

Handbook of Cultural Intelligence

Theory, Measurement, and Applications

Editors Soon Ang and Linn Van Dyne

Foreword by Harry C. Triandis

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CHAPTER 14

Culture Inside and Out Developing a Collaboration's Capacity to Externally Adjust

CRISTINA B. GIBSON AND REBEKAH DIBBLE

How does a multicultural team harness cultural differences to innovate successfully? In many ways, the answer may involve looking outward to the external environment (rather than inward to the organization) and adjusting expediently. For example, in the world of technology design, says John Thackara of the Netherlands Design Institute, “Too much industrial research development is driven by a frantic scampering after technological Holy Grails—not by an exploration of changing social needs” (Hofmeester, 1999). For two years, John served as Chair of the Steering Group for the Maypole Project, a multinational collaboration among sociologists, psychologists, interaction designers, and electronics engineers across Europe.

Maypole conducted research into the communicative behavior of the family and developed new applications for communication technology. The project was part of the European Network for Intelligent Information Interfaces (i^3), which was formed with funding from the European Commission to look into the role of new media in social renewal. Maypole was deemed an overwhelming success, not just because of the technology concepts developed, but due to their unique ability to scan the target market and environment, comprehensively understand the changes occurring in the way families interact with technology, and adjust their team objectives and processes accordingly. This same capability may be the key to success in many other types of collaborations, as broad-ranging as multinational outsourcing, disaster relief, filmmaking, or health care.

In this chapter we explore this idea by developing the concept of *collaboration external adjustment*, defined as the capability of a collaboration to adapt to challenges in the external environment. The chapter is organized into four sections. First, we address the nature of the capability, further refining our definition, elaborating on the types of challenges many multicultural collaborations face, and the ways in which they adapt. Second, we discuss why external adjustment is important, proposing a set of outcomes it predicts for multicultural collaborations. Third, we review previously developed concepts such as team reflexivity, establishment of external ties and networks, expatriate

adjustment and repatriation, and adaptation in the context of joint ventures, identifying commonalities, and drawing critical distinctions between these concepts and collaboration external adjustment. Finally, we conclude with a discussion of antecedents to the capability, describing how it forms, and proposing several features of collaborations that help to develop the capability. In this final section we highlight the important role of cultural intelligence (CQ) as an individual level antecedent to collaboration external adjustment. We argue that when individual members of a collaboration possess CQ, this increases the ability of the collaboration as a whole to cope with and respond to changes in the external environment.

THE NATURE OF COLLABORATION EXTERNAL ADJUSTMENT

Partners in three countries participating in an outsourcing agreement must renegotiate their contracts due to a new regulation imposed by a local government. A multinational group of documentary filmmakers must change locations and replace equipment because a mudslide has obliterated their film set at a remote site. Humanitarian aid workers are forced out of a specific region due to political uncertainty and military unrest and must gain permission to enter a new region to refocus their efforts. The funding for a team of doctors developing a medical device has suddenly become available, enabling the addition of new staff, and a broader and more ambitious development trajectory. In the first three examples, participants in a collaboration have experienced a negative change (i.e., a threat) in the external environment in which they operate and must make fundamental adjustments in their collaborative behavior to succeed or simply survive. However, external adjustment need not always be an adaptation to a negative phenomenon. In the last example, we see a situation where external adjustment entails taking advantage of an opportunity that presents itself in the form of a "positive" environmental challenge. In this section, we elaborate on the types of challenges collaborations such as these might face and the ways in which they can adapt to these challenges.

Challenges in Multicultural Collaborations

Multicultural collaborations are time limited, multiparty efforts to produce an explicit product or service with cooperative action involving participants from more than one cultural group. We use the term *collaboration* rather than *team*, because many of the concerted efforts we have seen around the globe do not fit the most common definition of a team found in the organizational behavior literature (e.g., Cohen & Bailey, 1997; Earley & Gibson, 2002). Specifically, participants in a collaboration may come together on a one-time basis, without anticipating continued interaction. A core set of members may remain involved for an extended period of time, but other participants may float on and off the effort, working only on an "as needed" sporadic basis. Further, collaborations may have periods of intensely interdependent interaction, but may otherwise consist of quite independent actors. Many are not embedded in a single organizational context, but rather represent either cross-organizational cooperation or participants may not have any

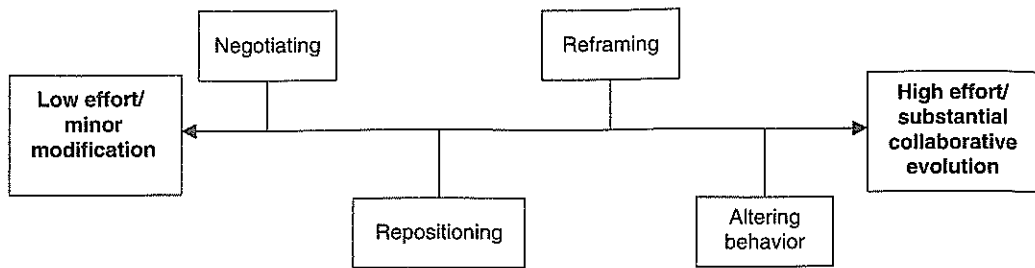
organizational affiliation at all. Participants may feel as though they share a common purpose for the duration of a given project, yet may not view themselves as a "team." Collaborators may never meet face-to-face, may be geographically dispersed, and may be primarily connected by communication technology (Gibson & Gibbs, 2006). Thus, collaborations are more loosely structured, more temporary, more fluid, and often more electronically enabled than traditional teams (Gibson, 2006).

