SUBGROUP DYNAMICS IN
INTERNATIONALLY DISTRIBUTED
TEAMS: ETHNOCENTRISM OR
CROSS-NATIONAL LEARNING?

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ABSTRACT

Internationally distributed teams are an ideal context in which to understand
the formation, dynamics, and effects of subgroups within work teams.
Although the members are interdependent, these teams frequently are
composed of two or more collocated subgroups. Researchers have observed
a tendency for tensions in such teams to coalesce – and escalate – between
these subgroups. In this paper, we identify factors likely to promote and
mitigate fracturing between subgroups and consider the impact of subgroup
formation on task effectiveness. We build on Lau and Murnighan’s (1998)
conceptualization of “faultlines,” which suggests that alignment of team
members’ demographic attributes increases the likelihood of subgroup
dynamics. We extend this work into the domain of internationally distributed
teams by showing how differences in location also can heighten subgroup
dynamics. The most likely consequence is ethnocentrism, although we
show that intergroup learning also is possible. Our analysis highlights
conditions under which teams that encounter subgroup differences will be
able to overcome the tendency toward ethnocentrism. Teams with an attitude
of mutual positive distinctiveness, we argue, will more likely learn from subgroup differences, becoming more sophisticated in their understanding of cross-national relationships and competent in their management of them.

Throughout history, people have sought to achieve economic and social goods through international collaborations. Although such collaborations were transacted historically by travel and post (King & Frost, 2002), recent advances in telecommunications and information technologies have offered new means by which globe-spanning work can be carried out. Businesses assemble teams comprised of members from multiple countries as a means of establishing a presence in distant markets, securing essential but scarce expertise, enabling localization of products, and tapping into low cost pools of expertise in developing countries. In a recent study, respondent firms reported that 63% of their new product development teams would be geographically distributed within the next few years, with 22% expected to be globally distributed (McDonough, Kahn & Barczak, 2001). In this paper, we examine subgroup dynamics in such internationally distributed teams, and their impact on team effectiveness and potential to foster cross-national learning.

Subgroup dynamics within work teams, particularly internationally distributed work teams, is an area of research that remains largely unexplored. There is, however, increasing evidence that internationally distributed teams are prone to subgroup dynamics characterized by an us-verses-them attitude across sites (Armstrong & Cole, 1995; Cramton, 2001; Hinds & Bailey, 2003). Research over the last decade has begun to explore the ramifications of distributed work arrangements on the dynamics of the teams involved (see Gibson & Cohen, 2003; Hinds & Kiesler, 2002). Although some of this work has alluded to subgroups coalescing based on geographic location, little work has yet considered the dynamics and effects of within-team subgroups on distributed, particularly internationally distributed, teams.

Recent theoretical work offers a new perspective on subgroup phenomena in teams. Lau and Murnighan (1998) suggest that, contrary to previous work, it is not the total amount of diversity in a group that threatens social integration. Rather, it is the extent to which key attributes of members are correlated rather than cutting across membership. They call this alignment of attributes faultlines and propose that the presence of faultlines increases the likelihood of subgroup formation and conflict. We build on and extend Lau and Murnighan’s work, inspired by its implications for internationally distributed teams that carry out interdependent tasks despite members being located in two or more countries. Our goals for this paper are threefold: (1) to develop a theoretical framework for understanding the
factors that influence the subgroup dynamics of internationally distributed teams;  
(2) to model the relationship between subgroup dynamics and team effectiveness  
in internationally distributed teams; and (3) to extend existing theory on subgroup  
dynamics in work teams.  

Although a substantial amount of research has been conducted on subgroup  
dynamics, little has focused on enduring subgroups within work teams. One  
exception to this is research on cross-functional teams, which explores how the  
differing functional or professional identities of members drive ingroup/outgroup  
dynamics within the team (e.g. Northcraft, Pulzer, Neale & Kramer, 1995). Like  
the work on cross-functional teams, our work builds on the broader research  
literature concerning the formation and dynamics of subgroups, which includes  
work on social identity, intergroup relations, and coalition formation. Social  
identity theory helps us to understand the ways people use social categorizations  
as cognitive tools to understand themselves and others in the social environment  
(for example see Tajfel & Turner, 1979). The closely related intergroup relations  
literature examines how people interact with one another in terms of their group  
identifications (for example see Alderfer, 1987; Sherif, 1966). Although more  

Fig. 1. Factors Constituting Faultlines in Internationally Distributed Teams, Potential  
Consequences, and Moderators Affecting These Dynamics.
distant from our focus, the coalition formation literature highlights how subgroups
form in order to control resources and decisions (for example see Hill, 1973;
Lawler & Youngs, 1975; Mannix, 1993). We extend this literature by developing
a model for how subgroup salience is triggered within teams, particularly
internationally distributed teams, and the effect of subgroup salience on team
performance.

To understand subgroup dynamics in internationally distributed teams, we
consider how geographic distribution of team members increases the salience
of subgroups, and how the alignment of compositional diversity and geographic
distribution may make tension between subgroups likely. We posit that
ethnocentrism – a bias toward one’s own subgroup and against other subgroups
– along cultural and geographic faultlines is a natural but detrimental tendency
in internationally distributed work and we describe the likely impact on team
effectiveness. We also suggest an alternative outcome – cross-national team
learning – and a set of moderating factors that we think determine whether subgroup
salience results in ethnocentrism or learning. The next section articulates our model
of these processes (see Fig. 1).

FAULTLINES AND SUBGROUP SALIENCE

Compositional Diversity and Group Faultlines

Compositional diversity in organizational work groups stems from differences
in group members’ demographic attributes (e.g. ethnicity, age and sex), or other
characteristics and affiliations (e.g. education, tenure and hierarchical position).
Such differences are associated with people having different worldviews, values,
beliefs, goal priorities and norms, which affect how they define situations, see
issues, and interact with others (see Alderfer, 1987; Ely & Thomas, 2001). In
addition, individuals often are accorded different amounts of status and power
in organizations and society on the basis of their demographic attributes and
other affiliations (Alderfer, 1987; Ely & Thomas, 2001). Accordingly, members
of a compositionally diverse organizational work group may have differing
organizational and societal political interests and ideologies. As a result, diverse
groups may be more creative – or experience more conflict – depending on the
nature of their differences, how well they manage them, and forces in the larger
environment in which they are embedded (Alderfer, 1987; Jehn, 1995; Pelled,
Eisenhardt & Xin, 1999).

