The role of common in-group identity and cultural intelligence in multicultural team effectiveness: a conceptual model

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Summary

In a globalising world, collaboration in multicultural teams (MCTs) has become crucial for the success of the organisations. In this paper, we study how these MCTs, despite cultural and linguistic differences, can produce positive dynamics and outcomes. Aim is to develop hypotheses and a conceptual model of team effectiveness in MCTs, thus providing the basis for our future empirical analysis. We investigate the links between common in-group identity, cultural intelligence, communication and team effectiveness in MCTs. We contribute to the research field in three ways. Firstly, we propose an integrative model which encompasses key factors of team effectiveness in MCTs. Secondly, unlike previous research, we study cross-cultural interactions at team rather than individual level. Thirdly, building on social identity and self-categorisation theories, we apply the construct of common in-group identity to MCTs, which remains an underexplored approach to date.
Introduction

In a globalising world, cross-cultural interactions have become increasingly important in the economic, political, and social arenas (Black & Mendenhall, 1990). In today’s work-related settings, cross-cultural interactions do no longer only occur during short-term business trips to foreign countries and long-term overseas assignments but also during short-term assignments, and work in virtual teams and multicultural domestic teams (Wood & Peters, 2014). Due to the increasing cultural diversity of Western society, even local workers without international career plans are bound to face situations in which they will have to work in multicultural teams (MCTs) (Fischer, 2011). Thus, on the individual level, intercultural attitudes and skills are valuable assets not only for expatriates but also for local workers and in particular, for university graduates about to enter the labour market (Fischer, 2011). On the organisational level, these assets are key to remaining competitive in an uncertain environment induced by globalisation (Wood & Peters, 2014).

A multicultural team (MCT) consists of “individuals from different cultures working together on activities that span national borders” (Snell et al., 1998) or as “task-oriented groups consisting of people of different national cultures” (Marquardt & Horvath, 2001). In an ever more globalised and interconnected world, individuals from different cultures (and locations) are increasingly working and learning collaboratively, be it in face-to-face interactions or virtually. Multicultural teams are present in numerous organisations such as private companies, military departments, non-profit organisations and research teams (Connaughton & Shuffler, 2007). In business, “many multinational corporations (MNCs) utilize multicultural teams (MCTs) so that members with different nationalities can exchange their unique knowledge in order to capture market share in new locations, exceed competitors’ customer service, secure local resources, or implement successful distribution in emerging economies” (Hajro, Gibson, & Pudelko, 2017).

Up to now, scholars in international business and management studies have mostly studied MCTs in comparison with culturally heterogeneous teams and addressed the question of if cultural diversity is an asset or a hindrance for team performance (Moon, 2013). On one side, it is alleged that individuals with similar cultural backgrounds tend to attract each other and share more easily values and beliefs, being therefore more effective in their teamwork and communication (Erez et al., 2013; Van der Zee, Atsma, & Brodbeck, 2004). On the other side, cultural diversity is viewed as an opportunity for teams, as it provides more diverse perspectives, experiences, cognitive frameworks and solutions to problem-solving and therefore enhances team creativity (Chen, 2006; Grosse, 2002; Janssens & Brett, 2006; Stahl et al., 2010).

In this paper, we focus on culturally heterogeneous teams and try to explain how these MCTs can be effective despite cultural and linguistic differences. More precisely, we examine two factors usually cited in the literature as influencing effectiveness in cross-cultural settings, namely intercultural competence (or cultural intelligence or CQ) and shared identity. Cultural intelligence is an individual characteristic that allows team members to overcome or sublimate cultural differences in an MCT and to perform effectively, since it enhances communication effectiveness and the development of shared mental models. As for a shared identity, it helps reducing intergroup conflict, enhances trust, cooperation and communication and as a consequence, improves MCT effectiveness. We propose to investigate the relationship between these two variables as well as their respective impact on MCT effectiveness. In addition, we consider communication effectiveness, as it is particularly relevant in culturally and linguistically diverse teams and is viewed by numerous scholars as an important factor of success and positive outcomes in MCTs (Lloyd, 2010). Building on the literature, we consider communication effectiveness as a mediator in our model, i.e. as an outcome of cultural
intelligence and shared identity on one side, and as an antecedent of team effectiveness, on the other. As this is a work-in-progress paper, our aim is primarily to develop hypotheses and to propose a general conceptual model. The next step will be to test the model by conducting a survey with students taking part in international training programs and working in MCTs in order to complete group assignments.