Multicultural collaborations are formed for many reasons. They may enable bringing together the best minds, skills, and knowledge, without heavy administrative, relocation, or travel costs. Participants bring with them local knowledge, skills, resources, and institutional connections that become important assets in many projects. As a result, multicultural collaborations are not limited to any given industry or project type. They may occur in settings as diverse as new product development in the pharmaceutical industry, in the procurement function in the automotive industry, in delivery of services in the travel and hospitality industry, or in humanitarian aid efforts. In addition to the collaboration we described in the opening paragraph involving concept development in the information technology domain, we have systematically observed successful multicultural collaborations in consulting and professional services, filmmaking, human resource management, peacekeeping forces, educational services, emergency health care, scientific research, and training and development efforts.

A variety of challenges are experienced through multicultural collaborations. Many of these have in common the occurrence of rapid change. That is, changes in the external environment create challenges for the collaboration by changing the way a collaboration experiences and interacts with its environment. We have witnessed challenges related to external environmental change that fall into five broad categories, which are not intended to be exhaustive: (1) economic (e.g., devaluation or stabilization of currency, inflation), political (e.g., regime change, public unrest, military action, transition to a more market-friendly environment), and regulatory challenges and opportunities (e.g., trade barriers, taxation, imposition or relaxation of legal restrictions); (2) technological (e.g., technical failure, new technologies to incorporate, new enabling technologies) and human resource challenges and opportunities (e.g., labor disputes, access to skilled workforce at lower wages); (3) financial (e.g., lack of funding, increased resource needs, increased funding, decreased resource needs) and time pressure challenges and opportunities (e.g., increased urgency of deadlines, delays, relaxation of timelines, innovations enabling more efficient processes); (4) physical environment adversity (e.g., natural disaster, weather hazards, access to locations with ideal weather conditions); and (5) cultural challenges and opportunities (e.g., differing values or ways of viewing the world, stereotypes, prejudice, cultural development). Due to the theme of this book, we focus here on this last set of challenges, hence the notion that external adjustment incorporates culture "inside and out." In particular, we note the important connections between the skills and abilities of collaboration members, such as CQ, and the ability of the collaboration to adjust.

The Maypole Project, for example, involved participants from Austria, Germany, the United Kingdom, the Netherlands, Finland, and India. These nations are char-

Figure 14.1 Forms of Collaboration External Adjustment



acterized by very different cultural values, cognitive styles, and work preferences. The participants viewed these differences as a strength of the collaboration, because it allowed them to draw upon a variety of knowledge, experiences, and perceptions. More challenging than the cultural differences internal to the collaboration were the changes in the external environment that evolved as the collaboration progressed. The European Union (EU) expanded to include new member nations during the course of the project, changing the national profiles of the target end users. Sociocultural trends toward greater technological proficiency, particularly among children, accelerated during the course of the collaboration. Cooperation (and animosity) across national borders waxed and waned. These shifts in the external environment necessitated ongoing reinterpretation of the project's core objective: designing technology that enabled social renewal.

In another case, a multinational documentary film team reported having encountered a great deal of cultural adversity, in the form of stereotypes and prejudice, in addition to significant amounts of political and economic challenges, in the process of making their film in Baghdad, Iraq. The cultural challenges were the most difficult to overcome, creating barriers to access in certain areas of the city, reluctance to share information, and concerns over personal safety. The multicultural composition of the team and the CQ of the collaboration allowed the members to successfully adapt to these challenges and complete the film, in spite of the difficulties they faced.

Forms of Adaptation

When an external environmental challenge is experienced, how might a multicultural collaboration adjust? Recognizing that the nature of external adjustment is likely to be very complex and perhaps as diverse as the many different types of collaborations that exist, we have begun to identify four broad categories of external adjustments: *negotiating*, *repositioning*, *reframing*, and *altering behavior* (see Figure. 14.1). These categories represent a continuum from low effort and minor modification to high effort and substantial evolution in the collaboration. We elaborate on these below with the caveat that systematic empirical assessment and exploration of these and other potential forms of adjustment are critical next steps in this research domain.

