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IMPACT OF CULTURAL FACTORS ON TRANSNATIONAL TEAMS: DIVERSITY, ADAPTATION, COMMUNICATION QUALITY, AND TRUST

A Project

Presented to the

Faculty of

California State University,

San Bernardino

In Partial Fulfillment

of the Requirements for the Degree

Master of Business Administration

bу

Shu-Yir Lee

December 2007

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ABSTRACT

The present research proposes a general model of Transnational Teams (TNTs) to investigate how value placed on cultural diversity, cultural adaptation, communication quality, and trust affect the performance of TNTs and their interaction to each other. Oualitative and quantitative methods are applied in this study of thirty members of TNTs from diverse teams. Based on the quantitative and qualitative analysis, relationships between theory and practice are examined. The analysis shows that there is a strong relationship between trust and performance of TNTs. For TNTs, the research findings indicate that teams should be aware the importance of trust among member. Working in a transnational team is not about minimizing the difference between people; rather it is about making the most of the added value that a diverse team can offer.

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CHAPTER ONE

INTRODUCTION

Research Background

With the development of globalization, more and more enterprises choose to coordinate projects by the way of transnational teams (TNTs). TNTs face bigger problems than homogeneous teams because of inherent cultural differences, geographic disparity and language barriers. There are many challenges confronting cross-cultural teams. These include how to manage conflict within diverse cultural contexts, how to address and solve language barriers, and how to integrate and balance issues such as tensions due to localization and standardization preferences.

Differences in values resulting from culture barriers can definitely create relationship and performance issues. As might be expected, members of TNTs from different countries and with different cultural norms play an important role in the firm. TNTs are generally composed of members with diverse cultural backgrounds and represent different organizational units or departmental functions. TNTs may be located in different physical places, or may operate in the same location, but they all focus on a

common worldwide objective: They contribute to decisions about a firm's total portfolio of transnational interests, global brands and products, organizational configuration, and global sourcing strategy (Holt, 2002). The literature tends to show that TNTs increase a firm's competitive advantage (Holt, 2002; Marquardt & Horvath, 2001; Johnson& Johnson, 2003). For example, TNTs can help obtain appropriate talent from different regions, contribute towards satisfying international client needs, and so on.

Evaristo (2003) has introduced a model based on theoretical relationships regarding trust and team processes, and suggests that trust is positively related to cultural differences between the team members. However, the number of studies that address the effects of culture on TNTs is limited. This study views culture as a starting point to analyze how it may affect the group process as well as the performance of TNTs.

To understand the relationship of culture on TNT processes and performance, several key concepts have to be identified and integrated into a conceptual framework. Essential concepts include the effect of cultural diversity within the TNTs on communication quality, trust, cultural adaptation, and the value placed on cultural diversity among TNT members. There are two main reasons

for integrating these concepts into the present study.

First, one could include a large number of organizational variables that may have some significant effect on TNTs, but such an approach would require resources exceeding the scope of this study, and could possibly confound or obscure the relationship among the factors identified for the present research. By examining the relationship among just four variables— value placed on cultural diversity, cultural adaptation, communication, and trust, one can gain some insights about these factors and maintain parsimony. Research models cannot include everything. The key to viable research is to acknowledge and identify the limitations of measures used and results.

Secondly, the dimensions I chose have been integrated in most cross-cultural organizational research (Deeks, 2004; Camiah, 2003; Paul, 2002; Soares, 2006). The integration of the concepts from previous studies provides a foundation to build upon and a source of comparison for the present research.

Research Objectives

The conceptual model proposed in this study suggests a variable relationship among cultural diversity, cultural

adaptation, communication quality, trust, and performance in TNTs. This study is quided by two main objectives:

- 1. To highlight the importance of cultural factors on TNTs:
 - The research will attempt to identify possible causal effects on the performance of TNTs emanating from cultural adaptation to the diversity inherent in these teams.
- 2. To introduce a conceptual model of key factors affecting the performance of TNTs:
 The research examines the viability of a conceptual model that assumes a relationship between cultural adaptation, communication quality, trust, value of culture diversity, and performance of TNTs.

