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## **Chapter V**

# **The Role of Virtual Multicultural Teams in Corporate Culture**

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## **ABSTRACT**

*Information and communication technologies are impacting today's organizations and businesses in many diverse ways. The implications are perceived at the individual, organizational, and national levels. The old accustomed-to boundaries of national economies and markets are giving way to globalization and newly emerging trends. Competition is increasing, and due to the forces of change, the world market will sweep aside the small market players to make way for global organizations that are capable of penetrating the world markets through a massive global outreach strategy. In that respect, there is a need to invest in innovative business models such as virtual multicultural teams that are capable of handling the pressures of growing competition while capitalizing on the evolution of information and communication technology.*

*Global organizations need to operate through a very flexible structure that allows freedom and speed, and replaces the hierarchical models with structures that are flatter and adequate for stronger and more efficient communication. Such a structure will allow bottom-up decision making and self-management and will capitalize on the advantages of*

*employing multicultural teams; the diversified capacities, knowledge and business perception of these teams will be conducive to more in-depth innovation and creativity. Virtual teams can provide an organization with a solid opportunity to compete, making it easier to adapt to different situations and reducing conflicts. This chapter reflects the results of a study conducted in Egypt that targeted the determination of the possibility of reducing multicultural team conflicts by establishing a corporate culture that could have a strong influence on team members using virtual teams. The study covered six organizations operating through virtual multicultural teams and describes the analysis of the findings that relate to the role of corporate culture, the management style, and conflict resolution, among other elements.*

*Global organizations face the challenge of operating through global multicultural teams whose members—coming from different cultural backgrounds—often stumble into conflicts that influence the overall performance of the organization. The core issue of this study is the impact of multicultural team conflicts on the overall organizational performance. Therefore, the objective of the study was to examine the relationship between corporate culture and multicultural team conflicts and to determine whether it is possible to reduce multicultural team conflicts by building a corporate culture in which all individual cultures would fit and where the management plays a vital role in transmitting the corporate culture to different teams in order to help global organizations become more efficient using virtual multicultural teams.*

## INTRODUCTION

Globalization is the new way to economic growth today, representing a strategy that should ensure open, unregulated access to the world's markets, integrating societies in a way that enables individuals, corporations, and nations to reach around the world farther, faster, and cheaper in an attempt to close the digital divide. Globalization is coupled with the continuous developments taking place in information and communication technology that have contributed to the emergence of the global organization that operates through multicultural and virtual teams. These teams are made up of people coming from different countries and having various cultural backgrounds—factors that could stand in the way of communication (Wederspahn & Solow, 2000). However, it is also important to note that even team members coming from the same cultural backgrounds face conflicts that jeopardize their efficiency (Wagner-Johnson, 1999). There are many reasons behind such conflicts, including different views, attitudes, expectations, and perspectives, conflicting interests, misunderstandings, backgrounds, social or moral levels. However, the difference in cultures comes at the top because it has most of the impact on teams' conflicts, which suggests that multicultural teams are more susceptible to face conflicts (Wederspahn & Solow, 2000).

Virtual teams' conflict is another dimension to be considered by global organizations, which are an outcome of the evolution of information and communication technology. In "Taxonomy of Virtual Organizations," Bultje and van Wijk (1998) suggested that a virtual organization is characterized as being a network of independent, geographically dispersed organizations with a partial mission overlap. Virtual organizations use virtual teams supported by information technology to communicate and coordinate their activities irrespective of their location. Virtual teams, if operating efficiently, provide the organization with a better

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