Negotiating

Participants in a multicultural collaboration may adjust by focusing efforts outside the collaboration, attempting to bargain with key parties to entice them to change so that the collaboration itself does not have to explicitly change. Although it does not involve substantial modification of processes, negotiating with the external environment requires effort, hence we view it as a type of adjustment. For example, consider a hypothetical new product development project called Europe Connect which may have received funding under the same program as the Maypole Project, and has similar objectives focused on development of technology concepts. Participants in Europe Connect may have attempted to convince those outside the collaboration that new member nations who happen to join the EU during the project share many of the same cultural values that pertain to their domain as existing members. By "explaining away" any differences, they could curtail any dramatic changes in their own work. Or, members of Europe Connect could attempt to promote awareness and adoption of these sociocultural trends in the new member nations, such that they are aligned with existing member nations, again reducing the degree to which they have to adjust their own work. Additionally, consider the example of humanitarian aid collaborations working in societies plagued by war and where conflicting political and cultural factions are less than supportive of humanitarian norms. One of the momentous challenges facing humanitarian relief groups is safeguarding the residents of these locations and providing necessary assistance. Adjustment to this type of hostile context could involve negotiations with the relevant political and cultural groups to explain and justify the humanitarian aid effort. Without such negotiations, it is doubtful that the collaboration could fulfill its mission.

Repositioning

When negotiating with parties who are external to the collaboration does not provide for a smooth path forward, participants in a multicultural collaboration may reposition themselves vis-à-vis the external environment, essentially carving out a new market, or niche, or redefining the constituents, stakeholders, and end users. For example, although new member nations may have been added to the EU, and the EU may have been the ultimate source of funding for a project such as Europe Connect, collaborators may have negotiated with the specific program (e.g., the i^3 initiative) to maintain a focus on the original EU member nations that had joined prior to project launch. This would mean "ignoring" the cultural needs of the new member nations, but would simplify the degree to which the collaboration would need to make adjustments.

This adjustment is basically a tightening and refining of the constituents, or a process of making the target constituents more explicit. Another example of repositioning in order to adjust to external challenges might be a documentary film team that learns they have carved out too broad a niche for their film. As a result, they might reposition their film, redefining their audience as a particular activist or interest group that they anticipate will be particularly receptive to the film.

Reframing

While repositioning maintains an outward focus and requires relatively minor changes, collaborators who engage in reframing to adjust to external challenges are beginning to address more fundamental changes in the nature of their work together. Reframing involves a shift in the objectives, goals, or mission of the collaboration to maintain alignment with the change in the external environment. Again, drawing on the Maypole Project as an example, given the increasingly common trend for children to interact with (and own!) their own technology, the participants likely had to gradually reframe their objectives as enabling the sharing of information between adults and children and among children via communication technology. This focus on children and the family unit corresponded to the sociocultural trends that their research uncovered. Without such an adjustment, their objectives would have been obsolete.

Another hypothetical example of reframing might be a group of humanitarians that embarks on a recovery effort with a specific set of objectives, such as rebuilding housing destroyed by a flood within a given region. However, upon arrival at the scene of the crisis, interaction with the local population as well as initial assessments of the environment might reveal a need to reframe their objectives to include a broader geographic area. The same set of basic activities would be conducted, just expanded to include a larger region. If they continued to pursue their original objective, the urgent needs of the constituents would not be met, and the collaboration would have less impact.

Altering Behavior

Finally, the most effortful adjustment entails substantial changes in participants' behavior in their interaction with the collaboration's external environment. There are a whole host of changes that a collaboration might make internally among the participants (without interfacing with the external environment); however, we view these internal adjustments as comprising other collaborative concepts (such as reflexivity). Examples of external adjustments that involve altering behavior include adapting work processes to better fit a change that occurred in a location, changing the style in which collaborators work with those outside the collaboration, developing new roles on the collaboration to liaise with the external environment, or altering the time frame, production schedule, or delivery schedule for the collaboration to better fit the external environment. On a technology development project such as Europe Connect, an example of altering behavior might involve adding a position dedicated to media relations if it became clear that the media would play an important role in securing samples needed for feasibility studies in the new member nations.

As another example, consider a documentary film team conducting its work in multiple countries. As it moves from one location to the next, the manner in which participants collaborate with local officials will likely need to be adjusted. However, if they find that certain issues are more salient in some locations than in others, they may need to alter the very content of their film, in order to most effectively educate viewers and disseminate

the most pertinent knowledge. External adjustment for this collaboration requires modifying their basic work processes to incorporate the cultural differences they encounter in each location.

THE IMPORTANCE OF COLLABORATION EXTERNAL ADJUSTMENT

In the preceding section, we emphasized the types of challenges that multicultural collaborations often face and the manner in which they may adjust to them. We now make a case for the importance of collaboration external adjustment by discussing the evolution in the nature of collaborative environments that necessitates external adjustment, as well as the potential outcomes that can be achieved through the external adjustment process.