According to Lau and Murnighan (1998), the presence of faultlines in groups
exacerbates the impact of compositional diversity, increasing the likelihood that
members will perceive subgroups to exist and experience subgroup conflict. A faultline is present if key attributes of members are correlated rather than cutting across group membership. For example, a group composed of equal numbers of engineers and designers and equal numbers of men and women would have stronger faultlines if all the engineers happened to be men and all the designers happened to be women than if there were equal numbers of engineers and designers of each sex. Lau and Murnighan (1998, p. 327) describe faultlines as “an alignment of several characteristics that heightens the possibility of internal subgroup dynamics.” They are analogous to faultlines in the earth’s crust; They describe the pathways along which a group would most likely split into subgroups and the vulnerability of the group to this occurrence. The notion is quite similar to Brewer and Campbell’s (1976) description of “convergent boundaries.”

Faultlines, by definition, reflect the potential of a team to fracture into subgroups. According to Lau and Murnighan (1998), they lie dormant in a group until activated by some event. When faultlines are activated, Lau and Murnighan describe consequences that include subgroup awareness, formation, polarization and conflict, but they are not explicit about the sequence of events. Building on their work, we offer specification. We argue that the existence in a group of multiple demographic attributes or other affiliations that are aligned increases the likelihood that these subgroups will become noticeable to group members. In other words, we propose that the first consequence of the activation of faultlines is subgroup salience.

Proposition 1a. The presence in work teams of multiple demographic attributions or other affiliations that are aligned increases the likelihood of subgroup salience.

The Impact of Geographic Distribution of Team Members

We argue that geographic distribution contributes to faultlines and to subgroup salience within geographically distributed teams. Because of the rise in the use of geographically distributed work groups, social science research has taken a renewed interest in the impact of proximity and distance on work teams (see Hinds & Kiesler, 2002). This reflects the availability of new telecommunication and information technologies that have made it increasingly feasible for work teams to carry out interdependent tasks despite members being physically distributed across locations, sometimes many time zones apart.

When team members work from different locales, they are likely to experience different exogenous events, physical settings, constraints and practices (Cramton,
Exogenous events include things such as local economic conditions or crises, for example a public transportation strike. Different physical settings and constraints might encompass differences in the features of buildings and equipment, distances, and routine traffic conditions. Practices such as holiday observances, shop hours, and working hours also vary from location to location. Whereas demographic differences can result in individuals seeing issues differently, defining situations differently, and having different political interests and ideologies or beliefs, differences in physical context or locale can result in members having different information, assumptions, preferences and constraints. Because of the absence of contextual information, group members are likely to notice, but not fully understand, patterns of preferences and behavior within their ranks that correlate with location. For example, group members based at a location with heavy traffic, high gasoline prices and a good public transportation system may favor working hours that dovetail with the public transportation schedule and resist trips to the office during odd hours. Their partners in another location may notice this pattern, but not grasp the reason for it. As a result, attributions about distant team members’ behaviors may be inaccurate or harsh and local identifications strengthened. Thus, a product development team that is split between Germany and India is likely to perceive two subgroups – one in Germany and one in India.

Proposition 1b. Geographic distribution of work team members results in the salience of subgroups by location.

We have argued that differences in demographic attributes and other affiliations tend to result in people having different worldviews, values, beliefs, goal priorities and behavioral norms, and being accorded different amounts of power and status. This leads them to define situations differently, see issues differently, and have different ideologies and political interests. We also have argued that working from different locations increases the likelihood that people will experience different exogenous events, physical settings, constraints and practices, resulting in their having different information, assumptions, preferences and constraints. In other words, both personal attributes and physical location impact preferences and behavior, albeit generally different aspects of these. Therefore when physical dispersion of team members aligns with demographic attributes or other affiliations, the pattern of differences between subgroups is likely to be more pervasive and noticeable. For example, assume we have a product development team split between India and Germany working on a new hand-held computer. If all of the mechanical engineers are in Germany and all of the software engineers in India, subgroups would be more salient than if the two types of engineers
are distributed equally across sites. In other words, group faultlines will be strengthened and subgroup salience intensified.

**Proposition 1c.** When geographic distribution of work team members aligns with members’ demographic attributes or other affiliations, subgroup salience by location is intensified.

**POSITIVE AND NEGATIVE CONSEQUENCES OF SUBGROUP SALIENCE**

*The Most Likely Consequence: Ethnocentrism*

The concept of ethnocentrism was introduced into social science by William Graham Sumner in 1906. Sumner described ethnocentrism as “the technical name for this view of things in which one’s own group is the center of everything, and all others are scaled and rated with reference to it.” He says, “Each group nourishes its own pride and vanity, boasts itself superior, exalts its own divinities, and looks with contempt on outsiders” (Sumner, 1906, pp. 12, 13). Ethnocentrism and the ingroup/outgroup distinctions that derive from it have both cognitive and emotional foundations. With regard to cognition, researchers across a wide range of perspectives and disciplines agree that ethnocentrism results in stereotypic images of the outgroup (see LeVine & Campbell’s 1972 comprehensive review). This is accompanied by strong emotional attachment to the ingroup and hostile responses to the outgroup. Ethnocentrism has frequently been employed to understand clashes between large social groups such as ethnic or national groups (see LeVine & Campbell, 1972) and has been applied on occasion to small social or familial groups (see Brewer & Miller, 1996), however it has rarely been applied to the study of organizational groups. We submit that the powerful theoretical construct of ethnocentrism and its well developed research literature can be used effectively to understand internationally distributed teams and the subgroup dynamics that emerge in them.

Considerable research evidence suggests that the mere recognition of subgroup differences tends to set in motion forces resulting in ethnocentrism. Social psychologists have incorporated the concept of ethnocentrism into social identity theory, suggesting that ethnocentrism results when people categorize themselves into emotionally significant groups (Brewer & Miller, 1996; Turner, 1985). Within-group differences are minimized and between-group differences are exaggerated (Brewer, 1986; Tajfel, 1982; Tajfel & Turner, 1986). According to Turner (1975), the process is driven by the desire for “positive distinctiveness,” an enhanced...
sense of worth that comes from seeing one’s own group as distinctive from and better than a comparison group or outgroup. The exaggeration of differences and negative view of other groups relative to one’s own places groups in a competitive and conflictual relationship with one another.

Although intergroup competition for resources and a history of hostility fuel the process (LeVine & Campbell, 1972), they do not appear to be necessary conditions, as illustrated by one of Sherif’s studies (Sherif et al., 1961). As recounted by Tajfel (1982, p. 23), “As soon as the groups became aware of each other’s existence, and before the competition between them was institutionalized, there was some evidence of competitive ingroup-outgroup attitudes.” Accumulated evidence shows that “intergroup discrimination can be caused by minimal social categorization,” (Tajfel, 1982, p. 23). Thus, merely being aware of the presence of subgroups is often adequate to trigger ingroup-outgroup dynamics. We argue that when subgroups become salient, ethnocentrism will likely result.

Proposition 2a. The presence of salient subgroups in a work team leads to subgroup ethnocentrism.

