

Challenges in managing cross-cultural virtual project teams

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Abstract

The biggest challenge workers in a virtual workplace will face is creating a boundary between work and home since the two spaces are now combined. Namely, completely understanding and being able to follow correct procedures and processes associated with a company can be challenging if workers are not physically subjected to the culture of the company on a daily basis. Overcoming these challenges is not only the job of the employee, but for managers as well. Managers in a virtual organisation need to be able to identify these challenges, and create programs in which their virtual workforce will feel like they are valued and part of a greater cause, said authors. The authors also pointed out that the training the culture and standards set by management in a virtual workforce will be reflected within their employees' motivation and productivity. The paper concludes that global project management can succeed through culturally-aware management, cross cultural communication and more network within and among companies.

KEYWORDS: managing, challenge, managers, virtual project teams , globalization

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Introduction

The world is going to be too tough and competitors too ingenious as companies are shaken loose from traditional ways of conducting business (Radovic-Markovic, 2008). Today's changes are performed globally and cover all aspects - social, economic, political, technological, cultural, etc. The tendency towards globalization, which will continue intensively in the future, generally requires a change in the organisational structure of modern organisations. They need to move towards flexible, open organisational forms, based on modern technology and modern knowledge. Therefore one of the key factors for success and effectiveness of the organisation is related to its ability to evolve with changes that occur in the environment. And as it is known changes in the modern world are intense and dynamic. "To meet constantly changing conditions and demands, business has to transcend boundaries to get what it needs regardless of where it exists—geographically, organisationally and functionally" (Radovic-Markovic, 2008,p.3).

Our research methodology is almost literature based. The aim of our research was to explore difference in the approaches to the significant challenges for anyone working in a multicultural team. Namely, drawing on insights from various theories on global virtual intercultural teams, our scientific overview seeks to provide broad bases for further research. In addition, this article explores the management styles and skills that are most effective in a cross cultural setting.

Theoretical overview

In the late 20 century the finding was made that the processes of globalization will be inevitably linked to the tendency of rapid growth in the number of cross-cultural teams. And not only this, 21 century will be the century of virtual teams and network organisations, and they will become a superb tool for achieving organisational goals while the classical organisational structure will be significantly changed and the team will be the main working unit within the organisation (Katzenbach,Smith,1993; Hale,Whitlam,1997; Lipnack,Stamps,1997; Hambrick et al., 1998).Indeed, in recent years the global business environment made it necessary to create a cross-cultural virtual teams, formed by representatives of different countries with different cultural backgrounds (Gibson,Cohen, 2003; Hinds,Kiesler, 2002).

Global virtual intercultural teams are generally characterized by the following: 1/ they are constituted by representatives of more than two nations, 2/ team members have different cultural background; 3/ they work together but physically distant from each other (usually in remote geographical locations), 4/ they work across temporal distance; 5/ team members are formally independent of each other; 6/ performance of their common activity is based on technology-mediated communication (Baba et al., 2004).

There are different types of virtual teams. When referring to the varieties of virtual intercultural teams we should keep in mind that there is a difference between the classifications of ordinary cross-cultural teams and virtual teams. For example, one of the first classifications of the teams is made by Lawler and Cohen (1992). Depending on the functions, they identified the following teams: work teams, parallel teams, and project teams. Work teams are usually formed when the company needs to produce a product or service in a specific way and for a given

period of time. Parallel teams are the ones who work together with the "basic" team, and have supporting functions. The third type is the project team, which is committed to the planned execution of a task that has a specified start and end.

According to Fisher (1994) there are four types of teams: natural work teams, cross-functional teams, small project teams, special purpose teams. To the first type are related teams that arise during the natural working process in the implementation of a task within an organisation. Cross-functional teams have a constant aim and their activity crosses organisational boundaries. For example, a cross-functional team for resolving organisational conflicts can be composed of representatives of various departments and its constant aim can be related to the resolution of conflicts within the organisation as a whole. Small project teams are small temporary collection of people formed, in order to solve a particular problem (scientific, technological, industrial) for a specific period of time, after which their existence is terminated. The same applies to special purpose teams, but the difference is that they are dealing with large-scale tasks.