This paper contributes to the research field in three ways. Firstly, we propose an integrative model which takes into account both cultural intelligence and shared identity. In previous research, these two key factors have been addressed separately in their relation with intercultural effectiveness. Secondly, our study focus on the team level instead of the individual level. Indeed, scholars usually study the impact of cultural intelligence on individual performance (e.g., job and task performance of expatriates on international assignments, intercultural competences of MCT leaders; Ang, Rockstuhl, & Tan, 2015; Kumar, Che Rose, & Sri Ramalu, 2008). As Moon (2013) put it, only “few studies have demonstrated the effects of team CQ on team performance in culturally diverse situations”. The same applies to shared identity, whose effect in cross-cultural settings has been usually studied at the individual level rather than at the team level (e.g., Lee, 2010; Lisak & Erez, 2015). Yet, we consider that individual cross-cultural interactions do not take place in a vacuum but must be put back and studied in a team context and be linked to team processes and dynamics. Thirdly, with regards to shared identity, we build on social identity and self-categorisation theories and apply them to the MCT context. To date, this approach remains underexplored and is questioned by some scholars. We discuss it later in this paper.

Intercultural competence

Intercultural competence is “the ability to function effectively in another culture” (Gersten, 1990). There is a very extensive theoretical and empirical literature on this topic. Leung, Ang, & Tan (2014) identified around 30 different intercultural competence models in the literature and more than 300 related constructs. They classified these constructs into three categories: (1) the intercultural traits “refer to enduring personal characteristics that determine an individual’s typical behaviors in intercultural situations” (e.g., open-mindedness, tolerance of ambiguity, flexibility, inquisitiveness, etc.) (2) the intercultural attitudes (positive vs negative) and intercultural worldviews (ethnocentric vs ethnorelative) “focus on how individuals perceive other cultures” (3) the intercultural capabilities “emphasize what a person can do to be effective in intercultural interactions” (e.g., knowledge of other cultures, linguistic skills, adaptability to communication, etc.) (Leung, Ang, & Tan, 2014). In light of these categories, the authors reviewed four models that are most frequently discussed in organisational studies, plus the Global Leadership Competency model (Bird et al., 2010) which is more recent but nevertheless promising, and compared their related scales and respective characteristics. The Global Mindset Inventory (Javidan & Teagarden, 2011) and the Global Competencies Inventory (Bird et al., 2010) turn out to be the most comprehensive models, as they both encompass all three dimensions of intercultural traits, attitudes/worldviews, and capabilities. The three remaining models and their related scales focus on either intercultural traits (Multicultural Personality Questionnaire; Van der Zee & Van Oudenhoven, 2000, 2001), attitudes and worldviews (Intercultural Development Inventory; Bennett & Hammer, 1998), or competencies (Cultural Intelligence Scale; Ang et al. 2007).

The authors conclude that the Multicultural Personality and the Cultural Intelligence models are most appropriate to capture the concept of intercultural competence, because of the validity of the related scales and the range of psychological, behavioural, and performance outcomes
predicted by both models. Matsumoto & Hwang (2013) come to the same conclusion in their comparison of 10 intercultural competence models (Leung, Ang, & Tan, 2014).

