Chapter 4
Sustaining Organizational Culture in the Globally Distributed Environment

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ABSTRACT

Organizations of all sizes are finding it necessary to expand their operations across geographic boundaries in a phenomenon that has been referred to as the globally distributed team. While this trend is typically a response to business opportunity, it is not without challenges. One of those challenges is how to maintain organizational culture as teams become globally distributed. The goal of the research detailed in this chapter was to examine a single organization that has been utilizing distributed teams to facilitate product development. A single case study method was used. Data was gathered through a series of semi-structured interviews with employees who participated in a distributed product development team. The chapter includes a review of the organization’s approach to orienting employees to the organizational culture, maintaining focus on the culture over a period of years, and extending the culture to support globalization while maintaining the integration of distributed teams into the overall organization.

INTRODUCTION

The trend toward distribution of teams has increased in recent years. Organizations of all sizes and in a wide range of industries have found ways to extend across geographic boundaries and expand their reach globally. Change drivers such as developing economies, increased competition, and changes in political and trade relationships have facilitated an increase in the ability of organizations to globalize their operations. Additionally, advances in technology and the ability for people
and organizations around the world to interact as a global society have served as accelerators for this change (Bellin & Pham, 2007).

Globalization not only affects how organizations interact with each other, but even how they interact internally, as distribution of the organization creates new workgroups who become challenged with how to work together effectively (Ancona & Bresman, 2007). Further, as organizations diversify and distribute, so do the belief systems, values, and eventually the behaviors of their members, often creating tensions between local perspectives and those of the overall organization.

Because culture provides the foundational belief system that influences the development of values and behaviors in groups, a consideration of culture is necessary as organizations grow and become increasingly distributed (Schein, 2004). The globalization trend has been described as a state that facilitates a convergence of cultures by creating an environment in which people can see that they are more the same than different (Thomas, 2008). There is an ongoing debate related to whether cultures tend to converge, diverge, or strive for a state of equilibrium as they interact more closely and become more interdependent, reinforcing Thomas’ assertion that culture is one of the most important concepts for us to understand and appreciate when considering globalization.

The goal of this chapter is to identify practices that have contributed to extending an underlying organizational culture in a globally distributed product development team. A distributed team model will be introduced as a potential new way of thinking about leading in the distributed environment, and a case study shared that illustrates how one company is meeting the challenge of sustaining their core corporate culture while also supporting distributed team effectiveness.

**BACKGROUND**

**Organizational Culture Defined**

Edgar Schein is commonly linked with the theory of organizational culture (Shafritz, Ott, & Yang, 2005). Schein (1984, 2004) refers to culture as a coping mechanism – a pattern of assumptions and the expression of those assumptions that facilitate group members’ ability to make sense of their environment and to function. While Schein primarily writes about organizational culture, his notion of culture as a pattern of basic assumptions can also be applied to groups, teams, and even societies who have a history from which they have developed shared belief systems. For the purposes of this chapter, the term *organizational culture* will be defined as follows:

*Organizational culture is the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and therefore to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.* (Schein, 2004, p. 17).

There are several significant concepts that warrant explanation in Schein’s definition. First, Schein refers to a pattern of basic assumptions that the organization shares and that the members have invented, discovered, or developed themselves. This implies that the organization has been together long enough to have a shared history, and in fact Schein asserts that the strength of a culture is related to how long an organization has been together and how much change has occurred in its leadership (Schein, 2004).

The second piece of Schein’s definition in need of examination is the notion of basic assumptions. Schein used this term in reference to firmly held beliefs on the part of an organization.