The Evolving Nature of Collaborative Environments

We have found that collaborations are becoming more and more common, while traditional teams are less common (Gibson & Cohen, 2003). This is because work and organizations themselves are being transformed by globalization, communication technology, and political and economic reform. Many traditional organizational models assume that work processes are best proactively mapped according to milestones and concrete deadlines, with extraneous factors managed to buffer progress (Bluedorn & Denhardt, 1988; McDonough & Leifer, 1983). In many work settings today, however, participants operate in crisis mode, necessitated by urgent constituent needs and extraordinary environmental volatility. Witness the cardiac surgery team that must prepare on a moment's notice, and change course when technology fails or risk losing the life of a patient (Edmondson, Bohmer, & Pisano, 2001). These circumstances are equally relevant in a complex collaboration such as a disaster relief project. Volunteers, independent contractors, and local vendors collaborate to provide relief in a compressed time frame and very turbulent physical environments (e.g., earthquake aftershocks), with substantial loss occurring due to delayed reactions. Models are needed that capture the features of a collaboration that are necessary to face such urgent needs and volatility in the physical and constituent environment.

Innovation as a Critical Success Factor

As collaboration has evolved, innovation has become most often the key outcome that many collaborators hope to achieve. Innovation is the collective process of incorporating knowledge into new methodologies, products, and services (Nonaka & Takeuchi, 1995; Dougherty, 2001; Leonard-Barton, 1995; Mohrman, Klein, & Finegold, 2003). Innovation is important because, even more than other competitive moves such as merger or acquisition, it is a critical means by which members of organizations diversify and reinvent themselves to match evolving market and technical conditions (Schoonhoven, Eisenhardt & Lyman, 1990). This has been demonstrated in single industry studies, in-

cluding technology (Vessey, 1991; Eisenhardt & Tabrizi, 1995; Galunic & Eisenhardt, 2001), pharmaceuticals (Zellmer-Bruhn & Gibson, 2006), and automotive settings (Clark & Fujimoto, 1991; Obstfeld, 2005), as well as in multi-industry studies, which often control for industry effects across industries such as agriculture, aerospace, retail, professional services, medical products, chemicals, telecommunications, and consumer electronics (Hargadon & Sutton, 1997; Gatignon et al., 2002).

Researchers have also documented the relationship between innovation and effectiveness at the team level (Gibson & Vermeulen, 2003; Gibson & Birkinshaw, 2004; Bain, Mann, & Pirola-Merlo, 2001; Edmondson et al., 2001). This is also true of the type of multicultural collaborations we address here. Yet, innovation is impossible if collaborations cannot make use of contextual knowledge (Davenport, De Long, & Beers, 1998; Gibson & Gibbs, 2006) and translate it into effective behavior. Collaboration external adjustment is a critical component in this process, and hence has the power to enable innovation.

Outcomes of Collaboration External Adjustment

Innovation is not the only outcome that multicultural collaborations often experience when they externally adjust. The Maypole Project is an example of a collaboration that experienced innovation as well as efficiency, productivity, and effectiveness, and was deemed a success by the i³ initiative as well as the EU because it achieved its multifaceted objectives. Perhaps equally important, participants were satisfied with their work in the collaboration, felt that they personally gained from their involvement, and were eager and enthusiastic about participating in a similar collaboration in the future, involving some of the same participants.

Beyond these important indicators of performance, we have also observed that those collaborations that fail to adjust may in fact fail to survive. An information technology collaboration that does not negotiate well with investors when they show cultural proclivities toward certain sociocultural trends, may see their funding dry up and be forced to close up shop. Filmmaking teams who cannot position their films so that they will be well received by the audiences that view their films may find it impossible to get their films screened or distributed. Humanitarian aid workers that do not develop work processes that incorporate the cultural values of their constituents may see the aid go unused or misapplied. All of these examples underscore the fundamental nature of collaboration external adjustment, and provide insight into which collaborations will be most successful in the future.

DISTINGUISHING COLLABORATION EXTERNAL ADJUSTMENT FROM OTHER CONSTRUCTS

We have defined collaboration external adjustment as the ability of a collaboration to adapt to challenges in the external environment. Concepts and processes such as team reflexivity, establishment of external ties and networks, expatriate adjustment and repa-

triation, and adaptation in the context of joint ventures share some notable similarities with our construct of collaboration external adjustment, but nevertheless are critically distinct. In the section that follows we draw upon the literature in order to underscore commonalities and draw critical distinctions between collaboration external adjustment and other similar constructs.

Team Reflexivity

Team reflexivity is one of several concepts that bear some resemblance to collaboration external adjustment. Team reflexivity has been defined as the “extent to which group members overtly reflect upon and communicate about the group’s objectives, strategies (e.g., decision making), and processes (e.g., communication), and adapt them to current or anticipated circumstances” (Schippers, Den Hartog, Koopman, & Wienk, 2003). Other scholars have cited process assessment as a key to avoiding the obsolescence that can occur with environmental change and have noted that reflexivity is particularly critical in environments characterized by complexity and uncertainty (Schippers et al., 2003).