In addition, we found three further reasons to prefer the Cultural Intelligence model. First, the intercultural capabilities addressed by the CQ model are more proximal to intercultural effectiveness than personal traits, attitudes and worldviews. Leung, Ang, & Tan (2014) suggest that traits, the most stable of the three components of intercultural competence, are antecedents of attitudes and worldviews. Similarly, personal traits and attitudes/worldviews influence the motivation to improve one’s intercultural capabilities. Finally, intercultural capabilities are directly linked to intercultural effectiveness (Leung, Ang, & Tan, 2014). Thus, considering solely the most proximal relation, i.e. between intercultural capabilities and intercultural effectiveness, allows for greater explanatory power and a more parsimonious model. Secondly, focusing on capabilities allows for more practical recommendations. Indeed, recommendations on how to improve intercultural capabilities are more feasible than recommendations on how to change personality traits, attitudes and worldviews and they can be taught in cross-cultural training. Thirdly, CQ model is commonly used by scholars and has proven to explain several aspects of MCT processes and emergent states such as acceptance and integration of new members (Flaherty, 2008), interpersonal trust (Moynihan, Peterson, & Early, 2006; Rockstuhl & Ng, 2008), group cohesion (Moynihan, Peterson, & Early, 2006), shared values (Adair, Hideg, & Spence, 2013; Moynihan, Peterson, & Early, 2006) or the sense of belonging to the global world (Shokef & Erez, 2008).

**Cultural intelligence**

Ang et al. (2007) define cultural intelligence as “an individual’s capability to function and manage effectively in culturally diverse settings”. They developed a CQ scale which consists in four dimensions. First, metacognitive CQ refers to the individual's awareness of existing cultural differences and his/her ability to plan, monitor and adjust his/her own mental models during and after cross-cultural interactions. Second, cognitive CQ relates to knowledge acquired from education or personal experience about norms, practices and procedures in a given cultural context. Thirdly, motivational CQ reflects the extent to which an individual is interested and willing to adapt in a given cultural context as well as beliefs in his self-efficacy in cross-cultural interactions. Fourth, behavioural CQ focuses on the ability to adapt speech acts, verbal and non-verbal behaviours in cross-cultural interactions (Ang et al., 2007).

CQ is a valuable asset for MCT members as its metacognitive, cognitive, motivational and behavioural dimensions help improving knowledge sharing (Chen & Lin, 2013), communication effectiveness (Bücker et al., 2014; Silberstang & London, 2009; Thomas et al., 2008), shared values (Adair, Hideg, & Spence, 2013), creativity (Chua & Ng, 2017; Crotty & Brett, 2012) and in the end, team effectiveness (Adair, Tinsley, & Talyor, 2006; Groves & Feyerherm, 2011).

When comparing culturally diverse teams and homogeneous teams working on group projects in a large business school in South Korea, Moon (2013) found that the former outperformed the latter in the long run, provided that they had an overall high level of CQ. Moon concludes that a high level of CQ compensates for the negative effects of cultural diversity (2013).

Focusing solely on culturally diverse teams, Moynihan, Peterson & Early (2006) tested the CQ scale on 302 students (from Europe, Asia, North America and South America) distributed in 48 MCTs. These students worked together for an entire year on various group projects as parts of their MBA courses. The findings show a positive correlation between the team mean level of CQ measured after four months of collaboration and the MCT performance. The authors
conclude that further research is needed in order to identify potential mediators between CQ and team performance and to develop a more general model (Moynihan, Peterson, & Early, 2006). Building on these results, we hypothesize:

**Hypothesis 1:** An MCT mean level of cultural intelligence is positively related to MCT effectiveness.

**Common in-group identity in MCTs**

The second determining factor of MCT effectiveness considered in our model is shared identity. Unlike intercultural competence models, shared identity models in the study of MCTs are scarce and draw most of the time from social identity and social categorisation theories (Tajfel & Turner, 1979, 1986; Turner et al., 1987).