Virtual teams have a variety of configurations and variations as project or product-development teams, networked teams, parallel teams, work or production teams, service teams, management teams, and action teams (Duarte, Snyder, 2001).

One particular form of virtual groups are virtual project teams, which can be defined as time-limited, non-repetitive groups charged with producing a one-time output (Cohen, Bailey, 1997).

A virtual project team includes members who work remotely on a specific project, have common goals, scattered jobs, perform measurable tasks, have a charter to make decisions (McMahon, 2001).

It should be borne in mind that in the activities of the teams that implement virtual cross-cultural projects there are the same problems that accompany the implementation of intercultural projects not in virtual, but in ordinary business environment. And in turn, one of the main problems that accompany contemporary process of globalization of the business environment is related to the management of intercultural projects (Kealey et al., 2006).

When comparing Virtual Project Teams and Traditional Project Teams both advantages and difficulties facing the Virtual Project Teams are noticed. One of the biggest difficulties is related to the limited means of the virtual team members to communicate.

As mentioned above, individuals in traditional teams usually have the opportunity to interact "face to face" if not daily and consistently, at least from time to time. Virtual team interactions by definition are mediated electronically or through appropriate technology. This extremely complicates communication process and creates big problems.

As mentioned above, we must consider that there is a significant difference between the ordinary team and multicultural team. But on the other hand we consider the fact that there are no two identical multicultural teams, as each specific multicultural team is characterized by features that are unique to the intercultural context in which the team operates.

"Managing in virtual organisations has immense benefits by being able to defeat the notion of having to be in the same place at the same time for the purpose of getting work done as a team. It also has the benefit of being able to micro-manage different sectors of their organisations when having to oversee important changes toward the projects that they are completing" (Radovic-Markovic et al. 2014, p.25). According to Radovic-Markovic (2014), managing people in virtual firms require :

- Require different style and type of management
- Work is more team oriented, making it more difficult to assess individual contributions.
- Managers must find new ways to evaluate and supervise those employees without seeing them every day in the office.
- Training should be offered so all workers can understand the new work environment.

In the management of virtual intercultural projects, there are two key points that determine the successful operation of this virtual structure: the first point concerns the building of team project manager, which will manage the team, and the second one concerns the building of the virtual team for project management. These two aspects of the implementation of virtuality intercultural projects are equally important. However, before we proceed with the building of a virtual project manager or a virtual project team, we must first answer the series of questions such as: what will be the size of the team, what of its main features are most important to us, what will be its "demographic group", etc. But it is not enough the group of individuals who will implement the project to be only formally constituted. This conglomeration of individuals must be a group of interdependent members, as it, in turn, has to become a team. Formal designation of the group is just the first step in building a team that is able to effectively implement a specific project. After this first step, the team is not automatically created any more, but from now on it should be built up gradually step by step. For example, according to the model of Xerox, described by Fisher & Fisher (2001), after this first step the construction, development and preparation of the team includes a number of others such as clarification and development of the common philosophical vision and mission, defining goals, developing the main group norms and rules of behaviour, distribution of roles, clarification of the system communication, etc. But while all of these steps are valid for traditional teams in virtual teams things are much more complicated, since they operate in a global cross-cultural context.

The development of a satisfactory concept of how the virtual work teams can create a real business advantage. The advantages are very much and they eliminate the shortcomings of traditional organisational forms. For example, when creating a new working group of classical type, first we need to create a workplace organisation, which is related to spending resources on the new location, and sometimes with certain risks of moving the family members of employees. In virtual teams or groups a similar way of organisation in the workplace does not exist as it comes to a way of organizing work around goals, skills, tasks, not locations.

A number of advantages of virtual teams can be listed:

- They are flexible and adapt quickly to changes in the external environment.
- They are open systems that lack classical mechanistic structure, which means that they are open to innovation and quickly implement changes.
- They gain experience in different geographical areas.
- They are composed of representatives of different cultures, which ensures different perspectives when discussing problems.
- They are relevant to the globalized business environment, as their communication networks 'leap across' international boundaries.
- They can provide the experience and know-how in disadvantaged and marginalized geographic areas.
- The organisations themselves within which virtual teams operate, acquire extensive experience from geographically distant sources.

