

# Can Multinational Groups be Effective?

*The Influence of Leadership and Corporate Culture*

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To be presented at the international conference Comparing Cultures, to be held in Tilburg, The Netherlands, on April 27, 2001 and organised by the Institute for Research on Intercultural Cooperation.

Purpose of the presentation: fleshing out the hypotheses and model presented in this paper.

*In this paper a model focussing on how to build an effective multinational group (MNGs) is presented. The interrelated roles of national cultures, corporate culture and leadership on acculturation processes are highlighted. Because national cultures are very 'sticky' and have a strong influence on behaviour of people, highly effective MNGs are hard to compose. And once composed, it is hard to build a cohesive team out of an MNG. The model serves a research tool and has to be tested in reality: The last part of this paper focuses on the design of the field-research I intend to conduct.*

## 1. Introduction

The subject of cultural differences between countries and its impact on MNGs has drawn my attention for several reasons. A few years ago I worked as a superintendent (rough equivalent of Captain in many US police forces) in the Amsterdam. In those years I had many international encounters with other police forces. Although 'police-speak' is rather similar all over the world, I often noticed significant cultural differences. Police officers in the UK remain proud not to carry side arms, while in the Netherlands 9-mm guns have replaced 7.65s and police officers discuss wearing bullet-proof vests all day. In the USA it is not uncommon to leave the patrol car for a routine check armed with a riot-gun. In those days I was appointed to set up a cross-border exchange programme between police forces. In the USA many chiefs of police enthusiastically welcomed me and were proud to show their organisations. Many police forces would welcome our police-officers for a 6 weeks study-visit. On my question if they would send one of their officers to Europe most of them responded (some more polite than others) that they did not expect that something from European police forces could be learned. This was surprising, because most of the police forces in other countries –including Canada- I visited had the opposite opinion and sent police officers to Europe.

Another stimulus came from a close friend who used to work in a diesel-engine manufacturing company that expanded its activities worldwide at a rapid pace. They bought many local manufacturers and later faced huge losses. The acquisitions had been justified by the strategic plan, which predicted heaven on earth. He and I concluded that the problems stem largely from differences between national cultures.

Nowadays I work as a consultant for Mercuri Urval Netherlands and I meet many international customers. Mercuri Urval is a consulting company with branches in 20 countries. We help companies and governments to improve their results by helping them to define their HRM strategies, finding the right people for them in the right jobs and improving the effectiveness of individuals and teams.

It seems that globalisation and the European single market have a significant impact on investment decisions. An increasing number of our customers are Asian and American companies that want to expand their operations to Europe. Companies that already had a strong presence in Europe decide in large numbers to centralise operations that used to be separate yet identical in every European country. Such operations are now focussed on the entire continent and beyond. They include product development, production, marketing customer support. Top management usually mentions cutting costs and improving quality as the main reasons for this type of centralisation.

As a result many companies have to deal with the implications of teams of people of different nationality, at least more intensively than they used to in the past. They ask us to find the right people in case of a start-up, or they call us for help if such teams face trouble or produce unsatisfactory output. A member of one of those troubled MNGs once explained why deadlines often were not met:

*"If a German says something, he might mean a different thing from what the Englishman thinks he does. There's probably more confusion than we think... people agree because they take it the way they want to take it. I'm convinced you will get many different answers. But we never ask for feedback. If you spend time on it, you may save a lot of time later. What often happens is that a decision to act is made, but people don't see it as an action on them. Then nothing happens."*

Although Mercuri Urval has built up quite some expertise, we found that existing theoretical frameworks for the functioning of multinational groups (MNGs) are rare and quite often based on combinations of other literature, not on empirical data. Therefore it is Mercuri Urval's interest to make a contribution to the body of knowledge of the functioning of MNGs. This contribution must be based on field research. I therefore got top my management's commitment to make use of the company's infrastructure and time to undertake this field research: Consultants in 16 countries participate in our research team.