According to social identity theory (SIT), individuals define themselves in terms of their membership in social categories. In contrast to a personal identity (“how am I different from him/her?”), social identities refer to shared attributes (“how are we different from them?”). The process implies the categorisation of others as in-group or outgroup members. Essential for self-categorisation processes are the needs to enhance self-esteem (Tajfel & Turner, 1979, 1986) and to reduce uncertainty (Hogg & Terry, 2000). Thus, individuals particularly identify with groups that provide a distinctive and positive identity. When a particular social identity is salient, an individual’s self-perception tends to be based on attributes shared with other group members rather than individual characteristics (Turner, 1985; Turner et al., 1987).

Some scholars consider self-categorisation theory as ineffective when it comes to explaining the emergence of a shared identity in MCTs (e.g., see in Erez et al., 2013; Moon, 2013; Stahl et al., 2010). Given that the self-categorisation process in in-groups and outgroups is supposedly based on nationality, cultural origin, language or ethnicity, culturally diverse team members should theoretically identify with their own subgroup and not with the overall team and therefore, a MCT shared identity should not be possible. In our opinion, this is a too static view of the processes of social identification. Indeed, an individual has multiple, multileveled, and changing social identities, each of them being activated according to a specific context and conditions.

Gaertner et al. (1993, 1994, 1996, 2000) argue that factors such as cooperative interactions between groups, identification of a common problem, a common “fate”, or common tasks can lead in-group and outgroup members to develop a common identity. These processes are called “decategorisation” and “recategorisation”. The first occurs when in-group members, through personal interactions and cooperation with outgroup members, begin to view themselves as individuals rather than parts of a whole. The second implies that the members of both groups identify themselves with a single higher level group (Gaertner et al., 1993, 1994, 1996, 2000). In this case, however, team members do not necessarily need to forsake their original subgroup identity (Gaertner et al., 1993, 1996, 2000). They can develop a “dual identity”, which is an identification with both the subgroup and the superordinate group (Gaertner et al., 1996, 2000; Dovidio, Gaertner, & Saguy, 2007).

To summarise, social identity processes result in four possible outcomes. Firstly, categorisation is the process by which individuals identify themselves and the others as either part of the in-group or the outgroup (i.e., two separate groups). Secondly, decategorisation implies a weakening of group ties and members considering themselves as separate individuals rather than a cohesive group (i.e., separate individuals). Thirdly, recategorisation occurs when
members of both groups identify themselves with a single superordinate group (common in-group identity), either by giving up their original subgroup identity (i.e., one single group) or not (i.e., two subgroups nested in one single superordinate group). Gaertner, Dovidio, & Bachman (1996) have developed a scale assessing these four possible outcomes.

Some scholars made assumptions about the positive effects of both a single common superordinate identity and a dual identity on team dynamics in MCTs. Findings show that a single common superordinate identity reduces intergroup bias (i.e., evaluating less favourably outgroup members than in-group members) and conflict, and enhances harmonious intergroup relations, cooperation, productivity (Gaertner et al., 1993, 1994, 1996) and commitment to the team (Van der Zee, Atsma, & Brodbeck, 2004). As for dual identity, however, the results are not significant (Gaertner et al. 1993, 1994, 1996; Van der Zee, Atsma, & Brodbeck, 2004).

Gaertner et al. (2000, 2007) suggest that a dual identity model is more efficient when one or more minority groups interact with a majority group. Members of minority groups might want to preserve their ethnic identity (“two separate groups”) while members of the dominant majority group would prefer a single group identity (“one superordinate group”). In that situations, “integrative strategies, such as the dual-identity form of recategorization that emphasizes both the salience of the superordinate group identity and ethnic subgroup identities simultaneously, may be most effective” (Gaertner, 2000). For our part, as we will study rather ethnically balanced teams, we consider the impact of the common in-group identity in general, whether it implies a dual identity or not. Thus, we propose:

**Hypothesis 2a:** A common MCT in-group identity (i.e., a single superordinate identity or a dual identity) is positively related to MCT effectiveness.