The concept of reflexivity is similar to the concept of collaboration external adjustment in the sense that both are focused on changes necessary to bring processes into alignment with goals. The most notable difference between the concept of reflexivity and collaboration external adjustment is that reflexivity is centered on the monitoring and adjustment of *internal* team processes, including evaluation of the appropriateness of their objectives and the effectiveness of their methods and processes (Schippers et al., 2003), while collaboration external adjustment involves the evaluation of *external* environmental conditions and the collaboration’s ability to adjust its interactions with external constituents appropriately to changes in the external environment to achieve its objectives.

Establishment of External Ties and Networks

Collaboration external adjustment is also distinct from two concepts that address external relationships formed by social entities: external ties and external networks. External ties are “linkages between a pair of actors” (Wasserman & Faust, 1994, p. 18) where the actors are embedded in two different contexts. The combined set of external ties that team members have established with individuals outside the team comprise a team’s external network (Ancona & Caldwell, 2000). Scholars have emphasized the importance of developing external relationships in order to share knowledge and facilitate political tactics, especially under conditions of complexity and high interdependence with other teams. Evidence has been found that a team’s interaction with external ties and networks can impact performance (e.g., Ancona, 1990; Ancona & Caldwell, 1992; Peng & Luo, 2000; Joshi, 2006). External relationships have also been found to impact organizational performance (Rowley, Behrens, & Krackhardt, 2000).

There are several important distinctions to be made between our concept of collaboration external adjustment and the establishment of external ties or networks. First, although external ties and networks may be utilized to address challenges that arise in the

environment outside a collaboration, they are not always formed in response to change and may exist in a steady state, which is maintained for months or even years without representing specific adaptation to a challenge or problem. Our concept of collaboration external adjustment, however, specifically represents dynamic change processes in a collaboration that may be necessary for survival and are brought about as a result of some occurrence in the collaboration's environment. Second, while the development of external ties and networks are essential ways collaborations adapt to external challenges, external adjustment is inclusive of strategies other than those related to the development of relationships. Hence, the establishment of external ties and networks is only one mechanism for collaboration external adjustment.

Expatriate Adjustment

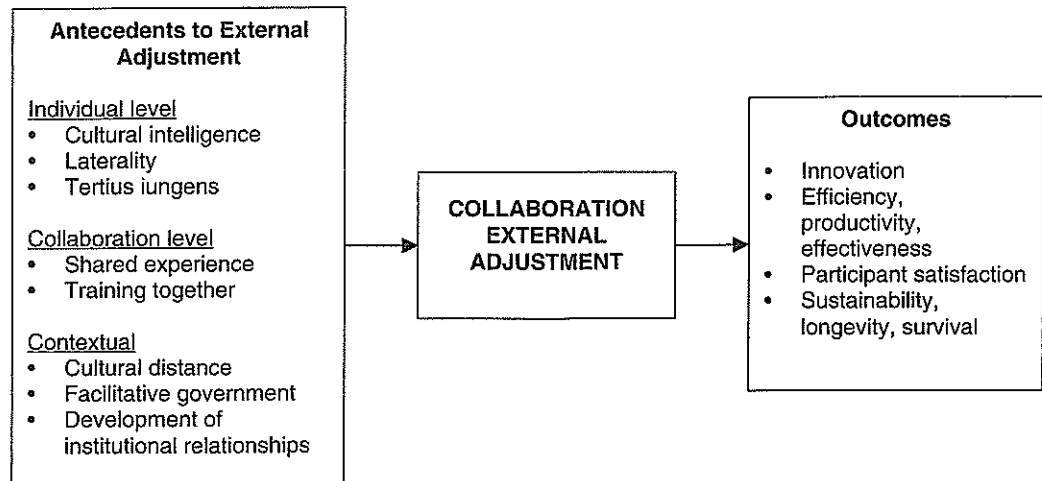
The international management literature has examined adjustment processes in the context of expatriation and repatriation. When employees accept an overseas assignment, they are often faced with a very challenging new environment, consisting of different norms, values, rules, culture, business practices, daily customs, and living conditions than what they are accustomed to at home (Black, Mendenhall, & Oddou, 1991). For example, an expatriate working in Indonesia might need to adapt to a new level of pollution, heat, traffic, or different standards of productivity in the work environment. There is evidence to suggest that expatriates who adjust experience performance gains (Bhaskar-Shrinivas et al., 2005; Takeuchi Wang, & Marinova, 2005). Repatriation also involves significant adjustments including adapting to interaction with home country nationals and to the general environment and culture of the home country following an overseas assignment (Black, Gregersen, & Mendenhall, 1992).

A key difference between collaboration external adjustment and expatriate or repatriate adjustment is the level of analysis at which each is most commonly examined. While we locate our analysis of external adjustment at the collaboration level, most expatriation and repatriation literature is situated at the individual level of analysis, with implications at the organizational level. Furthermore, collaboration external adjustment may involve adjusting to external challenges posed by the local environment while expatriate adjustment involves adaptation to cultural differences on an international assignment. Additionally, while expatriate and repatriate adjustment involves fitting into an international subsidiary organization or back into the home office organization, a collaboration as we have defined it is less likely to be subject to this type of adjustment.