## **2. Central question**

The group of international managers includes for example expatriates of multinational companies who are responsible for a foreign production plant or sales organisation. Most of the times these expatriates head a team of 'locals'. Most of the cross-cultural management research focuses on this type of situation. The theme logically is something like 'How can a German manager best manage a Spanish team?' However, following from the above I focus on leaders of *multinational* teams -consisting of members of different nationality. Research has shown that there is no single best way to lead such a team. The circumstances create the leader: (Pfeffer 1994: 77). There has to be a 'fit' between situational requirements and personal traits. This notion makes it futile to look for the ideal leader of multinational teams as such. This is not only the case for the purpose of this paper, it is how Mercuri Urval conducts recruiting and selection of management executives, project managers, etc. as well. I now come to the central question:

*How do national cultures influence the effectiveness of MNGs and what style of leadership is appropriate?*

Below I work out some hypotheses for field research and put them together into a model for the functioning of multinational groups. In the last section I will give an overview of the research I plan to undertake.

### 3. National cultures

National culture has a strong impact on people's values and hence behaviour. Geert Hofstede's way to describe national cultures in five dimensions has proved to be useful for researchers. Therefore I will make use of it in my research. Hofstede designed a questionnaire that focuses on values. In 65 countries he selected a sample of IBM employees who were asked to complete the questionnaire. He found out that the scores within specific groups of questions were inter-related. Hofstede called such groups dimensions. He translated the scores on such a group of questions to one dimension-score. Hofstede originally distinguished four dimensions; *power distance*, *individualism*, *masculinity* and *uncertainty avoidance* (Hofstede 1995).

The first dimension, *power distance*, is the extent to which less powerful members of institutions or organisations in a country expect and accept that power is distributed unequally. A very high score means that the boss has almost absolute power over his subordinates. The score on power distance goes from Austria at 11 to Malaysia at 104. The United States has 40 and German-speaking, Scandinavian and Anglo countries score lower than 40. The Latin cultures in Europe score higher; from Italy at 50 to France at 68.

The second, *individualism*, is bipolar, with collectivism at the other end. A culture is defined as individualistic if the ties between individuals are loose; everybody is expected to take care of themselves, family and close relatives. A culture is collectivistic if individuals are members of cohesive groups, which give life long protection in return for unconditional loyalty. The wealthiest countries score highest on this dimension and thus are the most individualistic. The score on individuality ranges from 6 for Guatemala to 91 for the USA.

The third dimension, *masculinity*, is also bipolar, with femininity at the other end. A culture is masculine if social gender roles are clearly divided. Men are expected to be assertive and hard and striving for material success. Women must be modest, tender, and striving for quality of life. A culture is feminine if social gender roles are overlapping each other; both men and women ought to be modest and tender and striving for quality of life. In Europe the differences are remarkable; Scandinavian countries and the Netherlands score low between 5 and 20 and hence are feminine. The U.K. and the Germanic countries outside the Netherlands score between 66 and 79 and are masculine. The Latin countries span a wide range: Portugal 31, to Italy 70). Neighbours can differ immensely; the Netherlands 14 versus Germany 66.

The fourth dimension, *uncertainty avoidance*, is the extent to which members of a culture feel threatened by insecure or unknown situations. This feeling shows in nervous tension and in a desire for predictability, for formal and informal rules. Denmark and Sweden score low in the twenties, UK and Ireland 35. People from these countries can cope with uncertainty. People from Latin cultures on the other hand score high, between 75 (Italy) and 104 (Portugal): They do not like unexpected events very much. The Germanic countries, Finland, Norway and the Netherlands are in between and score between 50 and 70.

An additional fifth dimension, *long-termism*, originally was not part of Hofstede's model. He gives credit for its discovery to Michael Bond, who conducted the 'Chinese Value Survey'. Bond found that Confucian cultures have a much longer time frame than western cultures.

Describing national cultures with dimensions enables us to visualise the cultural distance between national cultures. In this way it is possible to identify groups of more or less similar national cultures. The data to calculate the dimensions per country can be obtained rather easily. Few respondents are needed (somewhere between twenty and fifty) and scores can be calculated in a simple manner.