A Positive Alternative: Ethnorelativistic Learning

Although the natural tendency is for subgroup salience to lead to the creation of ethnocentric or ingroup-outgroup relationships, we propose that subgroup learning is an alternative outcome, depending on the conditions under which the subgroups are operating. To conceptualize subgroup learning in internationally distributed teams, we turn to the cross-cultural literature. This reflects our context of interest and is informative in a broad theoretical sense. Scholars of cross-cultural relationships have worked to identify alternatives to ethnocentrism and attempted to describe the process of cross-cultural learning and adaptation. The counterpoint to ethnocentrism is described as ethnorelativism (Bennett, 1986; Brislin, Landis & Brandt, 1983; Dinges, 1983; Hoopes, 1981). Ethnorelativistic thinking consists of taking the perspective of the other group and understanding the world, including one’s own group, through the other group’s eyes (Bennett, 1986; Bennett & Bennett, 2004). Ethnorelativistic behavior consists of adapting one’s behavior to be appropriate in the other group’s context – not just by following tips or rules but because it “feels right” in that context (Bennett, 1986; Bennett & Bennett, 2004). Thus, while ethnocentrism narrows and biases one’s thinking and is associated with competitive and hostile behavior in relation to another group, ethnorelativism expands one’s perspective and is associated with empathic behavior in relation
to the other group. Ethnocentrism is characterized by greater rigidity in relation to the other group while ethnorelativism is characterized by greater adaptability.

Because we are interested in both cultural differences and differences in physical location, we adapt this material concerning cross-cultural differences to conceptualize learning about cross-national differences. We argue that ethnorelativistic cross-national learning is an alternative to ethnocentrism in internationally distributed teams. By cross-national differences, we mean differences in both culture and locale (or physical context) encountered by members of internationally distributed teams. Because of our focus on work teams, we feel it is particularly important to broaden the notion of cultural differences between members to include differences in national situations and local practices that impact the ways in which work is done. Thus, by cross-national differences, we refer to behavior, constraints and values driven by either the cultures of origin of team members or the customs and situation of the country from which team members are working. For example, a person who grew up in Ethiopia might work from Holland as a member of an internationally distributed team. This person’s behavior, values and constraints probably will be affected by both his or her natal culture and the local work situation and practices in Holland. We carefully specify ethnorelativistic cross-national learning to distinguish it from other kinds of learning. The focus of ethnorelativistic cross-national learning is a human intergroup relationship, and the behaviors are perspective-taking, empathy and adaptability.

Although little empirical work has examined cross-national or ethnorelativistic learning in work groups, there is some evidence that it is indeed important for group members to come to understand and respect their differences and develop practices that allow them to relate to each other across these differences. DiStefano and Maznevski (2000), for example, describe a multi-cultural consulting services team in Hong Kong that purposefully made their cultural differences explicit. By understanding team members’ different interaction styles and perspectives, team members were able to interact more effectively and better leverage their respective skills. Similarly, Salk and Brannen (2000) found in a study of a German-Japanese joint venture that the most influential managers were those who learned about the local norms and adapted their decision making process accordingly. Later in this paper, we describe the conditions that we think facilitate the occurrence of cross-national learning as opposed to ethnocentrism.

Proposition 2b. Under certain conditions, the presence of salient subgroups in an international work team can lead to cross-national learning.
SUBGROUP SALIENCE AND TEAM EFFECTIVENESS

Impact of Subgroup Ethnocentrism on Team Effectiveness

We expect that subgroup ethnocentrism will have a negative effect on team performance. Ethnocentric groups are invested in seeing themselves positively, which usually means seeing other groups negatively. They define other groups by self-centered standards and accentuate differences between their own group and others. Their relationships with other groups typically come to be marked by competition and conflict. Thus, we can expect subgroup ethnocentrism to be accompanied by the withholding of information and cooperation from perceived outgroups and relational conflict, all of which have been associated with reduced team effectiveness (Cohen & Bailey, 1997).

Indeed, Kramer and Brewer (1984) report that subgroup differentiation interferes with cooperative group behavior. Armstrong and Cole (1995) and Cramton (2001) also describe how polarized subgroups in the distributed teams they studied withheld information from each other. Early and Mosakowski (2000) report that international teams with strong faultlines “showed many communication problems, relational conflict, and low levels of team identity” (2000, p. 45). They note that “a lack of cross-cultural empathy and understanding appeared to contribute to the dysfunctional activities” of two of the teams they observed (p. 36).

Proposition 3. Subgroup ethnocentrism is negatively associated with work team effectiveness.

Impact of Cross-National Learning on Team Effectiveness

By contrast, we propose that cross-national team learning and adaptation will have a positive effect on team effectiveness as teams harness their diverse skills and perspectives on the team’s task and develop a sense of team efficacy.

In their study of three culturally diverse organizations, Ely and Thomas (2001) report that groups that use diversity as an opportunity for learning and adapting to others’ perspectives subsequently have a higher sense of self-efficacy and better work group functioning. Salk and Brannen (2000) describe a successful management team composed of German and Japanese members in which significant differences in culturally preferred modes of decision-making are discovered and bridged. Members show “the volition to accept and adapt to local, emergent norms . . . rather than national subgroup based preferences” (Salk & Brannen, 2000, p. 200). Such bridging between cultures makes individual
differences a source of insight that can be leveraged in the creativity and performance of the team (see Ely & Thomas, 2001). We therefore propose that cross-national team learning will bring about better team performance.

**Proposition 4a.** Cross-national team learning is positively associated with work team effectiveness.

**Impact of Cross-National Team Learning on Future Teams**

Beyond the immediate impacts on organizational effectiveness, we consider the transfer of cross-national learning from international teams to attitudes and behaviors beyond the immediate team. We argue that members of internationally distributed teams may experience a second order effect that has consequences for their work on future teams. The contact hypothesis suggests that being exposed to people different from ourselves builds an appreciation for others’ perspectives (Pettigrew, 1986). This suggests that as people create friendships, better understand the perspectives of colleagues in other countries, and become more competent in working across such differences, this capability will transfer to improved functioning on other internationally distributed teams.

There is some evidence that positive contact with members of an outgroup results in positive views of the entire outgroup (see Pettigrew, 1998). For example, Nesdale and Todd (1998) found that Asian and Australian students who had extensive contact with one another were more accepting and appreciative of cultural differences between the two groups than were students with little cross-cultural contact. In a meta-analysis, Pettigrew and Tropp (2003) conclude that reduced prejudice about an individual from an outgroup generally transfers to the entire outgroup. This suggests that when members of internationally distributed teams learn to appreciate one another’s differences, they are likely to generalize these positive views to future teammates from the same cultures and locations.