Adaptation in Joint Ventures

The literature on joint ventures also addresses external adjustment. When two organizations form an alliance, there is often the need for each to adjust their processes and policies (Buckley, Glaister & Husan; 2002, Inkpen & Currall, 2004), and those that do so have been found to be more effective (e.g., Fu, Peng, Kennedy, & Yukl, 2004; Szymanski, 1998). Nokia provides a recent example of the need for joint ventures to adjust. Due to

Figure 14.2 Framework for Collaboration External Adjustment



policy restrictions, Nokia entered the market in China via the establishment of four joint ventures with Chinese partners. However, due to fierce competition in the communications industry, it became necessary to adjust and combine the four joint ventures into one new company. The general manager of the new company noted that integrating the joint ventures would allow Nokia to optimize resource allocation among their companies in China (SinoCast China IT Watch, 2005).

Again, there are several important distinctions between establishing a joint venture and collaboration external adjustment. First, collaboration external adjustment involves formulating a solution on behalf of a time-limited endeavor, whereas a joint venture may be a permanent solution. Second, collaboration external adjustment is initiated by a small social entity that may involve as few as three people, whereas joint ventures take place at the firm or business unit level. Third, while the forging of new ties may be one tool by which a collaboration externally adjusts, no new, independent organizational entities (as with a joint venture) are formed. Finally, there are many other motivations (other than adjusting to unplanned circumstances) for establishing joint ventures (Inkpen & Beamish, 1997; Makino & Delios, 1996, Wong & Ellis, 2002).

DEVELOPING THE CAPABILITY TO EXTERNALLY ADJUST

Having addressed the defining features of collaboration external adjustment, including why collaborations adjust and how they might adjust, as well as how external adjustment is distinct from other concepts, we now identify several possible antecedents to collaboration external adjustment. We consider antecedents at three levels: the individual level, the collaboration level, and the larger external context outside the collaboration. Together, factors at each of these levels represent potential points of leverage for multicultural collaborations desiring to develop the capability to externally adjust. These are summarized in Figure 14.2.

Individual Level Antecedents

External adjustment may be enabled by the strategic composition of collaboration members who possess particular skills. Although choice of collaborators is not always within the discretion of participants, leaders may be charged with the responsibility of assembling the contributors. We anticipate that three individual characteristics enable the development of external adjustment: CQ, laterality, and *tertius iungens*. Each of these has received attention in the recent literature and all hold great promise in terms of bolstering the effectiveness of multicultural collaborations (perhaps directly and) through their effect on external adjustment.

Cultural Intelligence

The subject of much of this book, CQ is an aptitude and skill that enables someone from outside a culture to interpret unfamiliar gestures and actions as though they were insiders to that culture. According to Earley and Ang (2003), those with CQ are able to separate out three features of other people's behavior: those that are universally human, those that are idiosyncratically personal, and those that are rooted in culture. Further, in the Earley and Ang (2003) framework, there are cognitive (e.g., the structure and interrelatedness of cognitions relevant for comprehending and functioning within a culturally dissimilar context), motivational (e.g., willingness to stay engaged in the process of making sense of unfamiliar situations), and behavioral (e.g., linguistic behaviors including facial expression and proxemics) components of CQ. We anticipate that all three of these components may enable external adjustment in multicultural collaborations. The cognitive component will be useful in recognizing the need for adjustment, the motivational component will encourage persistence in the adjustment process in the face of setbacks or particularly enduring challenges, and the behavioral component will contribute to the most intensive adjustment processes which require the entire collaboration to alter their functioning, vis-à-vis the external environment.

Laterality

The second individual characteristic that we argue can enable collaboration external adjustment is laterality, defined as the ability to cut across boundaries and relate to others from different areas (Gibson & Cohen, 2003). Laterality is a communication skill that overlaps to some degree with the behavioral component of CQ (Gibson, 2006). People with laterality are able to act as a bridge and interpreter between different functional or cultural areas, can rapidly learn the basic language and conceptual framework of their collaborators, are confident but not egotistical about what they know, and are not defensive about their lack of knowledge in other areas. Scholars have argued that to take maximum advantage of the innovation-creating capabilities of a global collaboration, participants must be aware of and connected to the larger system, and the larger system must be responsive to and able to incorporate the knowledge that is generated in its various subunits

(Mohrman et al., 2003). Laterality is likely the key to establishing these connections. For example, in defense industry collaborations, systems engineering integration specialists play key roles in linking across customer needs, firms, and subdisciplines (Fallows, 2002). Laterality enables individuals in these roles to create such links. When participants in a multicultural collaboration have laterality, it is likely they will be better able to contribute to collaboration external adjustment through negotiation, repositioning, and reframing, since each of these forms of adjustment are communication intensive.