## 4. How nationality affects individuals and teams

Hofstede's tell us something about the values of the average individual in a country, but not about individuals themselves. The *values* that a person bears in the mind are the foundation of the other 3 layers *cognitive schema, demeanour and language*. Therefore values are of importance for research on MNGs. One would hope that scores on Hofstede's dimensions can be calculated also at the level of the individual. That would imply that cultural distances between members of an MNG can be calculated as well. Unfortunately, Bosland (1985) found that the dimensions obtained from the data only apply at the national (or regional) level of analysis, not at the individual level. That is, the dimensions are calculated by the scores on sets of questions; the interdependence between the answers on these questions shows at group level. Individuals can be 'measured' (and compared) by answers on single questions only.

Talking about individuals is one thing, a *team* is more than just a number of individuals. I define a team as a group of individuals working *interdependently* to solve problems or to accomplish tasks. Interdependence is the degree to which team members are dependent on and support others in this task accomplishment (Kirkman et al. 1997). Hambrick et al. (1998) already noted that very little empirical research or systematic conceptual work has directly addressed the phenomenon of multinational teams (MNTs). They state that some of these teams do not seem problematic at all, while others face difficulties such as taking far too much time for project development. In a case study (Melessen 1999) of an MNT I noticed that difficulties with language and cultural misunderstanding hampered the decision-making in an MNT. One person stated: 'When the management team meeting is over we leave the room with different stories in our heads'. The theoretical framework Hambrick et al. developed is built on three key observations about MNTs:

1. Nationality affects a person in four interconnected layers, namely values, cognitive schema, demeanour and language. These layers affect a person's behaviour as well as how the person is perceived.
2. The degree of effectiveness of an MNT depends on both magnitude and diversity as well as on the nature of the group's task.
3. MNTs often serve multiple purposes. For multinational companies they are for example often a tool to identify and test high-fliers.

Although these observations are important, they need addition. First, it is important to define the concept of 'team effectiveness' and how this concept relates to the behaviour of people. Second – and this relates to the central question- how people within a team interact and thus build a common culture partly stems from the leader's behaviour. Among many others, Schein (1992) and Tennekes (1995) adequately proved this. Finally, we can not overlook the phenomenon of *corporate culture*. It can influence people's behaviour in many degrees. In global companies business cultures can be even stronger than country cultures (Moss Kanter 1998: 65).

## 5. Team effectiveness

Kirkman and Shapiro (1997) made a useful contribution to the understanding of group effectiveness, regardless of the group's blend of nationalities. They give an overview of research undertaken in this field and conclude that a team is effective when:

- 1) the productivity is high
- 2) the quality of products and services is high
- 3) the costs to produce products or services are low
- 4) the safety of work processes is high
- 5) customer satisfaction with team output is high

Kirkman and Shapiro exclude outcomes such as job satisfaction and organisational commitment, because these factors are theoretically defined and empirically measured at the individual level of analysis. As for field research, the above mentioned indicators of effectiveness can be obtained from the company's own management information system or by interviewing the team's customers.

The writers present a model that revolves around resistance, team effectiveness and other intervening factors. The resistance can relate to self-management and/or to teams in general. A complication is that they intend to focus on (global) Self-Managing Work Teams (SMWTs), where no leader exists. Such teams are not only responsible for reaching goals, they also set the goals themselves. But underway they seem to perceive that the degree of self-management is an important parameter for team-design. For example, they argue that in high Power-Distance cultures the effectiveness of SMWTs will be higher if some of the decision power remains in the hands of traditional authorities. They conclude that the degree of self-management lies on a continuum. Soeters (2000: 471) notices a trend towards more self-steering throughout the western world. Bureaucracies like the army evolve over time from coercive to *enabling*. In enabling bureaucracies people are not very concerned with rules, because they are logic and there are not many. In those circumstances people are rather autonomous.

Kirkman et al. focus on how the concept of self-management is valued in different cultures, not on multinational teams. A team presumes cohesiveness, but people of different nationality have different opinions about the concept of self-management. Some like it, some do not. Bridging this value gap takes time, if possible at all. It requires that people partly give up their values on this issue. And many people will not do so voluntarily. I therefore hold it for logical that at least a degree of formal leadership should be present within a multinational team.