- Virtual teams save shipping costs and the costs of office premises.
- Virtual teams save the time of its members.

These are just some of the benefits, but the general conclusion is that in today's globalized business environment, the organisations that start using effective virtual teams will succeed in the future (Duarte, Snyder 2001).

Moreover, these advantages even is existent, can turn a team into a successful one only if there is a successful cross-cultural management.

Virtual Team Definition and Concept

A common belief is that globalization and technological progress have led to a change in the organisational structure and to the creation of new organisational forms. These new organisational forms and new types of organisations exist alongside the old traditional organisations, but their existence is expanding and they tend to become dominant in the future as they are highly efficient and productive. Generally speaking, a modern form such as the global virtual team is a not great in size group of individuals who are geographically dispersed and assembled via technology to accomplish an organisational task (Jarvenpaa, Leidner, 1999).

Actually, the idea of creating virtual teams is due to the advances in information and communication technologies. Back in the 1980s the concepts of "telework" and "telecommuting" have been introduced, by which a new form of cooperation between members of the group and the organisation is validated. Under this new form the group members develop activities outside the central office, but communicate with the "center", and also with each other through various technical means - telephone, fax, and subsequently by e-mail (Pliskin, 1997). The team is called virtual because collaboration does not take place through real interaction, but in a virtual environment and possibly its members have never interacted with each other live "face to face", but only indirectly, through technical means - this is the other aspect of the term "virtuality". Nowadays this form of organisational interaction turns out to be extremely productive and efficient as the dominant tendency is to create a knowledge economy, to provide knowledge and services, not only to produce goods.

Furthermore, in contemporary processes of globalization, it is necessary in a team to be involved not only members of their own organisation, but individuals working in other organisations located in different geographical areas. It is understandable that such geographical dispersion allows an organisation to acquire a variety of resources and to extend its expansion in different directions. Because communication between the members of such groups is carried out not directly but is mediated through a variety of means, because of their dispersion and because of the possibility for this organisational unit to achieve wide expansion, it is named not only "virtual" - for its designation as synonyms are used a variety of terms such as dispersed organisations, distributed organisations, network organisations and telework (Jackson, van der Wielen, 1998).

All this means that in the era of globalization, the economic borders between countries no longer exist and to global business new opportunities and new challenges are being discovered (House et al., 2004).

Some authors too boldly predict that 21 century will be not only the century of virtual teams, but also the century of network organisations that will incorporate virtual teams as components as each of them will be networked with the others. The essential point here is

that in the operation of virtual teams and their interaction with organisations will be established two-way communication structures (Lipnack, Stamps, 1997). Thus, the team will turn into a superb tool for organizing people in order to achieve a goal (Katzenbach, Smith, 1993). Some authors even believe that in the future the classical organisational structure will be significantly changed and the team will be the main working unit within the organisation (Hale, Whitlam, 1997).

On this basis we can summarize that the global processes taking place in the world are not only social, political and economic changes, but also changes in the business environment in which the organisational unit as such must be addressed with a new philosophical vision and the new challenges facing it must be taken into account.

Virtual Team and Cross-Cultural Project Management

The most important factor for the effective operation of a virtual team is a virtual manager. The success of the intercultural virtual project depends on his organisational abilities and skills. Management of the virtual team that implements a project is very difficult and complicated when work is carried out across cultural and national boundaries. In this case, the project leader faces difficulties of psychological and cultural nature, as there are cultural differences both in social perceptions of the team members and their patterns of behaviour.

In the management of virtual projects the responsibility of the project manager is increasing as he/she becomes a central leader of the project, which not only manages the internal processes but realizes the inter-team communication and coordination of tasks (Lee-Kelley, 2002). In this context, one special area in management is separated, which refers to the cross-cultural organisational management, whose main task is to reveal the ways, methods and tools for dealing with cross-cultural differences seen as sources of conflicts and misunderstandings in the implementation of joint activity (Jassawalla et al., 2004).