A related line of research explores the acquisition of bicultural competence – the ability to develop and maintain competence in two cultures simultaneously (LaFromboise, Coleman & Gerton, 1993). Bicultural competence developed on one team, we argue, will likely transfer to future teams with membership from those cultures in which team members have developed competence. Extensive research has examined peoples’ ability to adapt to prolonged exposure to two cultures, identifying the skills required and the personal costs of doing so (e.g. Berry, 1997, 1999; Berry, Kim, Power, Young & Bujaki, 1989; Rudmin, 2003). LaFromboise and her colleagues (LaFromboise et al., 1993) argue that there are five models of second-culture acquisition, one of which – alternation – is especially
likely to lead to bicultural competence. Alternation, they argue, may be the most
adaptive and least stressful method of adjusting because it does not require the
loss of one’s original cultural identity. The alternation model assumes that people
can understand and feel a sense of belonging to two different cultures and adapt
their behavior to different cultural contexts as appropriate (LaFromboise et al.,
1993). Sodowsky and Carey (1988), for example, describe how first-generation
Asian Indians maintain their Indian cultural identity by wearing traditional clothes
and eating Indian food at home, but express their American identity by speaking
English and wearing Western clothes outside of the home.

On internationally distributed teams, members have the opportunity to develop
an understanding of the cultural beliefs and values of their distant colleagues,
develop positive attitudes about the culture at the distant site, build confidence in
their ability to bridge cultures, improve their ability to communicate effectively
with their distant colleagues, and develop stable social networks in their own
country and at the distant site – all factors that promote bicultural competence (see
LaFromboise et al., 1993). Team members who develop cultural competence in
the culture at the distant site may be better prepared to work on future teams that
are similarly distributed.

We anticipate that cross-national learning also will transfer beyond the
nationalities and locations represented in the team. For example, when cross-
national understanding develops in a team composed of Asians and Europeans,
we predict that these team members also will be more functional on future global
teams with members from Latin America. We predict this, in part, because we posit
that bicultural competence will translate into increased multicultural competence.
Although knowledge of the specific culture may not be present, team members
may bring with them more cognitive flexibility and, perhaps, cultural intelligence.
Cultural intelligence is “a person’s capability to adapt effectively to new cultural
contexts” (Earley, 2002, p. 274). Cognitive flexibility and cognitive strategies that
allow a person to create an accurate map of the social setting are crucial aspects
of cultural intelligence. We posit that these aspects of cultural intelligence can be
strengthened through experiences on internationally distributed teams, particularly
for those who develop bicultural competence. Although we know of no empirical
evidence, we argue that bicultural competence may provide a foundation for
cultural intelligence.

Research on the contact hypothesis also provides some support for the idea
that cross-national learning will transfer to nationalities not represented in the
immediate team. Pettigrew (1997, 1998), for example, reports that having outgroup
friends is associated with more acceptance of minorities from all groups. In a
meta-analysis, Pettigrew and Tropp (2003) conclude that, although weaker, this
rarely considered form of generalization – from the immediate outgroup to other
groups – does operate. Accordingly, we posit a direct link between the cross-
national understanding developed through work on internationally distributed
teams and the cross-national understanding and competence that is evinced on
future internationally distributed teams.

Proposition 4b. Cross-national learning is positively associated with team
members’ capability to work effectively on future internationally distributed
teams.

MODERATING FACTORS

Activation of Group Faultlines

According to Lau and Murnighan (1998), group faultlines lie latent like faultlines
in the earth’s crust until activated by some event. For work groups, activating
events may be task-related (Lau & Murnighan, 1998) or result from treatment,
policies or external events that highlight social categories. Such events can elicit
systematically different responses from members, depending on their demographic
attributes, other affiliations, or geographic location. Subgroup interests, views and
membership become salient to members of the subgroups and others.

When teams are charged, for example, with customizing a product for users in
different countries, tensions between locations may become salient as members
argue for features that reflect the preferences of local customers (see Grinter,
Herbsleb & Perry, 1999). Similarly, an aggressive work schedule can increase
the salience of different local working hours, holidays, and vacations. Differential
treatment of groups, and policies that pit one group against another, also can
trigger subgroup salience (see Brewer & Miller, 1984). “Affirmative action topics
may activate racial divisions, retirement and pension issues may activate faultlines
based on age, the potential presence of a glass ceiling may generate sex-related
antipathies, resource allocation decisions may lead to group fragmentation based
on members’ occupational roles, and a desire for serious organizational change may
pit young liberals against older conservatives,” Lau and Murnighan write (1998,
p. 328). External events such as international incidents also can activate faultlines.
For example, when the United States decided to wage war in Iraq in 2003, national
identity likely became more salient to those from the United States as well as
to those from countries actively opposing U.S. actions in Iraq. Therefore, with
others, we argue that latent group faultlines are activated when an event occurs or
issue arises that evokes systematically different responses from members based on
demographic differences or other affiliations, and we add, differences in location.
Proposition 5. Latent faultlines in a work team become salient to members with the occurrence of an activating event.

Moderating the Effect of Subgroup Salience

As we have shown, intergroup theory predicts that subgroup salience will lead to subgroup ethnocentrism. Merely becoming aware of the presence of subgroups is adequate to trigger ingroup-outgroup dynamics (Tajfel, 1982). We also have proposed, however, that subgroup salience can result in cross-national learning. In this section, we describe moderating factors that determine whether ethnocentrism or cross-national learning will result.

After decades of research, scholars agree that ethnocentrism is reduced under conditions of contact between groups of equal status that are pursuing common goals with institutional or social support (Allport, 1954/1979; Hewstone & Brown, 1986; Pettigrew, 1998). A host of additional conditions have been proposed and tested over the years (see reviews by Amir, 1969, 1976; Cook, 1985; Hewstone & Brown, 1986; Pettigrew, ???), including stereotype disconfirmation (Cook, 1978); initially moderate views (Ben-Ari & Amir, 1986); common language, voluntary contact and a prosperous economy (Wagner & Machleit, 1986). In a comprehensive review, however, Pettigrew (1998) concludes that these are facilitating but not essential conditions.

For the current purpose, we are interested not only in reducing ethnocentrism but motivating groups to learn from and about each other. Conditions that facilitate intergroup learning have not received much attention in the intergroup relations literature. In that literature, Brewer and Miller (1996) describe three approaches to reducing ethnocentrism through contact between groups: decategorization, recategorization and subcategorization. We observe, however, that decategorization and recategorization cannot promote cross group learning because they reduce the salience of intergroup differences. Subcategorization, in contrast, uses subgroup salience as an opportunity for learning.

Decategorization focuses people on individuating information about outgroup members (Brewer & Miller, 1984; Miller et al., 1985). For example, a decategorization approach would encourage the development of a personal friendship with a member of an outgroup. The theory is that the salience of the friend’s group membership will fade in the face of a growing amount of interpersonal information, and that ethnocentric bias toward that person will recede as a result. One problem, however, is that positive views of the friend may not carry over to the outgroup because the friend is seen as an atypical member of his or her group or because the friend’s group membership is no longer salient (see Brewer & Miller, 1996).
While decategorization deemphasizes social categories, recategorization seeks

to replace subgroup category distinctions with a new inclusive group identity (e.g.