*Hypothesis 1: The most effective MNGs have a low degree of self-management.*

Related to Hambrick's first key observation Kirkman et al. distinguish several deranging factors for team effectiveness and which rest with the individual team members. Like the degree of self-management they argue that the degree of interdependence within a team lies on a continuum, too. At one end there are teams where members rarely see each other and need to exchange little information to perform their task. At the other end employees need to interact frequently. Resistance to strongly-interdependent teams in general is expected with average people of an individualistic culture: Cohesiveness and interdependence require to focus on welfare of the group rather than of the individual. Related to the issue of welfare is system of rewards and punishments. Kirkman et al. argue that the average individual of collectivistic cultures will perceive team-based pay to be more fair than will individuals from individualistic cultures. But it is not clear how a diverse group will value different reward systems. I therefore would like to test

*Hypothesis 2: The most effective MNGs have little task-interdependence.*

## **6. Team cohesion**

From the above it follows that at least some group cohesion must be reached before a team can be called a team. Following from hypotheses 1 and 2 the degree of the cohesion needed is contingent with interdependence of tasks and degree of self-management. The effort that must be put in creating cohesion relies on the cultural diversity of individuals within the group.

Triandis (1997: 11-36) has developed a model for the study of diversity and cohesion. The model focuses on the individual level of analysis. It takes many factors into account, such as 'history of conflict' and 'knowledge of other cultures'. The model shows how cultural gaps within a group can be bridged. Triandis' central theme is 'perceived similarity': when certain conditions are met, 'to know you is to like you'. According to the model, an MNG becomes more cohesive if the extent and quality of contact between members of different nationality increases. The key to success is that group-members feel encouraged to seek contact with each other. It also helps if they work together on clear goals. Triandis' model (Ibid. 27-30) is built on 15 hypotheses, of which many are almost self-evident and part of the public knowledge of everyday life. I therefore prefer to call them notions, because proving them would not add much value to my research. The following notions are the most important for understanding the concept of perceived similarity:

1. *The greater the cultural distance, the less the perceived similarity*
2. *Knowledge of the other culture may lead to greater perceived similarity, but also to greater dissimilarity*
3. *The greater the language competency in the other person's language, the greater the perceived similarity*
4. *The greater the network overlap, the greater the perceived similarity*
5. *The more equal status contact, the greater the perceived similarity*
6. *The more common goals, the greater the perceived similarity*
7. *The greater the perceived similarity and the opportunity for contact, the more rewards are experienced*
8. *More rewards lead to more contacts and thus to more intimacy, leading to more perceived similarity*

Triandis tries to explain how cross-cultural relationships can become more intimate over time. Gudykunst et al. (1992: 211) argue that a relationship between strangers is ruled by stereotypes until it reaches the state of friendship. Although real friendships exist also at the office floor, most of the relationships there are more superficial. In other words, cultural differences remain important even if people get to know each other better. An other aspect in Triandis' model needs closer attention as well: Rewards. There are many types of rewards (including feeling good or getting money) and people tend to anticipate them. Therefore, if a leader wants to actively use the instrument of rewarding he has to make sure that people know his rewarding-strategy. This leads to

*Hypothesis 3: In the most effective MNGs people have the same perception of and appreciation for rewards (financial or otherwise).*

## **7. Leadership and acculturation**

Hoppe (1998:40) argues that it is impossible to develop one single notion of leadership, because it compresses all the cultural issues present in Hofstede's dimensions. For example authority relates to Power Distance and developing a strategy of how to deal with an unpredictable environment relates to Uncertainty Avoidance. Bearing this in mind, it is obvious that a leader has a strong influence on most of the above 8 notions from Triandis' model: hiring and training of people relate to the degree of cultural distance, knowledge of other cultures, language competency. Organising tasks interdependently relates to opportunity for contact and network overlap. The degree of self-management that a leader wants to take place relates to equal status contacts, rewards and approval. And of course the leader is responsible for defining common goals.

