

Chapter 19

Value Creation through Heterogeneous Cultural Team-Based Environments: A Multi-Lens UK Perspective

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ABSTRACT

Previous research has documented cultural heterogeneity within project teams, but still attention mainly centres on project managers who transfer internationally to manage teams of a different culture from their own, or more recently from those who manage virtual teams. Existing literature does not discuss the readiness to manage culturally diverse teams as a result of large-scale EU migration and wider immigration in the UK projectised environments. The objectives of this contribution are: 1) to investigate the factors that influence effective value creation in heterogeneous cultural environments, in both inter- and intra-organisational learning and knowledge creation in the UK project team-based environments, and 2) to illuminate issues of value creation in heterogeneous cultural environments in both public and private team-based project environments. This chapter adds to extant studies of organisational diversity and innovation by elucidating the overwhelming key aspects of cultural heterogeneity and thus explains how challenging it is to affect change in the prevailing praxis, ideas, and values in team-based management.

INTRODUCTION

The work of Geert Hofstede in the 1980s looking at the differences between cultures brought forth intense focus on the value and impact of culture within business, especially with the international growth of many Western organisations. This early work predominantly laid out the aspects of difference needed for consideration rather than forging a workable framework for business leaders. Iles (1995) suggests

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that past studies reveal a multidimensional conceptualisation of assumptions and theoretical perspectives with limited effectiveness with developing commonly accepted practices in culturally diverse contexts. Iles calls for more theoretically and empirically grounded research to establish how culturally diverse teams improve or hamper organisational practices.

Conversely, there is also a plethora of significant research that states that culturally heterogeneous teams can be highly functioning and successful (McGuire et al., 2002; Kirkman & Shapiro 2005; Mitchell & Boyle 2008). However, there continues to be limited understanding on how heterogeneous cultural diversity creates value in the UK projectised environments. Some scholars have outlined how value creation could be generated through novel deployment of resources, especially through new ways of exchanging and combining resources (Tsai & Ghosal, 1998; Vargo & Lusch, 2008; Vargo, Maglio, & Akaka 2008; Vargo & Lusch, 2005). In the context of a projectised environment, value is created collaboratively through the interactive configuration of mutual understanding of common objectives, especially understanding that value is rooted and embedded in a core business case, where individuals involved could equally facilitate the smooth running of the project. Such collective orientation constitutes the vision of everyone involved, regardless of their cultural backgrounds. The objectives of this contribution are: 1) to investigate the factors that influence effective value creation in heterogeneous cultural environments, in both inter- and intra-organisational learning and knowledge creation in the UK project team-based environments, and 2) to illuminate issues of value creation in heterogeneous cultural environments in both public and private team-based project environments.

Hoecklin (1996) states that when successfully managed, differences in culture can lead to innovative business practices, faster and better learning within the organisation and can create sustainable sources of competitive advantage. Subsequent research to date has mainly focussed on the implications for international diversification of businesses and their managers during mergers and acquisitions as well as physically crossing international boundaries to run new projects. Focus has not been maintained as tightly on the implications of 'home-based' project managers of culturally heterogeneous teams. Later studies and experiments in 2000s also corroborate the previously mentioned earlier works showing that recognition of cultural complexities and appropriate management of issues is vital to a team's and ultimately an organisation's success (Jackson, Joshi, & Erhardt, 2003; Joshi & Roh, 2009; van Knippenberg & Schippers, 2007; van Knippenberg et al., 2004; Swann et al., 2004; Kearney et al., 2009; Nederveen-Pieterse et al., 2011). Vakola and Wilson (2004) argue that the human element and the way in which people work together cannot be taken for granted. These ideas are further supported by the later work of Kang et al. (2006) and Vonsild (1996), who argue that it is ultimately the key responsibility of the project manager to develop the necessary skills to ensure the successful working of a project team. With not only the growth of culturally diverse teams working within the same Home Office, and the trend towards 'virtual project teams' in multiple locations and often time zones, the importance of effective management of cultural differences has become ever more important. Jentsch *et al.* (2004) and later Oertig and Buergi (2006) found that ultimately project managers of multicultural virtual teams found it increasingly difficult to build effective relationships, which severely hindered effective communication. Language also featured as a problematic issue as project managers reported needing to pay close attention to the pace of speech, slang and different accents as well as recognising different communication patterns, e.g. 'reading between the lines'. The study is designed to establish the current situation of support for UK-based project managers of culturally heterogeneous teams and to ascertain the level of provision that is currently lacking in present day systems. Therefore, the questions this paper intends to answer are:

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