The success of cross-cultural management depends on knowledge of the dimensions of virtual teams. In this regard, different authors define as important different dimensions of the team. For example, according to Fisher & Fisher (2001) the main dimensions of the virtual team are *time, place and culture*. These are very important dimensions, as they report the ability to synchronize time for collaborative work, pay attention to the geographical dispersion among members, but also to the cultural context, on the basis of which interaction between members of the virtual team will be implemented.

There is a large number of challenges to the activities of virtual project teams that need to be known by the managers. As research in this area is too scarce, and the experience of managers is also too little, project managers generally use a form of trial-and-error adaptation to design their project-organisations (Tatum, 1983; Bergiel et al., 2008).

Studies show that global virtual teams face four types of challenges: communication, culture, technology, and project management (Kayworth, Leidner, 2000).

However, we think all virtual project teams, especially when they are of cross-cultural type, face more difficulties in their functioning. In general it can be said that there are seven types of barriers to success faced by virtual project intercultural teams and these are:

- Technological barriers
- Barriers of organisational nature (internal environment)

- Barriers of economic nature (external environment)
- Barriers of personal-psychological nature
- Barriers of socio-psychological nature
- Barriers of cultural nature
- Manager as a barrier (toxic manager)

Here we concentrate on passing the technological barriers, as we pay higher attention to the challenges of communicative nature and to the challenges of personal and socio-psychological nature in management of virtual project cross-cultural teams.

Technological barriers include poor quality hardware, incompatible software (collaborative software), slow network computers, disturbance along the line and disconnection, loss of information, etc. The technological barriers, though making the activity difficult, are easily superable.

Furthermore, technology, although sometimes making difficulties, in principle cannot be responsible for the failure or de-structuring of a virtual team. Kimble et al. (2000) tend to believe that the failure of a virtual team is related to the lack of trust, positive relationships across the three boundaries of geographical distance, time zones, and cultural differences.

One of the "minor issues" that often hinders communication between members of the virtual team in the project implementation may be connected with difficulties for a member of a work team to log-in.

Another minor problem refers to the fact that the system may collapse during a working session without knowing the reasons for that.

One of the significant problems of global virtual teams, however, is coordinating the temporal patterns of team behaviour (McGrath, 1991). Difficulties in the time synchronization of collaboration or joint discussion of an issue in virtual project teams may become a major barrier and to block collaboration. This problem arises with great power in global virtual teams where there is a variety of time zones. To avoid inconvenience to all members of the virtual team in the very beginning a time frame for interaction and for collaborative online debates must be specified (Lee-Kelley, Sankey, 2008). For example, this time frame should provide rotation of time for online debates according to time zones which will avoid inconvenience caused to the same team members

Communication challenges in managing cross-cultural virtual project teams.

Virtual teams are built on the basis of distance communication, without which their existence is impossible. And one of the most serious problems in multicultural virtual teams is the one related to communication among members (Horwitz et al., 2006). The difficulties are caused by the fact that representatives of different cultures communicate with each other and intercultural diversity is precisely what leads to the problem.

One of the most popular frameworks for the analysis of cross-cultural issues in human resource management is proposed by Geert Hofstede (1980). The model is based on five bipolar dimensions, by which cultural differences can be analyzed: high/low power distance, individualism/collectivism, masculinity/femininity, high/low uncertainty avoidance and long-term/short-term orientation. Later alternative models of cross-cultural analysis were developed and tested by other scientists (House et al., 2004; Schwartz, 1994).

For example, Baba (1996) classifies differences in cultures into three categories:

1. Differences in traditional organisation structure;
2. Managerial differences;
3. Differences in concept fundamental vision for the organisation and in philosophy, on which are based the agreements and laws.