Tertius Iungens

Finally, the individual characteristic known as *tertius iungens* represents a strategic, behavioral orientation toward connecting people in one's social network by either introducing disconnected individuals or facilitating new coordination between connected individuals (*tertius iungens* is Latin for "the third who joins") (Obstfeld, 2005). A person with a *tertius iungens* orientation is similar to Simmel's concept of a third party that acts as a mediator or nonpartisan to create or preserve group unity (Simmel, 1950). Recent empirical evidence demonstrates that those with a *tertius iungens* orientation are more involved in innovation than those without such an orientation (Obstfeld, 2005). They orchestrate and alter social networks, enlisting and introducing those that can be of assistance to each other. In multicultural collaborations, *tertius iungens* may be particularly useful in enabling external adjustment through behavioral alterations. In both of the examples of behavioral alterations we presented earlier, which involved adding a new position to liaise with the media and collaborating with government officials to gain access to certain geographical areas, the ability to connect two unconnected parties is essential. Having more individuals on the collaboration with this skill would facilitate such adjustments.

Collaboration Level Antecedents

In addition to antecedents at the individual level, we argue that the level of experience and training together at the collaboration level are likely to impact the capability to externally adjust. Each of these factors constitutes strategic decisions regarding the management of the collaboration as a whole—and each of these factors can be carefully designed to enhance external adjustment.

Experience

Collaboration experience, in the form of previous collaborative work experience, likely contributes to the capability to externally adjust. When participants work together over time, perhaps across numerous collaborations or within the context of simulated activities during training, they create a shared history (Earley & Gibson, 2002). Shared history allows for the development of patterns of responses to external challenges and a common behavioral repertoire (Gibson, 2001; Zellmer-Bruhn, 2003). Although previous actions may not always fit novel circumstances, they do provide a basis from which to start, in-

creasing the efficiency of external adjustment. Equally important are shared experiences, which are a basis for common understanding of identity (Stryker, 1980), strengthening each member's commitment to the collaboration and their role in the collaboration (Maznevski, 1994; Turner, 1987), and developing myths and rituals that reinforce membership with a community (Rosaldo, 1989). All of these features can help a multicultural collaboration to persist even in the face of substantial environmental challenges.

Training

In a similar vein, scholars have argued that training that increases isomorphic attributions, appropriate affect, synergistic information extraction, and decision making can increase effective use of CQ (Janssens & Brett, 2006; Triandis, 2006). The expatriation literature also suggests that there is a learned component of successful cultural adaptation at the individual level, and that organizations may assist with individual adjustment through training programs, standardization of organizational culture across locations, and providing social and logistical support to individuals in transition (Black & Gregersen, 2000). Hence, the extent to which collaborators develop a set of common experiences and shared history, either through working together over time or through training, may also enable external adjustment.

Contextual Antecedents

Successful adjustment to the external environment in which a collaboration operates may include the ability to deal with political instability, currency fluctuation, national or regional cultural differences, language barriers, unfavorable weather conditions, difficulty accessing critical resources, or opposition from various special interest groups. Given that not all locations hold similar probabilities for encountering these and other types of environmental adversity, it follows that features of the context (i.e., the location in which collaborations occur) are critical antecedents for external adjustment. Some locations will enhance and others exacerbate the external adjustment process. Joshi argues that "along with the demographics of the team, the demography of the embedding context will shape the nature and extent of external team networks" (Joshi, 2006, p. 583), which in turn have a direct impact on team performance. Katz et al. (2004) also acknowledge the importance of understanding the context in which a team is embedded in order to understand the way a team functions. We too argue that there is a critical relationship between the nature of the location or embedding context and the performance of a collaboration. In their research on local knowledge transfer, Makino and Delios (1996) refer to the problem of "location-based disadvantage," which they define as a foreign firm's disadvantage due to comparatively less knowledge about political, economic, and social situations than their local counterparts. Similarly, Inkpen and Beamish (1997) cite market uncertainties as a type of external challenge and note that the acquisition of local knowledge, consisting of critical information about "cultural traditions, norms, values, and institutional differences" (Inkpen & Beamish, 1997, p. 181) is an important means of adjusting. When those leading

a collaboration select a location so that "location-based disadvantages" are minimized, chances for successful adjustment should improve. Three contextual features likely to be particularly salient influences on external adjustment include national cultural distance, facilitative government, and institutional relationships.