Notions 4,5 and 6 directly relate to task interdependency. Triandis effectively concludes that the perceived similarity increases when task interdependency increases. This stands in contrast with hypothesis 2. One might argue that if team members feel more similar this will not necessarily mean a more effective team. But this does not seem realistic, as people in general prefer to be part of a winning team rather than of a losing one. In Triandis' terms 'winning' is a form of 'rewards'. I therefore come to

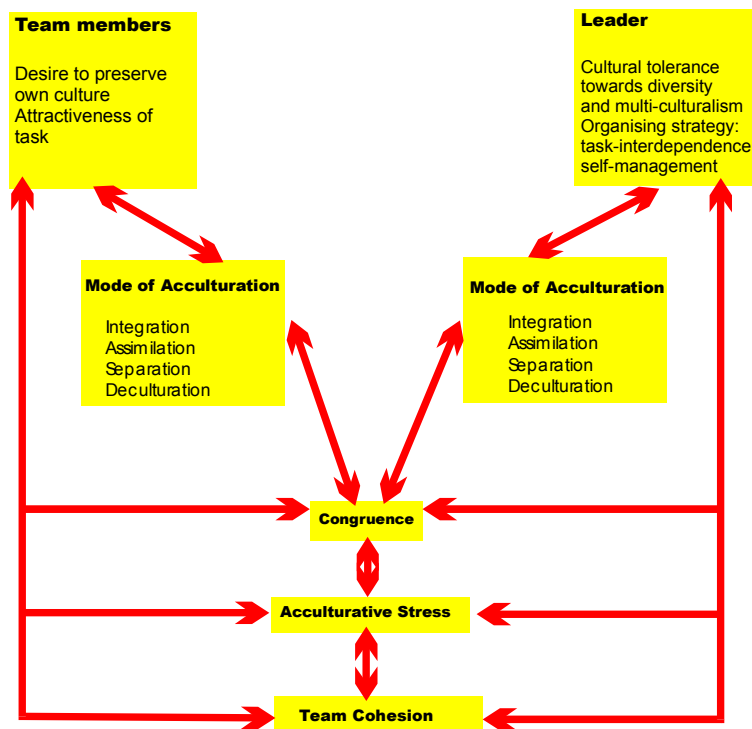
*Hypothesis 4: Effective MNGs are more cohesive than less effective MNGs.*

Triandis' model addresses the phenomenon of acculturation at the individual level of analysis. However useful, a group is more than a number of individuals who try to feel more and more similar. For example, people have their own interests and form coalitions. Power has to be taken into account, including the strategy behind the rewards of the leader in a team.

Nahavandi et al. (1988 : 85) developed a model that includes the power dimension and can be used to understand the course of acculturation in mergers and acquisitions. The model is based on the principles that two parties are involved who wittingly or unwittingly can choose a *mode of acculturation*. Acculturation is generally defined as "changes induced in two cultural systems as a result of the diffusion of cultural elements in both directions". This process takes place at the individual and group levels in three stages: contact, conflict and adaptation (Ibid: 81). Nahavandi et al. identify the merging strategies (how related are both companies) and degree of multiculturalism of the acquiring (and most powerful) party as the key mindset elements in choosing its mode of acculturation. For the acquired party its willingness to co-operate and the degree of valuing its own culture are crucial for choosing its mode. During the merging-process both parties can change modes many times. Nahavandi concludes that for a successful merger the strategies of both parties have to be congruent: That is, leading to the same outcome. If the strategies differ, this will lead to acculturative stress, causing a new mindset and hence an other mode of acculturation.

Four modes through which acculturation takes place can be distinguished: Integration, Assimilation, Separation and Deculturation. If both parties want to co-operate and want to preserve their own culture, *integration* takes place. If they want to stick to their own cultures but one of the parties feels that co-operation is not attractive, this will lead to *separation*. If both parties want to co-operate and one of the parties has no strong desire to preserve its own culture, the outcome will be *assimilation*. In this case the culture of the other party will rule. The last possibility is that one of the parties does not want to co-operate and also has no strong desire to stick to its own culture. In this occasion this party will face *deculturation*.