Research Procedure and Research Structure

The steps that were followed in the present research are visually diagrammed and listed sequentially in Figure

1

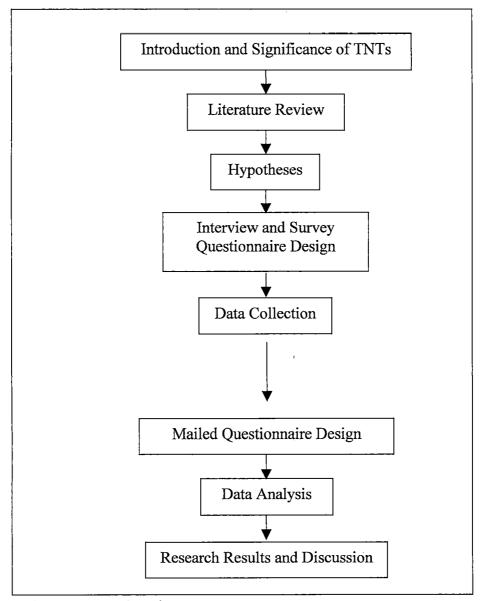


Figure 1. Research Diagram

The present study was conducted using the steps outlined in the diagram in Figure 1. The remaining chapters and sections of this research report will elaborate and discuss the steps in the research diagram.

CHAPTER TWO

LITERATURE REVIEW

Part One. Cross-cultural Management

With the coming of the global age, the relationship between transnational organizations and national culture is more and more a significant issue for management.

Cultural differences may lead to challenges of established management practices; however they may bring some potential profits as well (Hodstede 1992). This section will provide a definition of culture, discuss some of the issues related to cultural differences, and some of the proposed strategies for the management of cultural difference and cultural adaptation.

Definition of Culture

culture forms the way we think and act (Holt, 2002, p. 284). Several definitions of culture can be identified in the literature see (Table 1).

Table 1. Definition of Culture

Author/ Year	Definition
Hofested (1992)	"Culture is symbolic representations that condition and follow from behavior, giving rise to characteristic ways of perceiving, understanding, anticipating, valuing and behaving for members of a socially defined group."
Kroeber, A. L., & Kluckhohn, C. (1952, p. 181).	"Culture consists of patterns, explicit and implicit, of and for behavior acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, and on the other as conditioning elements of further action."
Tylor (1871)	"Culture or Civilization, taken in its wide ethnographic sense, is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society."

In general, culture includes the life style of a group of people, and is exemplified by perceiving, thinking, and feeling (Kroeber & Kluckhohn, 1952). Culture is shared by a group of people with common experiences, common behavior, and lifestyles. Torrington (1994) recommends to managers of multinational companies (MNC's) that they need to understand the transition from one culture to another culture. Culture is created by learning and interacting with environment. Since different groups

have different cultures, they will encounter different types of cultural issues and problems when working with groups from other cultures.

Cultural Differences

"Culture clash is conflict over basic values that occur among individuals from different cultures. The most common form occurs when members of minority groups question the values of the majority" (Johnson & Johnson, 2002, p. 471). There are three influences that cause cultural differences. These are different cultural norms, different levels of common language fluency, and culturally different leadership styles (Marquardt, 2001). Differences in cultural norms are expressed through language, cognitive preferences, values, beliefs, status, behavior, occupation, and functions. In regards to language, the level of fluency can influence a person's ability to understand a conversation. Cultural differences can impact drastically on how members of a group expect a leader to direct interactions and take action (Marquardt, 2001). Cultural diversity is likely to affect the style by which the team manages conflicts that arise during group task execution (Souren, 2002).

Hofsted (1980) used 116,000 questionnaires from IBM employees in several different countries to classify

national cultures into four different dimensions. These dimensions are discussed below.