Cultural Distance

Cultural distance is a concept that has been utilized by multiple scholars as a means of quantifying differences between national cultures that influence managerial decisions. Kogut and Singh (1988) argue that the greater the cultural distance between two countries, the more distinct their organizational characteristics will be. Cultural distance represents "a proxy for disadvantages a firm faces when it establishes operations in a host country outside of its home country" (Mezias et al., 2002, p. 408). Kostova and Zaheer (1999) suggest that where there are greater institutional differences between the native environment of a multinational enterprise (MNE) and the host country in which its subunit operates, the MNE subunit will face more challenges establishing and maintaining legitimacy in the host country (Kostova & Zaheer, 1999). We argue that in a multicultural collaboration, one way of potentially minimizing a "location-based disadvantage" is selecting a location such that cultural distance is minimized between the native and host environments of the collaboration. The United States and Australia are examples of countries where cultural distance is low. That is, they are relatively similar on key cultural dimensions (Hofstede, 1980). The cultural distance between Pakistan and the United States, on the other hand, would be much higher, indicating significant differences in cultural values and norms. We argue that when it is within the control of the collaboration, location selection based on consideration of cultural distance will have an impact on a collaboration's ability to externally adjust.

Facilitative Government

In addition to cultural distance, facilitative government is a characteristic of collaboration context likely to impact external adjustment. While some political contexts provide a safe haven for organizations, others are much less "facilitative," making external adjustment more difficult. Facilitating governments are supportive and seek to provide predictable laws and regulations that they are capable of enforcing. As governments become less facilitative, the less supportive they are of organizations, and the more unpredictable they are (Pearce, 2001). Nonfacilitative governments are hostile to independent organization, and have weak or nonexistent legal regulation. Symptoms of these governmental ills are manifest in organizational maladies such as distrust, fear, cheating, exploitation, and rule breaking (Pearce, 2001). As an example, in their study of entrepreneurial ventures in Russia during the 1990s, Puffer and McCarthy (2001) provide examples of the ways that nonfacilitative governments threaten an organization's ability to externally adjust. They note that a hostile environment characterized by an unstable government, an underdeveloped legal system, overregulation, a virtually unfathomable taxation system, a pervasive

mafia, and an inadequate business infrastructure pervaded the environmental context in Russia during this time period (Puffer & McCarthy, 2001). Accordingly, entrepreneurs were faced with the thorny task of adjusting to hostile legislation, currency devaluation, exposure to mafia, and shifting tax laws—adjustments that would have been far less complex in a more facilitative environment. An understanding of the role that facilitative governments play in the external adjustment of a collaboration may allow collaborators to make more informed decisions when entering foreign locations. It may also permit them to develop realistic expectations about critical success factors in various political and cultural settings.

Institutional Relationships

A final potential antecedent to external adjustment is the development of relationships with institutional interfaces. Gibson (2006) has argued that establishing relationships with local business and government organizations will contribute to the ability of collaborations to adjust to environmental adversity. By institutional relationships, we refer to relationships that are forged between members of a collaboration and the business, municipal, or national government leaders of the host country in which they work. While little if any has been written to date about the relationship between the development of institutional relationships and the ability to externally adjust at the collaboration level of analysis, the literature on networks and on joint ventures suggests that establishing such ties increases the performance of teams and organizations (Joshi, 2006; Makino & Delios, 1996).

We argue that the development of institutional relationships allows collaborations to externally adjust by providing them with legitimacy and resources. Organizational legitimacy is the acceptance by the host country's industrial and institutional environment (Luo, Shenkar, & Nyaw, 2002). The establishment of institutional relationships is a key mechanism by which collaborations may gain institutional legitimacy in a local context. Furthermore, institutional relationships can provide access to critical physical and informational resources. Through such relationships a collaboration can gain information on government policy regarding future economic development, taxation, and import and export regulations. Similarly, partnerships with financial institutions can provide a firm with a competitive edge in obtaining benefits such as low interest rate loans (Wu & Choi, 2004). With added legitimacy and resources, multicultural collaborations that develop institutional relationships are more likely to be able to externally adjust.

CONCLUSION

Multicultural collaborations, in contrast to traditional teams or permanent organizations, are becoming increasingly salient in the current business environment. Such collaborations often face economic, political, regulatory, technological, financial, or human resource challenges, or may encounter time-related pressure, change in their natural physical environment, or cultural challenges. In order to remain competitive in a market economy, the ability to adapt to these external environmental conditions (both favorable and unfavorable)

is a critical capability for multicultural collaborations. In this chapter, we have refined the concept of collaboration external adjustment and explained how it differs from other similar constructs, noting that it bears some resemblance to the concepts of reflexivity, external ties and networks, expatriate and repatriate adjustment, and adjustment in joint ventures, yet is nevertheless distinct. We have discussed four forms of external adjustment, including negotiation, repositioning, reframing, and altering behavior, and we have highlighted important outcomes such as innovation, efficiency, and sustainability associated with collaboration external adjustment. Finally, we propose that certain key characteristics of a collaboration will facilitate the capability to externally adjust, including individual characteristics such as CQ, collaboration characteristics such as prior experience together, and contextual characteristics such as institutional relationships.

Awareness of these antecedents to adjustment enables collaborations to identify opportunities for improvement in their capability to externally adjust. Due to the complexity, urgency, and volatility common in the environments in which multicultural collaborations typically operate, failure to adjust may mean a failure to survive.

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