Because Nahavandi's model can be applied at different levels of analysis, it can be used for the functioning of multinational teams as well. There are nevertheless power differences within MNGs, in particular between the leader and the followers. They may have different mindsets towards building a multinational team and towards the preservation of their own culture. I have slightly adjusted Nahavandi's model below.



**Figure 1: Acculturative model for multicultural teams**

The model visualises the interactive and reflexive nature of culture creation in a multinational team. If a leader uses a mode of acculturation that is different from that of team members, this leads to acculturative stress and cohesion will suffer. This can be measured by the degree to which a person feels part of the 'team. An interesting aspect of the model for research purposes is the possibility of measuring acculturative stress. A high amount of cultural stress is an indication that the acculturation strategies of leader and team member differ. The model also stresses the importance of adjusting acculturative strategies to the degree of team cohesion and acculturative stress. This gives the possibility to check and counter-check the effectiveness of the strategies chosen. In my perception the model implicitly uses the following hypotheses:

*Hypothesis 5: A leader with a low tolerance for cultural diversity will have the tendency to strive for assimilation, not for integration.*

*Hypothesis 6: If team members have a low degree of commitment for their task they have a tendency towards separation, not for integration.*

## 8. Corporate culture

In the above sections the discussion related to how to create a cohesive team. An MNG mostly is part of a larger organisation. This means that the organisational (corporate) culture may have a significant influence on the team-culture. Some organisations have a stronger corporate culture than others. For example, uniformed organisations have a strong corporate culture, because they have characteristics that distinguish them from other organisations (Soeters 2000: 466). Soeters shows that cultures of uniformed organisations vary from country to country, but they also have values in common that are different from their respective national cultures. For example, members of uniformed organisations do look less far in the future than 'civilians', perhaps assuming the organisation will do that for them. In this respect one could say that people work in *the army* or *the police*

The VSM 1994 (and earlier versions) is suitable for comparisons between national cultures, but varies between employers. Hence the research populations have to be controlled for the variable 'employer' (Hofstede 1994:2). Hofstede conducted his research within a single company –IBM. It would have been no use comparing IBM employees in Germany with Fuji employees in Sweden. Even random samples of country populations can not be compared using the VSM 1994.

It is likely that IBM's corporate culture and policies has created an influx of more or less similar –American-like- employees who are not representative of their national cultures. If one would a research based on the VSM within Mercuri Urval's country organisations the absolute scores per country would be different from IBM. However, according to Hofstede (1994) the relative differences between the country organisations (the cultural distance) will in all likelihood be similar. Mercuri Urval originates in Sweden. It is possible that my colleagues worldwide score lower on masculinity than employees from an American company, because Sweden is feminine and the USA masculine. The word 'because' in the former sentence suggests that corporate culture is based on the values of the company's country of origin. This leads to

*Hypothesis 7: Corporate culture is largely determined by the organisation's country of origin.*

A comparative research may shed light on the power that corporate culture exercises on the company's employees, compared with the power that national culture exercises on them. An example of such a comparative survey is the one Soeters and Schreuder (1988) conducted in three Dutch and three American global accounting firms. They obtained scores on all four dimensions for each firm. Dutch firms scored lower on masculinity and higher on uncertainty avoidance. This makes salient that employees are not just a random selection out of the population of their country, but have been filtered by corporate culture.

The influence of corporate culture is important to the team leader who is enacting a cultural change program. Soeters (2000: 477) argues that some people have a natural identification with the values of a particular organisation. Depending on the degree of attractiveness to the organisational culture he distinguishes four ways of integrating into the organisational culture: *natural identification, socialisation, selective identification and calculative identification*. The interesting point he makes is, that the more pronounced a corporate culture is (such as in the army), the higher the number of employees with a natural identification. In Nahavandi's terms this is called assimilation. If people in those organisations do not adapt to the organisational culture, the result will be separation, they quit. Until the early 1990s the Dutch army was based on compulsory military service. Many recruits had no natural identification, but were not unwilling to join. Socialisation or selective identification were the result. In organisations with a weaker culture people may be more ambiguous in their opinions about organisational values. I expect these people to use different modes of acculturations under different circumstances more often than people in organisations with a strong corporate culture. In other words organisations with a strong corporate culture may suffer less from acculturative stress than organisations with a weak corporate culture. If so, corporate culture bridges thus differences between team members' national cultures. Hence the following