Gaertner et al., 1989, 1990, 1993). For example, two companies engaged in a

merger might go to considerable effort and expense to promote a new company

identity that supercedes employees’ feelings of identification with their own pre-

merger company. Although this effort may reduce bias against and hostility toward

eyemployees from the other company, it may not motivate them to examine and learn

from what each pre-merger company did well.

Thus, while there is evidence that the decategorization and recategorization

approaches can reduce ethnocentrism (for a comprehensive review, see Brewer &

Gaertner, 2003), neither provide subgroups the opportunity to learn from or about

each other. By contrast, Hewstone and Brown’s (1986) subcategorization approach

seeks to maintain the salience of subgroup differences, but in a cooperative

rather than competitive climate. Subgroups are encouraged to engage in mutual

differentiation: to recognize and value their differences in a cooperative spirit. We

propose that this approach not only reduces ethnocentrism but leads to intergroup

learning. In order for learning to occur, we argue that a group must have an attitude

of mutual positive distinctiveness. As discussed in detail in the following section,

we define it as an attitude held by a work group that reflects the extent to which

the group respects differences among members in views, values, competencies,

and practices and sees these differences as a potential source of advantage for

the group as a whole. An attitude of mutual positive distinctiveness, we argue,

moderates the tendency for subgroup salience to result in ethnocentrism, instead

promoting cross-group learning.

We describe the factors that we think foster an attitude of mutual positive

distinctiveness in a work group (see Fig. 2). We argue that the conditions identified

by Allport (1954/1979) – cooperative interdependence and equal status between

groups, and institutional support for intergroup contact – motivate subgroups to

generate across their differences rather than maintaining ethnocentric distance. We

also articulate two new conditions that ensure that the information required for

cross-national learning is shared: inclusive communication and sharing of context.

We propose that motivation to engage across differences and information sharing

between subgroups interact with the degree to which a group has an attitude of

mutual positive distinctiveness to moderate the relationship between subgroup

salience and its outcomes – ethnocentrism or cross-national learning.

Mutual Positive Distinctiveness

Positive distinctiveness is a fundamental tenet of the social identity approach

to intergroup relations. As originally articulated by Turner (1975), individuals

gain self-esteem when they compare a social group to which they belong to
another social group and judge their own group to be superior. Generally, this mechanism has assumed reciprocal negative attitudes toward the group that is the object of comparison. However, Hewstone and Brown (1986) and Brewer (1999) argue that reciprocal negativity toward an outgroup, although common, is not necessary for a member of an ingroup to experience positive distinctiveness. Under certain conditions, people can recognize the positive qualities of their own group as well as other groups, constituting what we call an attitude of mutual positive distinctiveness. As Brewer (1999) puts it, “Outgroups can be viewed with indifference, sympathy, even admiration, as long as intergroup distinctiveness is maintained” (p. 434). Work groups that have an attitude of mutual positive distinctiveness recognize and value both similarities and differences in the approaches, views, and competencies of members as they contribute to the achievement of common goals. When subgroups become salient within a work group, we argue, an attitude of mutual positive distinctiveness will lead team members to value and use subgroup differences, thus increasing the likelihood of a learning outcome.

In the work group literature, Ely and Thomas’s (2001) study of diversity in three professional services firms elucidates what they call an integration-and-learning diversity perspective, which is quite similar to our concept of mutual positive distinctiveness. A diversity perspective is a group’s orientation toward
diversity. It moderates the impact of cultural diversity on work group functioning
by influencing how people value their own and other cultural groups and express
and manage tensions related to diversity. The integration-and-learning diversity
perspective views cultural differences as a source of distinctive “life experiences,
knowledge and insights, which can inform alternative views about work and how
best to accomplish it” (Ely & Thomas, 2001, p. 265). Work groups in Ely and
Thomas’s (2001) study that had an integration-and-learning perspective were
highly functioning. The valuing and use of differences affords opportunities for
cross-cultural learning, which enhances a group’s work, they conclude. Thus, in
both intergroup theory and in the work team literature, there is evidence for the
moderating impact of mutual positive distinctiveness on the relationship between
subgroup salience and cross-group learning.

Although there appears to be some evidence that mutual positive distinctiveness
is required in order for cross-subgroup learning to occur, the conditions that
foster mutual positive distinctiveness remain largely unexplored. We propose that
motivation to engage across differences and cross-group information sharing are
the two essential conditions necessary to engage the mechanism of mutual positive
distinctiveness which will, in turn, enable cross-national learning in internationally
distributed work teams.

Motivation to Engage Across Differences

According to the literature concerning the contact hypothesis, mere contact
between an ingroup and outgroup is not sufficient to reduce ethnocentrism. Contact
must occur under appropriate conditions. Decades of research have produced
consensus on these conditions: cooperative interdependence toward achievement
of a common goal, equal status between the groups, and social or institutional
support for positive intergroup contact (Pettigrew, 1998). However, we found little
discussion of the mechanism through which these conditions reduce ethnocentrism.
Pettigrew (1998) proposes that they contribute to groups’ motivation to learn
about and engage across their differences. Brewer and Miller (1984) suggest
that groups benefit from contact under conditions that encourage them to open
themselves to information about each other and integrate that information into
their understanding of each other. Consistent with these views and the evidence
described below, we conclude that what these conditions do is motivate groups to
engage with each other despite their differences.

Cooperative interdependence. According to Allport (1954/1979), striving for a
common goal in a cooperative setting changes attitudes and engenders solidarity
across groups. Allport articulated two conditions – having a common goal and
undertaking cooperative activity – that have more recently been combined by
others into a single condition referred to as cooperative interdependence (see
Brewer & Miller, 1984). Allport finds evidence of the reduction of ethnocentric bias in studies of mixed race Army platoons that were interdependent in pursuit of a common goal. Pettigrew (1971, 1998) reviews studies of athletic teams and school groups, including Sherif et al.’s (1961) Robber’s Cave field experiment and agrees with Allport: When people must work together to achieve a common goal, they are motivated to overcome or leverage the differences represented in the group. On geographically distributed teams, high levels of interdependence can be problematic as team members struggle to coordinate across distance and time zones, and through low bandwidth technologies. As a result, some scholars have argued for the benefits of lessening cross-site interdependence on geographically distributed teams (e.g. Kiesler & Cummings, 2002; Olson & Olson, 2000). We contend, however, that internationally distributed teams will more likely experience ethnocentrism and eschew learning when they feel less interdependence among members and perceive less need to engage across their differences.

Proposition 6a. Perceived interdependence increases work team members’ motivation to engage across differences and, by fostering an attitude of mutual positive distinctiveness, reduces the tendency for subgroup salience to result in ethnocentrism in the team.

