CHAPTER SEVEN

Building Organizational Capability of Distributed Global Teams: Strong Subgroups without Active Faultlines

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Globalization of work has led to the increasing use of geographically distributed work teams. Engineering services are no exception. But distribution of work among geographically dispersed members leads to geography-bounded subgroups, particularly with the configuration of teams that have onshore and offshore members. Onshore members are located close to the client. Offshore members are spatially distant—often on another continent with significant time zone differences. Subgroups exhibit strong identity- and resource-based fault lines. Divisive subgroups decrease knowledge sharing, increase task and emotional conflict, and lead to errors and rework. Much of the existing scholarly work and research has focused on how to suppress the subgroups or how to transcend them by strengthening boundary spanners or interpersonal interactions in the team. Such work has largely ignored the benefits of strong subgroups, including their capacity to give voice to divergent perspectives. This chapter explores the effects of strong subgroups in a globally distributed engineering services team.

Globalization of Complex Engineering Services

Globalization of engineering services is part of a trend in the globalization of services enabled by increasingly integrated labor markets,

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interoperable information and communication technology, digitization of work practices, and globalization of professional engineering education (Kenney & Dossani, 2005). This globalization trend affects the location of work, the design of organizations, and the nature of work.

Globalization of engineering services has increased offshoring. Offshoring work involves engaging other geographically distant locations—such as wholly owned captive centers or independent firms outside the firm's home country (or the client's home country)—to execute work that would otherwise be executed in the home country (Aron & Singh, 2005; Oshri, Kotlarsky, & Liew, 2008.). Offshoring allows firms to increase their access to qualified personnel and tap into diverse and growing talent pools from locations such as India, China, and Mexico (Manning, Massini, & Lewin, 2008). In addition to increasing talent pools, moving the location of work can increase work flexibility because work can "follow the sun" (Carmel, Espinosa, & Dubinsky, 2010). Work can be scaled up or down fast. Offshoring can also cut costs when it results in lower wages for skilled workers (Nayak & Taylor, 2009).

Distributed "work-share" arrangements require project organizations that coordinate the work of dispersed team members (Jarvenpaa & Leidner, 1999; Lipnack & Stamps, 2000). Globally distributed teams are difficult to coordinate because of physical and temporal boundaries, cultural boundaries, and various social (e.g., status) boundaries (Jarvenpaa and Leidner, 1999; Levina & Vaast, 2008). Physical boundaries limit interactions to technologically mediated spaces. Temporal boundaries can mean the lack of overlapping work hours. An email message might not receive a response until the following work day. Cultural boundaries create differences in how members communicate, including greeting behaviors, what norms prevail, and how problems are approached. Various social status differences become more salient given differential access to resources and rules about who can make what decisions in the team (Walsham, 2002).

Organizations offshore the increasingly complex parts of the engineering work (McGraw, 2003). Long gone are the days when an offshore team was sent only simple assignments such as converting plans from drawings into a computer-aided design application. Compared to many other types of digitized work, engineering services often are less easily modularized and codified. When organizations source complex and hard to modularize and codify work to offshore locations, collaboration requires constant interaction among all core members of the team (Kotlarsky, Scarbrough, & Oshri, 2014). Costs of coordination can rapidly escalate, and the quality of work can deteriorate if the boundaries