It is quite natural for the members of intercultural virtual teams not only to have any knowledge of cultural background of their partners, but they may have never visited their country and have no clue about them (Hinds, Kiesler, 2002). With this lack of specific knowledge about the culture and the relevant country, in communication the mechanisms of categorization are usually triggered. It means information about the perceived social object is inserted into the existing cognitive category in the recipient's mind, and in this way the "image" of the perceived object "absorbs" the characteristics of the category. As a result, a certain amount of information about the perceived social object is lost and communication becomes inadequate and ineffective. Sometimes individuals who have a lower education level and lower culture rely exclusively on the process of categorization, which in turn leads to stereotyping or to perception on the basis of stereotypes. In this situation, if the members of a cross-cultural virtual team realized that they perceive each other on the basis of stereotypes as a result, the distance between them will increase, mutual trust will go down and it is very likely to occur strongly increasing anxiety, combined with difficulties in interaction (Stephan, Stephan, 1985). These difficulties can lead to the creation of warring coalitions separated on the basis of stereotype perception. It was found that stereotypes and power imbalance, typical to the dividing of working groups into majority and minority, lead to lower satisfaction with communication within the group and possible withdrawal from the interaction (Goto, 1997).

The basic idea here is that members of different cultures perceive the world differently and put a different meaning in the patterns of behaviour implemented by them. This methodological approach is correct, although it does not take into account the role of subcultures and some additional factors. It is known that depending on the religion, social status or age, the representatives of the same nation can have opposite sets of values and implement various patterns of behaviour (Coon, Kemmelmeier, 2001).

Despite these nuances, the basic assumption is reduced to the fact that representatives of different cultures see things differently, which means that communication between them will be difficult. In communication there are semantic barriers too. This means that words mean different things to different people. Some words are even untranslatable between cultures.

Moreover, there are barriers caused by word connotations. Words mean different things in different languages. For example, negotiations between the Americans and Japanese are very difficult because the Japanese word "yes" is translated as "yes", but the connotation might be "yes, I listen/hear" instead of "yes, I agree". It is also necessary to mention that there are barriers caused by differences in tone, style of expression. In some cultures, the language is formal, but in others it is informal. In some cultures changes in tone are dependent on the context: people talk differently at home, in social situations and at work. The use of personal, informal style in situations where a more formal style is expected can be burdensome and repulsing. It is important to be noted that there are barriers caused by differences in perceptions. People who speak different languages actually see the world differently. Eskimos see snow differently; at least they have different words for it (Robbins, 1998).

The common thesis is that there are differences between the representatives of individualistic and collectivistic cultures. These differences in communication are reduced to the fact that, for example, people from collectivistic cultures seek consensus and reach a compromise more easily than people from individualistic cultures (Hardin et al., 2007).

According to Hofstede's thesis (1980), some of his listed dimensions dominate in individualistic cultures, others dominate in collectivistic cultures. Although such an argument is very popular, it must be borne in mind that not always the studies, on which such generalizations are made, are representative enough. For example, although American culture is highly individualistic, the U.S.A. is certainly not the "most" masculine nation, with low power distance and low uncertainty avoidance. Similarly, the Chinese culture is not the "most" collectivistic, feminine, and with high power distance, as it is usually presented in the studies (House et al., 2004).

One of the biggest challenges for virtual teams is not associated only with differences in cultures, but with different backgrounds of team members. It is due to the fact that in virtual teams the traditional form of communication between members is missing. As mentioned earlier, in the absence of "face to face" communication the non-verbal form of communication is eliminated, there is no body language, there is a lack of the emotionally saturated nuances of intonation, of the tone of voice, through which the greater part of information is transmitted between communicating sides (Lee-Kelley, 2002). It was mentioned that according to Birdwhistell up to 65% of a message's meaning is communicated through non-verbal clues (Birdwhistell, 1970). Today, some researchers argue that the sum of information communicated non-verbally is even higher. For example, Fromkin and Rodman argue that 90% of the meaning of a message is non-verbal (Fromkin, Rodman, 1983). This information deficit that results in virtual teams often becomes a barrier to effective management.