Proposition 6b. Perceived interdependence increases work team members’ motivation to engage across differences and, by fostering an attitude of mutual positive distinctiveness, increases the likelihood that subgroup salience will result in cross-national learning in the team.

Equal status. Extensive research has been conducted on the role that relative status plays in fueling and reducing ethnocentrism. Most recently, reviews of the literature have concluded that unequal status between groups contributes to ethnocentrism. The effect is most pronounced if a diffuse, global conceptualization of status (i.e. ethnicity) is salient rather than a transitory, task specific conceptualization (i.e. task performance) (Brauer, 2001; Mullen, Brown & Smith, 1992). For higher-status groups, engaging across differences could result in loss of valuable status; they are motivated to legitimize the existing social arrangement rather than seek change (see Jost & Burgess, 2000). Meanwhile, lower-status groups protect their self-esteem by emphasizing their ingroup membership and closed boundary (see Brewer & Campbell, 1976). In addition, feelings of being threatened by another group are more likely to occur under conditions of unequal power and status. Threat promotes the formation of coalitions in which groups focus on protecting their interests or exerting their dominance rather than on engaging to achieve mutual gains (Mannix, 1993). We conclude that motivation to engage across differences is reduced when groups have unequal status.
Researchers also have argued that equal status between groups can reduce ethnocentrism, although there is some debate about the conditions under which this effect operates. Allport (1954/1979) argues that equal status between groups within a contact situation is sufficient for contact to result in a reduction of ethnocentrism. More recent work has raised the question of whether equal status beyond the contact situation is required, that is, equal status in society (see Amir, 1969). Consistent with others, we argue that these two sources of status “are not mutually exclusive, but rather interrelated and overlapping” and that what matters are the perceptions of equal or unequal status that are created as these two sources of status operate together (Hewstone & Brown, 1986, p. 8; Riordan, 1978).

While studies conclude that unequal status contributes to ethnocentrism and equal status helps mitigate it, little is said about what is required for cross-group learning. Lau and Murnighan argue that “Groups that split into subgroups of comparable power are likely to experience intense, overt conflict. If they successfully resolve their disagreements, members will increase understandings of each other and their mutual tasks and will become less susceptible to future conflict” (1998, p. 335). Consistent with this, the work teams that displayed the most integration and cross-cultural learning in Ely and Thomas’s (2001) study were characterized by equal status and open discussion of differences. Thus, we argue that equal status in work groups contributes to cross-national learning because team members are motivated to engage with each other in discussions about and across their differences.

**Proposition 7a.** Equal status increases work team members’ motivation to engage with each other across differences and, by fostering an attitude of mutual positive distinctiveness, reduces the tendency for subgroup salience to result in ethnocentrism in the team.

**Proposition 7b.** Equal status increases work team members’ motivation to engage with each other across differences and, by fostering an attitude of mutual positive distinctiveness, increases the likelihood that subgroup salience will result in cross-national learning in the team.

**Institutional or social support.** Contact between groups is more likely to result in a reduction of ethnocentric bias if the contact has institutional or social support (Allport, 1954/1979; Pettigrew, 1998). This lesser studied condition highlights the importance of the norms that govern intergroup contact in its context. To the extent that there is social support for positive engagement between groups, engagement will be more likely and fruitful. When norms favor the expression of differences, opportunities to learn about an outgroup are more frequent and salient (see Brewer & Miller, 1984). By contrast, norms of distance and discrimination
typically lead people to avoid contact with an outgroup. When interaction does occur they typically experience discomfort and fear (see Russell, 1961 as cited in Pettigrew, 1998).

Some businesses demonstrate their support for engagement across difference by hosting events and activities that enable learning to occur. One global business organization we studied, for example, holds festivals in which the foods, clothing, and customs of the different countries in which it employs team members are showcased. In addition to any cross-national learning that occurs, this practice may signal institutional support for such engagement. A study of American Express Travel Related Services suggests that learning about and acceptance of differences in lifestyles, values, and family obligations increases when executives and peers are supportive (Morrison & Herlihy, 1992). We propose that institutional and social support for cross-national learning will increase motivation to engage with team members across difference by lowering the barriers to such interaction.

**Proposition 8a.** Institutional or social support for positive contact between diverse work team members increases their motivation to engage across differences and, by fostering an attitude of mutual positive distinctiveness, reduces the tendency for subgroup salience to result in ethnocentrism in the team.

**Proposition 8b.** Institutional or social support for positive contact between diverse work team members increases their motivation to engage across differences and, by fostering an attitude of mutual positive distinctiveness, increases the likelihood that subgroup salience will result in cross-national learning in the team.

**Information Sharing**

For cross-group learning to occur, we argue that groups require not only the motivation to engage with each other despite differences, but also information exchange. New information about an outgroup can improve attitudes toward the outgroup and reduce ethnocentrism (Pettigrew, 1998; Stephan & Stephan, 1984). Information helps groups form more complex and, presumably, accurate images of an outgroup (Brewer & Miller, 1984), particularly if the information provides knowledge about both differences and similarities between the ingroup and outgroup and “explode[s] myths about false differences” (Hewstone & Brown, 1986, p. 11). Information about others’ customs also can provide insights into one’s own norms and customs, fostering mutual positive distinctiveness.

In internationally distributed teams, two practices are essential – inclusive communication and sharing of contextual information.
Inclusive communication. The essence of the contact hypothesis is that inclusive contact between groups can reduce ethnocentrism as people interact with each other, learn about each other, and develop affective ties (Pettigrew, 1998). The importance of inclusive communication also is discussed and demonstrated in the work group literature. Lau and Murnighan (1998) warn that exclusivity in subgroup communication fuels the tendency for activated faultlines to result in polarization, while communication across subgroups limits it. Larkey (1996) and Maznevski (1994) identify inclusive communication as an integrating mechanism for culturally diverse work groups. Likewise, Brickson (2000) describes how integrated communication networks reduce the tendency for team members to categorize one another and fracture into subgroups.

Maintaining inclusive contact is a challenge for distributed teams, whose collocated members typically interact more frequently with one another than with their distant colleagues, particularly when the team is spread over time zones (e.g. Mortensen & Hinds, 2001; Walther, 2002). Cramton (2001) observes how this exclusivity in communication in internationally distributed teams promotes ethnocentrism. Some of the teams she studied failed to share critical project information inclusively among distributed team members, at times deliberately and at times in error. She describes how the lack of inclusive communication resulted in team members having different information without knowing this to be the case, impacting their shared understanding of their work and each other, fueling conflict and reducing effectiveness.

It is difficult, if not impossible, to avoid subgroup meetings in internationally distributed teams. We think, however, that technologies and practices that facilitate more inclusive communication among distributed team members will help limit ethnocentrism and promote cross-national learning.