1. Power Distance

Power distance indicated the extent to which a society accepts the fact that power in institution and organizations is distributed unequally. It reflects the values of the less powerful members of society as well as in those of the more powerful ones. (Hofsted, 1980, p. 45)

2. Uncertainty Avoidance

Uncertainty avoidance indicated the extent to which a society feels threatened by uncertainty and ambiguous situations and tries to avoid these situations by providing greater career stability, more formal rules, not tolerating deviant ideas and behaviors, and believing in absolute truths and the attainment of expertise. (Hofstede, 1980, p. 45)

3. Individualism-collectivism

Individualism implies that people are primarily concerned with taking care of themselves and of their nuclear family. On the other hand, collectivism implies people distinguish between

in-groups and out-groups. (Hofstede, 1980,
p. 45)

4. Masculinity vs. Femininity

Masculinity emphasizes the acquisition of money,

materialistic objects and status symbols, it

de-emphasized relationships, caring for others,

and the overall quality of life for other

people. These values were labeled 'masculine'

because, within nearly all societies, men scored

higher in terms of the values' positive sense

than of their negative sense. (Hofstede, 1980,

p. 46)

Another point of view groups countries with similar characteristics into clusters which are different from country-specific profiles can help companies to develop the adaptive skills necessary for international business (Holt, 2001, p. 303). While Hofstede was developing his four dimension model, Ronen and Simcha (1984) researched the cultures of 42 countries to compare and help people become familiar with the cultural differences among those countries. They divided countries into nine groups according to the attitudes, belief and values of staff in these countries. The nine groups are:

Near Eastern: Turkey, Iran and Greece

Nordic: Finland, Norway, Denmark and Sweden

German: German, Switzerland and Austria

Anglo American: USA, Canada, England, Australia and Ireland

Latin European: France, Belgium, Italy, Spain and Portugal

Latin American: Mexico, Venezuela, Peru, Colombia,

Argentina and Chile

Far Eastern: Taiwan, Philippines, Indonesia, Hong Kong, Vietnam, Thailand, Malaysia and Singapore

<u>Arab</u>: Kuwait, Aman, Du Pai, Saudi Arabia and United Arab Emirates

Independent: Japan, India and Israel

From this research we can see how some countries sort by culture group. It is easier for people with a similar culture to do business. On the other hand, Taiwan, USA and Japan have very close relationships on international business, yet they are in different groups. This may cause some difficulty in doing global business across cultures.

"Because diversity is inevitable and increasing, the choice to avoid diversity does not exist for most people" (Johnson & Johnson, 2002, p. 463) Johnson and Johnson (2002) indicate that in school, on the job, and in the community, increasingly that you will be interacting with

people who are different from you in many ways whether you wish to or not. "The promise of diversity far outweighs the problems as long as the individuals involved understand how to capitalize on the benefit while avoiding the pitfalls" (Johnson & Johnson, 2002, p. 463). The greater the understanding of cultural diversity, the more constructive the results of diversity will be.

Managing Cultural Diversity

Adler (1991) states that multicultural teams have the potential to become either the most or the least effective and productive teams, and what the result will be depends almost entirely on how the group manages the diversity and not, as commonly believed, whether diversity is present or absent. Generally speaking, there are four kinds of influence that cultural diversity gives to an organization (Adler, 1995).

1. No Diversity

Most managers are not aware that culture influences their daily operation. They think of themselves as going beyond culture and handle cross-cultural issues easily.

2. Cultural Blindness

Local culture affects every level of business activities. However, some managers ignore the

differences among different cultures and nationalities, and assume other people's cultural consciousness is all the same.

- 3. Diversity Causes Problems

 Cultures are always invisible; however, when it is visible, managers always think it causes problems.
- 4. Diversity Provides Advantages

 Although there are a lot of problems caused by
 the convergence of culture, there are still some
 advantages, especially when an organization
 wants to expand its vision and its sources of
 ideas.