In addition, we argue that a high level of cultural intelligence helps developing a common in-group identity. Indeed, knowledge of other cultures, awareness of cultural differences, and ability and motivation to adapt to cross-cultural situations help members developing shared mental models and consequently, a shared identity. Research shows that multicultural teams with greater average team member cultural intelligence experience greater cohesion than teams with lower average cultural intelligence (Mojnihan et al., 2006). Metacognitive CQ in particular is linked to shared identity through shared values: « teams with high levels of metacognitive CQ should have members skilled in identifying and adjusting members’ distinct values. Thus, metacognitive CQ should help MCTs develop shared values [...] teams with shared values benefit from less conflict and a stronger group identity” (Adair, Hideg, & Spence, 2013). We therefore assume:

**Hypothesis 2b:** CQ, and in particular metacognitive CQ, is positively related to common in-group identity in MCTs.

**Communication effectiveness as mediator**

Given cultural and linguistic differences, communication is more difficult in MCTs than in culturally homogeneous teams (Lu et al., 2018). Hence, intercultural communication competences and processes are particularly crucial for team effectiveness in culturally diverse settings (Chen, 2006; Lloyd & Härtel, 2010). In our model, we view communication processes in MCTs as a mediator variable between cultural intelligence and team effectiveness.
To begin with, CQ undoubtedly influences communication effectiveness. Being aware of cultural differences and knowing how to adapt verbal and non-verbal behaviours in cross-cultural interactions facilitate understanding and enable effective communication (Silberstang & London, 2009), improve information sharing (Ang, Rockstuhl & Tan, 2015), and reduce anxiety (Bucker et al., 2014). Therefore, we suggest:

**Hypothesis 3a:** CQ is positively related to communication effectiveness in MCTs

In turn, communication effectiveness influences team effectiveness. Face-to-face interactions in MCTs tend to reduce task conflict, enhance team dynamics, and therefore improve team effectiveness (Connaughton & Shuffler, 2007). Effective communication impacts on conflict resolution, cohesiveness and team performance (Stahl et al., 2010). As Matveev & Nelson (2004) put it, “the communication skills of individual team members help to establish rapport within the team and to bind team members into one cohesive and highperforming unit”. In light of these considerations, we posit:

**Hypothesis 3b:** Communication effectiveness is positively related to team effectiveness in MCTs

Finally, communication effectiveness is linked to group identity. Greenaway et al. (2015) point out that “a sense of shared identity between partners is a key determinant of effective communication” and that “communications with in-group members should be expected—and found—to be easier, more fluent, and more constructive than those with outgroup members”. This is achieved through an affective and a cognitive process. On the affective side, “in-group members are more trusted, respected, and influential than outgroup members” and are more motivated to pay attention to in-group communications (Greenaway et al., 2015). On the cognitive side, a shared identity implies shared mental models and a shared way of thinking which enables a more effective communication (Greenaway et al., 2015). The authors found support for their hypothesis. In addition, they found that the differences in communication effectiveness between in-group members and outgroup members were attenuated when a superordinate identity was introduced (Greenaway et al., 2015). In other words, in-groups and outgroups members identifying with a high-order group communicated like they belonged to the same group. This leads us to the following hypothesis:

**Hypothesis 3c:** A common in-group identity is positively related to communication effectiveness in MCTs

**Conceptual model**

Figure 1 summarises the conceptual model that includes the four constructs of cultural intelligence, common in-group identity, communication effectiveness and team effectiveness as well as the hypothesised links between them.
Figure 1: Conceptual model of MCT effectiveness

The next step will be to test the model. To that end, we will conduct a survey with undergraduate and MBA students participating in international programs and working in MCTs in order to complete group projects as parts of their training. We focus on these students as they represent the so-called “millennium generation” which is entering now the labour market and will be shaping organisational values and managerial practices in the near future.
Bibliography