**Proposition 9a.** Inclusive contact in a work team increases information sharing and, by fostering an attitude of mutual positive distinctiveness, reduces the tendency for subgroup salience to result in ethnocentrism.

**Proposition 9b.** Inclusive contact in a work team increases information sharing and, by fostering an attitude of mutual positive distinctiveness, increases the likelihood that subgroup salience will result in cross-national learning.

Sharing of context. Cramton (2001) describes how sharing contextual information among distributed workers is time consuming, unwieldy, and uninstinctive. Contextual information is information about the circumstances or
facts surrounding an event or work setting that helps people interpret behaviors and events. Information about local customs, work practices, and holidays are examples of contextual information. Lack of contextual information can result in misinterpretation of communication, misattribution concerning remote partners, and the development of ethnocentrism within a team (Cramton, 2001). In our view, lack of contextual information and its consequences pose acute problems for internationally distributed teams.

Exchange of contextual information can powerfully affect whether a team polarizes into subgroups around cross-national differences or engages in a learning and adaptation process. Contextual information increases team members’ ability to understand and adapt to their differences. For example, team members may observe differences in the working hours of partners in another country but not understand how working hours reflect the typical family structure or the transportation system in the country. As a result of incomplete situational information, team members are likely to make harsh, and often inaccurate, attributions about the behaviors and intentions of their distant team members (Cramton, 2002; Jones & Nisbett, 1972). Framed in terms of our model of the cross-national learning process, practices that provide team members with contextual information will help them better understand their differences, which may increase their willingness to adapt their own practices to facilitate the team’s collaboration.

**Proposition 10a.** Exchange of contextual information in a work team increases information sharing and, by fostering an attitude of mutual positive distinctiveness, reduces the tendency for subgroup salience to result in ethnocentrism.

**Proposition 10b.** Exchange of contextual information in a work team increases information sharing and, by fostering an attitude of mutual positive distinctiveness, increases the likelihood that subgroup salience will result in cross-national learning.

In summary, we expect that when subgroups become salient in internationally distributed teams with strong faultlines, ethnocentrism is likely to result. This tendency, however, is moderated in favor of cross-national learning when team members are motivated to engage across their differences and share information, contributing to an attitude of mutual positive distinctiveness: Team members recognize and appreciate their relative strengths, weaknesses and complementarities. Under these conditions, teams will perform more effectively and team members will develop skills that enable them to work productively on future internationally distributed teams.
DISCUSSION

In this paper, we have developed a theoretical framework for understanding the factors that contribute to subgroup dynamics in internationally distributed teams. We model Lau and Murnighan’s (1998) work on faultlines, affording greater precision to the constructs and relationships. In particular, we educe the importance of subgroup salience as the manifestation of faultlines. We extend Lau and Murnighan’s (1998) work by describing how geographic distribution, like demographic attributes, can contribute to the strength of faultlines. Our analysis suggests that when demographic attributes align with geographic location, distinct subgroups are even more likely to become salient. We also harness the powerful theoretical and empirical literature concerning ethnocentrism to the task of explaining the consequences of the existence of faultlines, another extension of Lau and Murnighan’s (1998) work. As a result of the links among the constructs of faultlines, subgroup salience and ethnocentrism, potent theoretical predictions become possible. This analysis provides a secure foundation for explaining the us-versus-them dynamics observed in distributed teams, where “conflicts escalate strangely between distributed groups, resisting reason” (Armstrong & Cole, 1995, p. 188).

Although we argue that ethnocentrism and reduced team effectiveness are the most likely outcomes when faultlines are activated and subgroups become salient, we describe an alternative, ethnorelativistic learning. Ethnorelativistic learning is learning about another group with the aim of understanding its perspective, including the other group’s perspective on one’s own group. While ethnocentrism narrows and biases one’s thinking and is associated with competitive and hostile behavior in relation to another group, ethnorelativism expands one’s perspective and is associated with empathic behavior in relation to the other group. In our context of interest in this paper, internationally distributed work teams, ethnorelativism takes the specific form of cross-national learning. Cross-national learning is learning about differences in the culture and local situation of team members that impact the team’s work and relationships. We propose that cross-national learning enables work teams and organizations to capitalize on distance and differences rather than being harmed by them.

Whether ethnocentrism or cross-national learning results when subgroups become salient depends on the extent to which a work group has an attitude of mutual positive distinctiveness. We describe the interaction of this attitude with motivating factors and information sharing in tilting the balance from ethnocentrism to cross-national learning. When teams are motivated to share information across team members with an attitude of mutual positive distinctiveness, conditions are ripe for cross-national learning.
The notion of intergroup learning and the conditions that promote it have received little attention in the intergroup relations literature. We draw on social identity theory and the intergroup literature concerning the contact hypothesis to conceptualize intergroup learning. In particular, we highlight the potential importance of the new construct of mutual positive distinctiveness as a critical factor in facilitating intergroup learning.

Cross-national learning, we argue, will lead to more effective teamwork. Not only does it enhance the functioning of the existing team, but the capabilities of team members in future internationally distributed teams, improving long-term organizational effectiveness. The new construct of cross-national learning should enable researchers to better examine the impact of team dynamics beyond the immediate team and the current time.

Our analysis leads to the surprising conclusion that if managed well, faultlines may result in more resilient teams and team members. Faultlines are generally viewed as detrimental, increasing the likelihood of affective conflict and power struggles, and reducing learning (see Gibson & Vermeulen, 2003; Lau & Murnighan, 1998; Thatcher, Jehn & Zanutto, 2003). We propose, however, that the result of faultlines – subgroup salience – is a necessary condition for cross-national learning. Only when subgroup differences are salient is appreciation of unique strengths possible. Thus, faultlines contain the potential for learning. Furthermore, we argue that this learning can transcend the composition of the immediate group, resulting in enduring positive effects on individuals, teams, and organizations.

In this paper, we focus on distributed teams, but our analysis also contributes to understanding subgroup dynamics in collocated teams. By examining the factors that moderate the subgroup salience-ethnocentrism relationship, we suggest the conditions that lead to an improved ability of teams to learn from their diversity. Although extensive research has highlighted the importance of communication for surfacing different perspectives in diverse groups (e.g. Jehn & Mannix, 2001; Lovelace, Shapiro & Weingart, 2001), little of this research considers the patterns of communication between team members (i.e. inclusiveness) that are necessary for learning and adaptation to occur. Using empirical research on the contact hypothesis and intergroup theory, we expand upon Lau and Murnignan’s (1998) conceptualization of inclusiveness as the primary factor mitigating the detrimental potential of faultlines. Because our focus in this paper was internationally distributed teams, we make these claims cautiously and invite broader and more thorough analysis involving traditional collocated work teams.