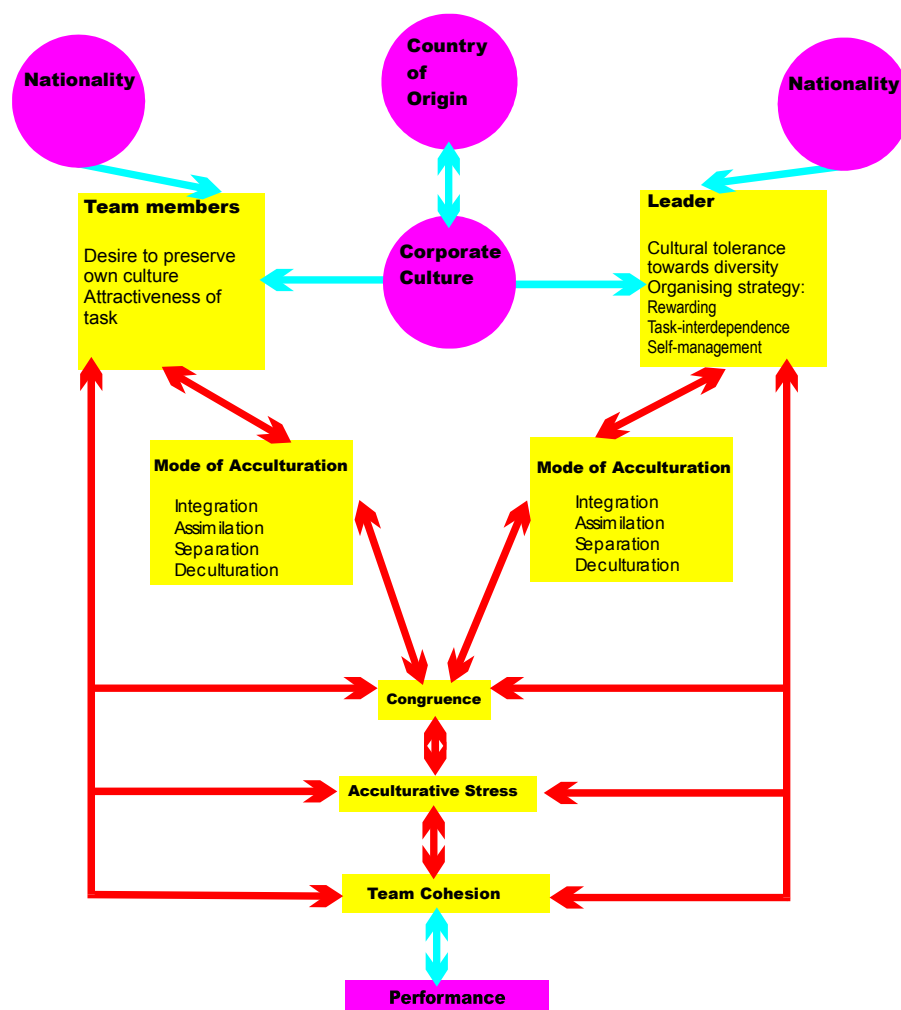
*Hypothesis 8: The most cohesive MNGs can be found in organisations with a strong corporate culture*

A general trust or distrust towards strangers highly determines a nation's feeling about other nations. People of countries that have a high uncertainty avoidance index on average are distrustful. Uncertainty avoidance combined with a high score on masculinity are ethnocentric (Hofstede 1995: 163). This observation implies that companies scoring low on both masculinity and uncertainty avoidance are best in coping with diversity. Provided that hypotheses 7 and 8 are positive, organisations originating from countries with low uncertainty avoidance and low masculinity thus will have the most effective multinational teams. The leader may amplify or reduce the influence of corporate culture. One might expect that a leader has the nationality of the country of origin, corporate culture will be amplified. France scores high on both masculinity and uncertainty avoidance. An MNG headed by a Frenchman is according to my hypotheses not likely to be successful. A Norwegian leader might improve the results.