With the rapid development of business globally, management is no longer restricted to the domestic territory, but in going beyond national borders it constantly confronts cultural diversity. In management, culture influences, and sometimes even determines policy, style, structure, and other features of organizations. The notion that diversity provides certain advantages is widely supported. Johnson and Johnson (2002, p. 457) state that "diversity among group members can result in beneficial consequences, such as an increase in achievement, productivity, creative problem solving,

growth in cognitive and moral reasoning, increased perspective-taking ability, improved relationships, and general sophistication in interaction and working with peers from a variety of cultural and ethnic background."

Therefore, as Nietzsche said, "the more voices we allow to speak about one thing, the more eyes, different eyes we can use to observe one thing, the more complete will our concept of this thing, our objectivity, be" (Johnson & Johnson, 2003, p. 457). However, there is no doubt that there are conflicts between different cultures. To minimize conflict between cultures, one must first manage the main factors which affect the performances of TNTs.

Cultural Adaptation

Culture is the complex whole which includes knowledge, belief, art, morals, custom and any other capabilities and habits acquired by man as a member of society (McCort & Malhotra, 1987). Adaptation, as examined in the behavioral and biological sciences, refers to a process wherein parts of a system move in a direction that increases the congruence or fit (Lin, 2004). Porpitakpan (2002) stated that cultural adaptation refers to the adaptation of oneself to fit the norm, practices, and behavior of another culture. Gudykunst and Kim (1984) assert that cross-cultural adaptation takes place when

individuals acquire an increasing level of compatibility with a new cultural environment. Intercultural adaptation involves interactions between culturally different participants and results in adjustment by members of both cultures (Lin & Germain, 1999).

Different cultural considerations do appear to play an important role in teamwork (Marquardt & Horvath, 2001, p. 53). In order to solve the problem of cultural diversity, one important activity is a cultural sensitivity intervention. This includes the introduction of key cultural concepts and discussions about the characteristics of the specific nationalities represented on the team. The overall purpose of the intervention is to legitimize culture differences and 'to encourage the team to capitalize on those differences rather than suppress or ignore them (Snow, 1996). Cultural differences may be reflected in differences in communication, work ethics, and approaches to problem solving among team members. If team members come from different countries and have an understanding of intercultural differences, this diversity helps the team to identify common norms and performance standards (Smith, 2000). McDonough, Kahn, and Barczak (2000) also suggest that in the future, companies will be relying on a wider variety of teams than ever before. This

suggests that companies may need to prepare their managers and team members for working in teams whose members speak several different languages and come from a variety of cultures.

Part Two: Transnational Teams Definition of Transnational Teams

Transnational teams have been discussed by various scholars in the literature and are of particular interest these days since they are widely employed as a mechanism for managing multinational corporations (MNC's). However, not a lot of research has been conducted on the characteristics or the function of such teams (Atamer & Schweiger, 2003; Schweiger, Atamer, & Calori, 2003). When we examine the research, we find different perspectives on these types of groups. This is due in part to the different definitions one finds. Table 2 below outlines different definitions or applications found in the literature on transnational teams (TNT).

Table 2. Definition of Transnational Teams

Author/ Year	Definition
Snell, Snow, Davison, & Hambrick (1998, p. 1)	"A transnational team is individuals from different cultures working together on activities that span national borders. When managed effectively, transnational teams help firms to achieve the autonomy and the flexibility needed to serve a variety of costumers in different regions while obtaining efficiencies afforded by the intergraded organization (Bartlett& Ghoshal, 1998; hmae, 1985; Pascale, 1990)"
Schweiger, D.M. & Atamer, T. & Calori, R. (2003, p. 1)	"(1) involved in creative tasks, i.e., the creation of new knowledge incorporated into products and services, (2) functionally heterogeneous, (3) nationally heterogeneous, (4) virtual in the sense that all team members are not co-located in the same geographic territory, i.e., they are physically dispersed and (5) their formation is either 'improvised' or emergent or stimulated through a top-down 'business planning' process (Hedlund and Ridderstrale ,1993 and Ridders)" trale ,1996)
Katarina Lagerstrom, Maria Andersson (2003, p. 4)	"The transnational team is a cross-border organizational unit composed of individuals of different nationalities, working in different cultures, business units, and functions, thereby possessing specialized knowledge for solving a common global task in the MNC."
Vijay Govindarajan and Anil K. Gupta (2001, p. 1)	"Global business team is a cross-border team of individuals of different nationalities, working in different cultures, businesses and functions, who come together to coordinate some aspect of the multinational operation on a global basis."