A limitation of this work is that we do not address the differential consequences of how team members are distributed, e.g. number of locations and numbers of
people at each location. As O’Leary and Cummings (2002) observe, the way that
people are dispersed on distributed teams can significantly affect team dynamics.
We believe that the number of locations and the number of people at each location
are likely to affect subgroup dynamics. Subgroup dynamics are likely to be more
extreme when there are fewer locations and a more even distribution of individuals
by location. For example, we expect stronger subgroup dynamics in a team split
evenly between just two locations as compared with a team that has a handful of
team members at each of five locations. More locations increase the likelihood
that demographic attributes and other important affiliations will cut across sites,
mitigating subgroup dynamics. With regard to the number of people at each
location, larger numbers at each location are likely to increase the amount of
within-site communication relative to the amount of cross-site communication.
Ethnocentrism is fostered when communication is more exclusive than inclusive
across subgroups.

In building theory about the cross-national learning process, we relied on
existing literature on cross-cultural relations. We were surprised, however, at how
little is understood about the process by which people come to appreciate the
differences of others and develop ethnorelativistic thinking and behavior. Although
some theories exist, they often are minimally compatible and informed by scant
empirical evidence. To validate the propositions we developed, it will be important
to scrutinize this process and better understand the mechanisms and sequence of
behaviors and attitudinal changes that generate cross-national learning.

Investigation of our model will likely require multiple studies and multiple
methods. Many of our propositions are process oriented and lend themselves to
ethnographic field studies that enable a deep understanding of the behaviors in
which people and teams engage and the attitudes that accompany them. We believe
that creative methods such as diaries and critical incident stories also will be
required to expose some of the more subtle behaviors and attitudes that drive these
processes. In addition, social network analysis will be informative in understanding
the nature of relationships that form across locations and across faultlines. Finally,
laboratory studies may be helpful for understanding the relationship between
personal attributes and geographic distribution, teasing out the impact of each,
and isolating the effects of the moderators we propose.

Although our goal in this paper was primarily to develop theory, our analysis
suggests some points for practice. As depicted by our model, subgroups become
salient in an internationally distributed work team when some event galvanizes
awareness of and attention to demographic, geographic or other differences among

group members. At this point, ethnocentrism is likely but ethno-relativistic learning
also is possible. We think it is critical for managers and team members to foster
the conditions that increase the likelihood of a response of inquiry, learning and
adaptation rather than bias, rigidity and conflict. Our analysis of moderating
variables provides evidence as to what these conditions might be.

The key condition is a work group attitude of mutual positive distinctiveness:
the expectation that differences that surface in views, values, competencies and
practices of team members are likely to be instructive and useful to the group as
a whole. This also means fostering the belief that more than one subgroup can be
positively distinctive.

We think that mutual positive distinctiveness is more likely when groups
are motivated to engage across differences and share information. In practice,
managers can encourage engagement across differences through the work
interdependencies and institutional environments they create, and the behavior
they model. Managers of internationally distributed teams often are tempted to
reduce interdependence between distributed groups as much as possible because
of communication and coordination difficulties. We caution that by limiting the
motivation to engage across differences in this way, ethnocentrism and bias
between subgroups may grow, increasing the risk that subgroups ultimately will
reject each others’ ideas and work. Likewise, when there are great disparities in
the status, power and influence of different subgroups, we think that motivation to
engage across differences will be reduced. High status subgroups may see no need
to engage with low status subgroups and low status groups may find it too risky to
engage with high status subgroups. Engagement across difference also is fostered
when managers themselves model this behavior, inquiring about the various points
of view when differences arise, attempting to develop an empathic understanding,
and encouraging adaptive work practices.

Managers also can facilitate information sharing as a means of achieving
mutual positive distinctiveness. Inclusive information sharing, for example, may
be facilitated by transferring team members between sites. Transferred team
members are likely to take their existing communication networks with them
and build new communication networks at the new location. The overall effect
may be stronger communication networks across sites. Transferred team members
also may share their understanding of the home site context and interpret the
behaviors of distant team members for the local subgroup. This is consistent
with Subramaniam and Venkatraman’s (2001) finding that organizations with team
members who have overseas experience in which they acquire information about
the tacit differences among countries are more effective at developing transnational
products. Gruenfeld, Martorana and Fan (2000) caution, however, that transferred
team members with a different point of view may be marginalized because they are perceived as argumentative.

Some internationally distributed teams also have successfully created cross-site roles, such as liaisons responsible for ensuring coordination and information flow between distant team members (Armstrong & Cole, 1995). When team members are assigned roles that transcend their local site, we surmise that communication will be more inclusive and integrative, resulting in tighter bonds between members at distant sites. Consistent with this, Marcus-Newhall and colleagues (Marcus-Newhall, Miller, Holtz & Brewer, 1993) report that positive generalizations about a salient outgroup are more likely if roles are assigned in a way that cuts across subgroups. Team members with cross-cutting roles also may find themselves transferring contextual information as they bridge subgroups. Thus, cross-cutting roles are likely to decrease ethnocentrism and improve cross-national learning because they promote inclusiveness and the sharing of contextual information.

A defining characteristic of geographically distributed teams is their reliance on communication technologies to mediate interactions among distant team members (Hinds & Bailey, 2003; Maznevski & Chudoba, 2000). The communication technologies currently used by internationally distributed teams, however, are not particularly effective in facilitating the exchange of contextual information and may not be ideal for promoting inclusiveness and interdependence. Although differences exist among technologies, contextual information generally is difficult to transmit over mediating technologies because it is often dynamic and tacit (Clark & Brennan, 1991; Olson & Olson, 2000). In a study of student teams, Weisband (2002) noted that many of the groups had difficulty communicating contextual information via web conferencing and email. There is a need for new technologies that convey contextual information. Some technologies under development display information such as time zone differences and holidays at distant sites, the current availability of all team members, and on-going issues being dealt with by the team (e.g. Atkins et al., 2002). These awareness technologies may promote perceived interdependence and shared identity by making team identity and shared efforts more salient. Technology also may be able to support greater inclusiveness. As Cramton (2001) observed, distributed teams often face unevenly distributed information because team members distribute email messages to only a subset of the team. Although email should promote inclusion because of the multiple addressability feature (Sproull & Kiesler, 1991), evidence suggests that team members continue to communicate within subgroups, fueling friction between sites. This analysis suggests that technologies with passive inclusion features may be beneficial for reducing ethnocentrism and improving cross-national team learning.
Through this analysis, we strive to highlight the value of the moderating factors as an analytic tool to assist in identifying organizational practices, team activities, and technologies that might aid internationally distributed teams in overcoming the impacts of naturally occurring faultlines. We have described just a small subset of the practices suggested by these moderators. Overall, we encourage leaders and team members to be aware of potential faultlines, sensitive to the emergence of salient subgroups, and particularly, to provide the environment, practices, and tools that enable teams to transcend ethnocentrism and learn about and leverage their differences for the benefit of the team and the organization.

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REFERENCES


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