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Why cultural intelligence matters on global project teams

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Abstract

Research has established the relevance of cultural intelligence (CQ) for adapting to different cultural contexts and for directly affecting both performance and satisfaction. However, the boundary conditions of CQ have received less attention, in particular regarding global project teams (GPT). The purpose of this paper is to examine how CQ moderates a model of three indirect effects – role clarity, communication norms, and interpersonal trust – on GPT members' performance and satisfaction. Data were collected from 218 virtual GPT members working in a multi-national company that recently transitioned to global project teams for R&D. The results of a moderated-mediation analysis reveal that CQ-motivation– one's attention and energy toward cross-cultural encounters – significantly moderates GPT members' alignment of their communication norms and role clarity, thus indirectly impacting their project satisfaction and performance. We discuss how CQ-motivation can be influential in forming GPTs and in future research of the processual nature of its boundary conditions.
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Keywords: Cultural intelligence; Global project teams; Satisfaction; Performance; Communication norms; Role clarity; Interpersonal trust

1. Introduction

Global projects and teams that cut across different cultures have become a preferred organizational form for multi-national companies and organizations to succeed in today's global economy (Neeley, 2015). At the same time, the cultural component of global work, especially concerning teams, has been understudied in the management (Connaughton and Shuffler, 2007; Cramton and Hinds, 2014; Gibson et al., 2014; Hinds et al., 2011) and project management literatures. This imbalance is especially noteworthy given that "projects are entering an era of increased internationalization" (Konanahalli et al., 2014, p. 423) in which one of the key challenges to the success of global projects and teams concerns the cultural differences that exist among members (Lee-Kelley and Sankey, 2008).

Since 2003, a significant and substantial body of multi-disciplinary research in cultural intelligence (CQ) has emerged to advance our understanding of "how to function effectively in situations characterized by cultural differences" (Van Dyne et al., 2017, p. 1) and how to recognize the learning capability inherent in this form of intelligence (Ang and Van Dyne, 2008; Earley and Ang, 2003; Ng et al., 2009). This literature, in which CQ refers to "a person's capability to adapt effectively to new cultural contexts" (Earley and Ang, 2003, p. 59), has the potential to shed much light upon the challenges inherent in working cohesively across cultures and nationalities on global project teams. Studies in project management have considered the challenges of cross-cultural work (e.g., Fellows and Liu, 2016; Messner, 2015), yet few have examined cultural intelligence in particular (exceptions include Gregory et al., 2009; Konanahalli et al., 2014; and Yitmen, 2013). As Gregory et al. (2009) observed, "The interplay of project management and individual-level cultural intelligence is under-researched and could be given closer attention in future studies in this area"

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(p. 238). In their model of cultural adaptability in global product development teams, Cramton and Hinds (2014), similarly call for more research of "the personal capacities that contribute to success" in global team work (p. 1076). CQ appears to represent a timely, critical and relevant construct for creating insight about the impact of team members' capabilities on global projects.

The essential components of the CQ construct include individuals' cognitions or knowledge about other cultures, motivation to interact within other cultures, and communication behavior that adapts to different cultures (Earley and Ang, 2003). Research results have demonstrated the significance of these CQ components not only as intelligences, but also as determinants of satisfaction and performance (Bücker et al., 2015; Barakat et al., 2015; Oolders et al., 2008; Rockstuhl et al., 2015), which are critical outcomes for project team work. However, Elenkov and Manev (2009) point to the importance of studying CQ in "broader and more complex cognitive, motivational and behavioral frames" (p. 360). Groves and Feyerherm (2011) assert that such "frames" are a necessary boundary condition for future studies of CQ and suggest that future research "test more complex models that move beyond direct effects" (p. 540). Indeed, Schlägel and Sarstedt (2016) call for research of CQ that not only goes "beyond the analysis of direct effects," but also "draws on intentional theoretical frameworks" (p. 642). When applied to the performance outcomes of global project teams (GPTs) and their members, these arguments strongly support examining CQ within a complex model of important indirect effects. Adequately accounting for the effects of cultural diversity requires "taking potential moderating variables into account" (Gibson et al., 2014, p. 230). Moreover, Schaffer and Miller (2008) argue that as a moderator, individuals'CQ can influence the situational context of cultural diversity.

