Abstract

In their quest to adapt to today's dynamic business environment, companies seek to enhance their flexibility, cost-efficiency and innovativeness by organizing themselves on a more virtual basis. Companies use virtual teams to gather the best people to the same tasks or projects around the world, despite geographical distance and/or organizational borders. Trust is considered as the glue that holds the virtual teams together. Virtual teams are often culturally diverse, which does not come without challenges, especially in relation to trust. The aim of this study is to examine cultural diversity as factor affecting trust development in virtual teams. While there are several studies on virtual teams, only few consider this relation of cultural diversity and trust in virtual context.

Qualitative methodology was employed due to the lack of existing knowledge. Grounded theory method was used as the research method. The empirical data for the study is based on experimental virtual team project arranged between two universities, namely Johannes Kepler University in Linz, Austria and Turku School of Economics in Turku, Finland. Graduate students representing 11 different nationalities took part in a business simulation game course, where they were divided into virtual and face-to-face teams as well as into monocultural and multicultural teams. Simulation game sessions were observed and the participants wrote reflective essays of their experience, which together formed the basis of empirical data. The data was analyzed line-by-line and the findings were later compared to existing theoretical knowledge.

Research findings indicate that in virtual context, both trust and cultural diversity has unique characteristics that are different from traditional conceptualizations. Communication was found to play an important role in the relationship of trust and cultural diversity. Study findings revealed that a division to high and low context cultures explained most of the variance in the communication behavior as well as the differences in trust development. Individuals from low context cultures faced less problems in virtual cross-cultural communication than the individuals from high context cultures. In addition, multicultural teams performed better in the game and faced less communication problems than monocultural teams. A model illustrating three most significant mechanisms of cultural diversity influence on trust is represented. These mechanisms include personal values & attitudes, communication, and relationship/task orientation. Finally, establishing virtual mindset in companies is proposed as a solution to the challenges created by virtual and multicultural communication context.

Key words	Virtual teams, trust, cultural diversity, communication, grounded theory
Further information	