Another barrier is related to the absence of informal communication networks in the functioning of virtual project teams. As it is known, in traditional teams and organisations informal communication networks exist, besides formal ones. Informal network, sometimes called "grapevine" is free to move in all directions and serves not to managers but to organisational members. It is known that the grapevine has three main characteristics: first, it is not controlled by managers; second, information that flows on the grapevine is perceived by subordinates as more credible and reliable; and third, it serves the interests of those involved in the informal network (Rubbins, 1998). The lack of informal communication networks in the virtual project teams is a problem since with the appearance of information distortions they cannot be eliminated, which would result in de-structuring of communication.

One of the problems of communication in virtual teams is associated with the style of writing. For example, Americans make short messages and do not pay attention to the style because they are result-oriented and want to achieve success quickly, while Japanese are loyal to their working style, they do not rush and strive to shape their messages accurately. For the Japanese a message is incomplete if social and non-verbal context is not present in it (Lipnack, Stamps 1997).

Obviously, the experience and skills of the members of cross-cultural virtual team to communicate with each other is related to its effectiveness. Matveev and Nelson (2004) compared American and Russian managers working in multicultural teams and they found that cross-cultural communication competence affected the performance of multicultural teams.

Challenges in The Management Of Cross-Cultural Virtual Project Teams Of Personal And Socio-Psychological Nature

Challenges in the management of cross-cultural virtual project teams are not directly attributable only to the different cultural background or to the mediated communication between team members. There are also factors of personal and socio-psychological nature, which are a real challenge to the virtual cross-cultural management.

For the successful management of virtual cross-cultural teams personal factors are of great importance. The role of personal characteristics of team members as a determinant through which management refracts is accentuated also in analyses of the activities of cross-cultural teams performed in a traditional business environment, and not in a virtual one. In order to be effective the manager needs to know what motivates team members in their interaction, he/she needs to know their motivation for achievement, their emotional attitudes towards other team members, their responsibility in collaborative activity, etc. (Johns, 1995). He/she must also know that there are cultural differences in motivation to work in representatives of different cultures, which is proven by empirical research (Fisher, Yuan, 1998). One of the factors of moral character whose influence is very strong on a personal level, and which affects the effective operation of multicultural virtual team is *trust*. Just because team members communicate with each other indirectly and do not know each other as individuals, one of the largest problems of cross-cultural virtual teams consists in the fact that trust is difficult to be established between them (Jarvenpaa, Leidner, 1999). Given the importance of this issue many cross-cultural studies of trust have been conducted (Kiffin-Petersen, Cordery, 2003). The results of studies convincingly show that for a virtual team to be effective, high mutual trust should have been built among its members (Lawley, 2006; Webster, Wong, 2008).

Trust is indeed a very important factor for the successful implementation of the virtual project. In the natural environment within the traditional organisation it is easier to build trust among individuals and apart from their personal characteristics, it also depends on certain characteristics of the organisation, such as the intensity of communication, the organisational size, cohesion, etc. In the virtual team, although the size is small, it is difficult to establish mutual trust, because individuals interact with each other as performers of roles assigned to them in advance, but not as bearers of personal characteristics. In this case there is no interpersonal perception, "face to face" communication, emotional colors of interactions, etc. To compensate visual deficits in virtual communication, Xerox, for example, promote placing of photos of team members in collaborative and communication technologies in order to "see" the other member (Fisher, Fisher, 2001).

It is obvious that in the lack of interpersonal perception, which occurs in virtual communication, trust is hard to achieve. This is due to the fact that very often messages, actions and behaviour of the representatives of other cultures are not understood and interactions with them are based on stereotypes (Cascio, 2000).

Building trust between members of the virtual project team depends on many factors and one of them is related to the fact that in the very beginning members of the virtual team agree on how to organize joint activities (Greenberg et al., 2007).

Before the start of the project they should also have clarity on earnings and dividends, which they shall receive after its completion. Justice in this regard is the guarantee of high trust, although in the perception of fairness there are also serious intercultural differences. One of the areas in which a large number of studies have been conducted is focused on

cultural differences in the perception of fairness regarding rewards and remuneration for the performance of certain work (Murphy-Berman, Berman, 2002).

