important and complex, due to its critical practical and strategic implications. Team composition has dramatically changed in companies, capturing new social and demographic tendencies, and making teams more diverse and multicultural. In this sense, the variety of attributes found within diverse teams leads to especially complex situations, particularly in internal work team dynamics.

Differences between employees may arise from more observable attributes such as gender, race or age, but also, from deeper characteristics such as mental schemas, cognitive styles, experiences or tacit knowledge. Different sources of diversity will have a wide range of consequences for individuals, groups and organizations. From a team perspective, positive consequences such as synergies between team members, alternative solutions, creativity or more complete problem solving are possible. However, negative effects may also arise from team diversity. These may include conflict, disagreement, time wasting in decision-making processes, interpretive ambiguity or lack of cohesion in group functioning.

Hence, to take advantage of diversity, appropriate management practices have to be implemented. To do so, it is extremely important for managers to deploy sufficient competences in order to manage workforce diversity. They have to be trained to acquire or improve managerial skills and competences oriented to efficiently leading teams. Without proper management, diversity may hinder group dynamics and subsequently, organizational results. Thus, this chapter attempts to explain how organizations should pay particular attention not only to teams and their functioning, but also to team managers and how they effectively implement practices to guide teams towards company goals. It will be seen that having a certain team composition is not, on its own, a sufficient condition to achieve success in a multinational context.

## **WORK TEAMS AND GROUPS**

### **Refining Concepts: Differences Between Teams and Groups**

Despite the fact that the terms ‘group’ and ‘team’ can be understood as synonymous (Kozlowski & Bell, 2001), there are some interesting differences to have in mind when analyzing their internal dynamics (Katzenbach & Smith, 1993).

A *group* can be understood as simply an aggregation in which an individual pursues their own interests without following any specific common goal (Marvin, 1991). For example, the audience at a conference, families, a group of friends. Within a company, a group would be composed of the members of the same department in a faculty or the complete staff of employees in a pharmaceutical company. In such cases, interactions between individuals to complete a complex task that cannot be performed individually do not exist. Members of a group can share information, take decisions and interact through individual contributions without the potential to generate synergies and without a focus on a common goal.

However, a *team* is usually defined as a set of two or more individuals, with potential for mutual and social interactions; who share one or more common objectives; perform complex and relevant tasks in organizations; are embedded in an organizational context and in certain management boundaries and

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