In the literature, one will often find reference to "Multinational Teams," "Diverse Teams," "Transnational Teams," "Transnational Project Teams," "Global Teams," and "Globally Dispersed Teams". Although there are differences among these types of groups, and the definitions of team often reflect the particular research focus, there is a significant amount of overlap in their actual meaning. We can discern the following common points: (1) TNTs can be a group within a corporation or they can be a group that results from collaboration among different companies. (2) TNTs can be a temporary unit or a more enduring part of a formal organization. (3) Team members have diverse characteristics, represent different organizational functions, and may also represent different social cultures or have different national origins. (4) Team members can gather in the same location or they may be dispersed and located in several places. In this research, therefore, I use the most conventional term of "Transnational Teams," or TNT's, to generalize these types of teams.

TNTs consist of a group of people who represent different national origins and diverse cultural backgrounds. These group members may represent different companies or different departments within the same company

and have to work together to accomplish a common goal or objective, whether they are spread around the world or located in the same office.

Advantages of Transnational Teams

Marquardt and Horvath (2001) propose that there are ten advantages to the use of global teams.

The ability to reduce costs and gain economies of scope:

Bartlett and Ghoshal (1998) propose that global teams' primary value is to achieve global efficiency by the development of worldwide cost advantages and standardization of designs and operations. Although establishing global teams may require additional costs and technology, there are some conditions that reduce the total cost:

- (1) Eliminating and consolidating identical activities by reducing duplication of activities.
- (2) TNTs can develop lower costs, shorter delivery times, and broad assortments of standard products.
- (3) Gain higher productivities and profit through steep learning and experience.

- (4) TNTs allow for more efficient and focused use of human resources; team members can include high talent at a much lower cost because of the location of members

 (Marquardt & Horvath, 2001, p. 7).
- 2. The ability to get specialized talent from both within and outside the organization: Global companies need to gather and collect some of the best people from around the world. The talent of such members can bring to the organization their experiences and learning from their cultures and backgrounds. With modern information technology, these team members can communicate and work together even when they are spread around the world. They can be linked both within and outside the organization. Therefore, global companies can gain strength and power by bringing together the highest quality people from different countries (Marquardt & Horvath, 2001, p. 9).
- 3. The ability to solve complex Twenty-first

 Century problems:

 Heifetz and Laurie (1998) argue that problems in

 the Twenty-first Century are essentially

"technical problems". The technology to solve these problems already exists, what organizations need is to use the knowledge efficiently. For many problems, there are precedents within the organization to solve them. However, for Twenty-first Century problems, which Heifetz and Laurie call adaptive problems, a satisfactory response is not usually available. There is no expertise to solve these problems yet, so people usually need collective intelligence and skills to do the work. The problems of the Twenty-first Century are more difficult to define and resolve because they require the effort of people throughout the organization. It is precisely this diversity and complexity that encourage new ways of thinking to solve these new problems (Marquardt & Horvath, 2001, pp. 9-10).