Studies show that in virtual teams technologically mediated communication increases the chance of misunderstandings (Gibson, Cohen, 2003). It is so because in this case, surely occurs the effect of the well-known barriers, which impede effective communication, namely: *selective perception*, *defensiveness*, *language* (Robbins, 1998). As it is known, in *selective perception* participants in the communication process selectively perceive what meets their needs, motivation, experience, background and other personal characteristics. *Defensiveness* occurs when people feel insecure, anxious and threatened, and in that emotional state they lose their ability to understand the messages adequately. This means that they become defensive and react in a way that impedes effective communication. *The language* may also be a barrier to the adequacy of communication, as understanding the meaning of words is dependent upon three factors - the age, the educational and cultural background (Robbins, 1998).

All these - lack of trust, perceived unfairness in remuneration, misunderstandings of behavioural character, etc., turn into a reason for the appearance of high anxiety, which results in higher professional stress in members of virtual teams. In this situation a vicious circle appears: deficits in communication caused by the action of various factors lead to anxiety, and anxiety in turn reduces the quality of the communication process. This is because it is assumed that anxiety and uncertainty are central elements affecting the efficiency of the inter-group communication. Anxiety which is associated with attenuation of communicative perceptivity is inherent to 5% up to 20% of the population (Robbins, 1998). It has been proven that the high level of uncertainty and anxiety reduces the person's ability to properly interpret the messages that he/she receives from the others. On the other hand, if the level of anxiety is extremely low, then cross-cultural communication also becomes ineffective because the person becomes too confident and uncritical about their own behaviour (Gudykunst, 1998, 2005).

Management Skills and Challenges In Cross-Cultural Project Team Management

Both in traditional organisations and in virtual team management the manager is a central figure and his/her skills depend on the success of the project. However, there is a significant difference in the management of virtual cross-cultural teams in comparison with the management of traditional organisations. In virtual teams only the formal organisational structure is dominant, and the team management is conducted only by instrumental leader - there is no formal structure (or informal structure of relations is quite weak), there is no informal (emotional) leader. In this situation, the attention of team members is focused primarily on performance (Workman, 2007). This means that in the very beginning the manager needs to have precise rules for performance measurement and clear criteria for reporting the results.

Decision making in managing of cross-cultural virtual project is also accompanied by difficulties. These difficulties are even greater than the difficulties encountered in making managerial decisions in traditional organisations. As was pointed out, traditional organisation is not a rational unit that sets rational goals, pursues them and achieves them. It is rather a political arena in which a battle between separate coalitions which have opposing interests takes place. And to understand the nature and characteristics of an

organisation, we need to know what are the preferences, needs and interests of those individuals who influence the process of decision making (Pfeffer, 1975, 1981).

Significant for the successful management decision making is the fact whether it is a homogeneous or heterogeneous composition. Compared with homogeneous groups, heterogeneous groups tend to be more reluctant to take risky decisions (Watson,Kumar, 1992). And when the manager sets up a virtual team, he/she should seek the team to be heterogeneous, if possible, as heterogeneous teams are more creative than homogeneous ones (Hunsaker, Hunsaker, 2008).

Managers should be aware also that in managing and in mentoring members they should approach differentially depending on the cultural background of individuals. For example, some members of collectivistic cultures prefer to be interacted more often and to be mentored while Americans prefer to act independently and do not need or do not expect a lot of direction and monitoring (Atkins et al., 2000).

Another feature of virtual cross-cultural team management refers to leadership styles. Every manager has a preferred style of management, which he/she uses with relish and which brings him/her success in the management of traditional teams and organisations. Managerial styles are essential for group performance, but that does not apply equally to virtual teams. In teamwork the leadership styles are not of much importance. It is the organisational goals that matter (Katzenbach,Smith, 1993). This applies also for intercultural teams. Moreover, there are cognitive styles that are independent of culture variables such as the adaptive-innovative cognitive style (Tullet, 1997).

Therefore, one of the critical challenges of the virtual manager is the objectives assigned to the team. Managers of virtual intercultural teams often make a mistake believing that team effectiveness is associated with achieving consensus of values among individuals. It should be clear that values themselves cannot predict human behaviour (Fink et al., 2006), and in the management of teams managers should not aspire to that kind of consensus. What unites the members of the virtual team are not common social or cultural values, but common goals and common interests which determine behaviour.