## 9. A model of leadership in multinational groups

I have used the aforementioned hypotheses and Figure 1 to build a model that addresses the central question:

*How do national cultures influence the effectiveness of MNGs and what style of leadership is appropriate?*



**Figure 2: The influence of national and corporate culture on acculturation processes and eventually team performance**

The model visualises the influence of national cultures on team members and the team-leader. The presumption is that the leader is coloured by his national culture, in specific with respect to tolerance towards cultural diversity. This colour affects his organising strategy, which includes rewarding, developing interdependent tasks and promoting self-management. These decisions facilitate his mode of acculturation. The group members also have their preferences, coloured by national culture. Important are their desires to preserve their own culture and their judgements of how attractive the task is. They will base their mode of acculturation on their judgements. If the modes of both leader and team members correspond, group cohesiveness can grow. If the modes are not congruent, acculturative stress grows. Separation or deculturation may be the next mode: cohesions will erode, as will effectiveness. It is important to note that corporate culture can mediate between leader and team members. If the culture is strong enough, leader and followers will choose corresponding modes of acculturation. If this corporate culture is permissive towards other cultures (feminine, low uncertainty avoidance) integration will be the result. If it is less permissive (masculine, high uncertainty avoidance), the process will end up in assimilation.

## 10. Field research

To test the model I will test the 8 hypotheses.:

*Hypothesis 1: The most effective MNGs have a low degree of self-management.*

*Hypothesis 2: The most effective MNGs have little task-interdependence.*

*Hypothesis 3: In the most effective MNGs people have the same perception of and appreciation for rewards (financial or otherwise).*

*Hypothesis 4: Effective MNGs are more cohesive than less effective MNGs.*

*Hypothesis 5: A leader with a low tolerance for cultural diversity will have the tendency to strive for assimilation, not for integration.*

*Hypothesis 6: If team members have a low degree of commitment for their task they have a tendency towards separation, not for integration.*

*Hypothesis 7: Corporate culture is largely determined by the organisation's country of origin.*

*Hypothesis 8: The most cohesive MNGs can be found in organisations with a strong corporate culture*

For this purpose we will ask multinational organisations for their co-operation in a quantitative research. The research team consists of Mercuri Urval consultants in Australia, Belgium, Denmark, Finland, France, Italy, The Netherlands Norway, Poland, Portugal, Spain, Sweden, Switzerland, United Kingdom and the United States. Every consultant goes to one or a few companies with the head office in his or her country and asks them to participate. For this purpose we have developed a Power Point presentation. The key message is that it will not cost much time to participate and the benefits are obvious. The results will be discussed with top management of the participating company, which hopefully will enable them to improve the performance of their MNGs.

The selected organisations have to meet the following demands. First, they must participate in all 15 countries, which requires endorsement of the head office. Theoretically every consultant will do research in 15 organisations: 1 in a company with the head office in his or her country, 14 inside subsidiaries of organisations with their head office in another country. Using the VSM 1994 I expect to find in any of these organisations about the same cultural differences between countries as predicted by Hofstede. However, the absolute scores per organisations will differ. It is my assumption (hypothesis 7), that these differences between absolute scores reflect the corporate culture, which in turn reflects the country of origin's culture. Also I expect to be able to judge how strong the corporate culture is.

Second, they will have to identify an effective MNG and a less effective MNG (or more of them). This selection is based on the criteria mentioned in paragraph 5. Leader and members of these MNGs complete VSM 1994, plus an additional questionnaire that is designed to find out about task interdependence, self-management, rewards, cohesiveness, task commitment, tolerance for diversity, modes of acculturation and acculturative stress. This questionnaire will have to be developed.

In the end I aim to identify a limited number of successful and fatal combinations of nationalities, styles of leadership and ways of organising MNGs. This of course is important to know for the designing of multinational groups and the selection of leaders of such groups.

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