European (Virtual) Team-Building: From Optimism to Efficiency*

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1. The Challenge: Escaping from the All-Is-Simple-Trap

1.1 The Need for Cross-National Team-Building in Europe

Statistics on intra-EU trade show that the intra-European interpenetration of national economies continues (Cristallo 2003, p. 2). In a situation of an ongoing process of integration and interconnection of countries, markets, and technologies (Roberts/Kossek/Ozeki 1998; Barkema/Baum/Mannix 2002), companies face increasing competition with respect to costs and prices, product quality, and time-to-market.

Companies in Europe recognise not only the threats of hypercompetition (D'Aveni 1994) caused by Europeanisation and globalisation. They also realise the opportunities resulting from international presence, such as global sourcing, global product development, global production networks, global marketing, and global distribution. A recent study (KfW Bankengruppe 2004, pp. 3-4) reports that German companies still have their most important export markets in Western Europe and increasingly in the new EU countries of Middle and Eastern Europe, their preferred target region for direct investments – with positive economic effects on the companies and on the whole country.

The subsidiaries, as a result of a Europe-wide and international presence, form international networks (Snow/Miles/Coleman 1992; Sydow 1992). They make it possible to benefit from the market-related advantages in the sense of optimising the overall company performance. The corresponding structure of cross-national collaboration on the team level are cross-national functional teams which receive responsibility for those tasks which are supposed to make synergies work, like, e.g., speed advantages (Simon 1989). Some companies even develop or produce services and goods in an expanded process structure, and therefore pass internationally distributed work forth within Europe and around the globe, following the alternating working hours in their different international locations. Companies are facing the need for cross-national team building, but are also facing the related obstacles: from geographical distances and time differences to national cultural diversity and different work cultures.

The logic of contemporary international teamwork is to transfer the idea of the “lead country concept” (Bartlett/Ghoshal 1989) to team level: Not only should single subsidiaries as a whole take the lead in the transnational network where they have a specific competence advantage, but also should single team units take the lead in the cross-national functional team where they have a specific competence advantage. One of the recently discussed approaches to solve the immense challenges of cross-national teamwork in this sense are International Virtual Teams (IVTs).