A project is a unique venture with a beginning and an end, undertaken by people in order to achieve common goals. Each project itself is unique, but in general, the projects share common attributes such as goals, people formally dependent on one another, equipment and supplies, schedules, budgets, conflicts, which arise in the course of the activity and interdependencies between other business projects and strategies (Baker,Baker 1992).

As mentioned in the previous lines, in the traditional organisation goals can be unclear, disguised or false, but the team should have clear and specific goals. From the very beginning, when the team is constituted, the manager should include members in discussing and clarifying common goals (Forester, Thoms,Pinto, 2007). In addition, the manager should not forget that although the activity of cross-cultural teams is subject to a common group goal, there are differences in individual goals. Individual differences exist not only in goals but also in values and expectations (Darling,Fogliasso, 1999; Evans, 2006).

Both goals and role expectations are very important for the effectiveness of virtual teams. Therefore, upon constituting the team, the roles that each individual has to perform must be clearly defined. In virtual teams individuals intervene with each other as performers of specific roles and informal interactions are limited, so all team members have precise role expectations to each other (Chinowsky,Rojas, 2003).

The discrepancy in role expectations and also ambiguity and failure to achieve goals, often lead to conflicts within the team, which could lead to its de-structuring. Of course, cultural differences are the main sources of conflict in the implementation of cross-cultural projects, because to different cultures different patterns of behaviour are inherent which are mostly unknown to the members of the heterogeneous organisation and team. As most cross-cultural projects are temporary, team members do not have enough time to learn the specifics of the patterns of behaviour demonstrated by representatives of opposing culture and on this basis conflicts arise (Zwikaël et al., 2005).

Conflicts arise also when, due to cultural differences within the team, different types of cross-cultural groups are differentiated. They usually perceive each other on the basis of a stereotype, and it usually leads to resentment among team members, and hence a conflict (Adler, 2002).

Managers should be aware that by definition in intercultural interaction the potential for conflicts is very high. This is because in virtual communication there are no natural mechanisms that underlie social identity and perception on the basis of stereotypes is inevitable (Imahori, Cupach, 2005; Tajfel, 1982).

Along with this, managers should be aware that social factors have also caused conflicts. Social differences between organisational members can be of various kinds and, in one way or another; they can provoke conflicts between them (Zhou et al., 2005).

Very often in the analysis of conflicts that arise in managing a cross-cultural virtual project causes are sought only in the technical equipment or in software defects disregarding reasons of personal and socio-psychological nature. In negotiations for conflict resolution little attention is paid to the socio-psychological processes that occur in groups. And very often not the technological aspect of the process, but the different goals and conflicting desires of individuals who interact in a team or organisation will inevitably lead to a conflict that must be resolved through negotiations (Easterbrook, 1994; Robinson, 1990).

One of the problems that often arise in the management of virtual intercultural teams is associated with deadlines. As it was highlighted above, one of the characteristics of the virtual project refers to the fact that it has a beginning and an exactly fixed in time end. In different cultures understanding of "deadline" is different. For the American culture deadline is the limit beyond which any activity is impossible, but for the representatives of other cultures deadline is something that can be permanently moved in the future (Rubbins, 1998).

Besides deadlines the results of effective management of virtual teams are expressed in better control and coordination, in reducing loss of time, in reducing costs, and in creating a high quality product (Baker, Baker, 1992).

Conclusion

In conclusion, it is unnecessary to say that the processes of globalization, combined with the dynamic development of technology, raise exceptional challenges to business. Traditional organisations, although existing around us, are already an anachronism. This 21 century will be the century of virtual teams, the century of network organisations consisting of virtual units networked with others. And not only that. In recent times, it is intensely talked about new organisational forms that are, by their very nature, virtual, namely - for co-working spaces. Both in Europe and in other parts of the world it is being actively experimented with these new organisational forms. Based on her research, Radović Marković (2008), it is necessary to match the business environment that is more networked within and among companies. The ability to manufacture value will have to be distributed across the company to a much greater extent than in the past.

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