Thus, in the present study, we examine the following research question: How does CQ moderate a model of indirect effects on GPT members' performance and satisfaction? We define a global project team (GPT) as a work team whose members are from different national or cultural backgrounds, are geographically dispersed, and rely on communication technologies for defining, planning and implementing their mutual project objectives. To answer our research question, we adopt the two theoretical models tested in our previous study that showed how GPT members' role clarity and interpersonal trust indirectly affected the impact of their communication norms on their performance and satisfaction (Henderson, Stackman, & Lindekilde, 2016). Specifically, role clarity mediated the impact of GPT members' communication norms on their project satisfaction (Fig. 1) and project performance (Fig. 2); interpersonal trust mediated their project satisfaction (see Fig. 1); and both role clarity and interpersonal trust mediated the impact of communication norms on project satisfaction (Fig. 1). In total, these results showed a complexity of indirect effects among global project team (GPT) members and provides a theoretical framework for researching how differences in cultural intelligence (CQ) may moderate these dynamics.

Reflective of work by Kirkman and Chen (2011) on maximizing datasets, we utilize previously collected data from our larger study of global project team members in a multinational company (Henderson, et al., 2016), to answer the present research question. This survey data included 218 GPT members who represented 33 distinct global teams. This dataset is relevant to both project management and CQ researchers since it draws from employees who are working in an organization on global project teams (Blomquist et al., 2010; Schlägel and Sarstedt, 2016), and uses items from the validated Cultural Intelligence Scale (CQS) (Van Dyne et al., 2008).

We structured the remainder of this paper in the following manner. First, we establish the current call for research on the cultural components of global work and CQ, its theory base, and its established measurement scale. Next, we integrate CQ research findings relevant to our theoretical models (Figs. 1 and 2) and propose two hypotheses about how CQ might operate
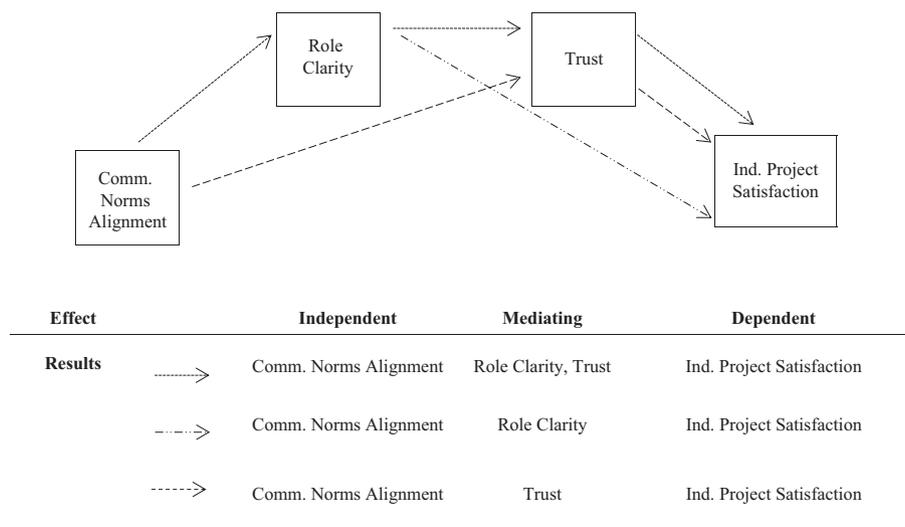

Effect		Independent	Mediating	Dependent
Results	------>	Comm. Norms Alignment	Role Clarity, Trust	Ind. Project Satisfaction
	--·--·->	Comm. Norms Alignment	Role Clarity	Ind. Project Satisfaction
	------>	Comm. Norms Alignment	Trust	Ind. Project Satisfaction

Fig. 1. Mediation model: individual project satisfaction.