4. The ability to make the organization a global company:

Companies around the world are rushing to globalize because globalization provides significant competitive and comparative advantages. Global teams are "at the heart of

- the globalization process" (Snow, 1996). Also, global teams help group members to exchange ideas across borders, and to break down provincial ways of thinking (Marquardt & Horvath, 2001, pp. 11-12).
- 5. The ability to increase speed of operations:

 Since team members are located in different time

 zones around the world, team members at each

 site can tap the resources available in their

 region during the normal working hours of that

 region (Marquardt & Horvath, 2001, pp. 12-13).
- 6. Greater Understanding of local customers:

 The most successful global corporations are those sensitive to local situations. Global teams can always design more culturally-sensitive products and processes by building stronger relationships with suppliers and customers. It is because local team members can provide information to global companies that global strategies can be created (Marquardt & Horvath, 2001, p. 13).

7. Development of future global leaders for the organization:

Global teams provide a good opportunity to develop the leader needed by global companies.

This is especially important for employees located away from headquarters. Through TNTs,

such employees can prove their working ability

(Marquardt & Horvath, 2001, p. 14).

- 8. Increased access to knowledge and information:

 Information and knowledge have become the
 factors that yield a competitive advantage to an
 organization (Sveiby, 1997 & Stewart, 1997).

 Culture, technology, operations, systems, and
 procedures are important to organizations, but
 these are all based on knowledge. Through the
 work of global teams, organizations are able to
 generate more knowledge and information to make
 better decisions and produce better products and
 services (Marquardt & Horvath, 2001, p. 15).
- 9. More opportunities to form alliances:

 Global teams can create opportunities to extend
 each partner's global reach while at the same
 time contributing to each partner's local
 competence. The local team members offer greater

opportunities to compete in the local market since these partners provide the convenience of proximity and greater levels of trust (Marquardt & Horvath, 2001, pp. 16-17).

10. Increased ability to become a global learning organization:

Global companies have greater requirements, opportunities, and resources for getting, creating, storing, transferring, applying, and testing knowledge. The synergy of culture, the demand of global customers, and the challenges of global competition compel the organization to learn faster and continuously. Learning is necessary throughout the organization and is aligned with the business goals of the company. Global teams offer the richest resources for organizations wishing to learn how to gather, store, utilize, and distribute knowledge about the global market to different people in all parts of the company (Marquardt & Reynold, 1994) (Marquardt & Horvath, 2001, p. 18).

While there are huge benefits to TNTs, working with people from different backgrounds is not always easy. Some

of the key challenges that TNTs often experience are discussed in the next section.

Challenges of Transnational Teams

Differences in approaches, values and expectations between customers, suppliers, employees, and team members with different cultural backgrounds have led to many business failures (Castillo, 2004). Understanding the impact of cross-cultural differences and the challenges of .

TNTs will increase the probability of their success.

Marquardt and Horvath (2001) present some implications and challenges that global teams may bring to the organization.

Managing cultural diversity, differences, and conflict:

Managing cultural diversity is a challenge that prevents most global teams from being effective. This is because most people do not realize they are embedded in a particular culture (as fish do not realize they are surrounded by water). Cultures cause members to see reality very differently. Everyone believes that his or her perception of reality is the correct one. This causes unfair evaluation of others from another culture. The challenge of global teams is to

achieve a balance between fostering the healthy clash of ideas while controlling cultural differences among team members. The different ways of thinking affect leadership roles and expectations, individuals and groups, communication, problem-solving and the seeking of solutions, decision-making, dealing with disagreements and differences, perspectives on time, flexibility and control, motivation, and tension generated by cultural differences (Marquardt & Horvath, 2001, pp. 20-27).

2. Handling geographic distances, dispersion, and despair of members:

Although technology enables organizations to be both centralized and decentralized, there are still numerous limitations due to limited face-to-face contact among members of a team and between the team and its outside links. In many cultures, personal contact is essential for the transaction of important business or for any progress in partnerships and promotions.

Distance can cause people to feel cut off, out of the loop, or even insignificant. Geographic distance has a direct impact on all forms of

communications among team members. Distance is an impediment to building relationships of trust. Distance also affects coordination and control. Problem solving is more difficult as team members have a hard time understanding each other's styles of decision making. High-context cultures- homogeneous cultures that have less variety of behavior- are less comfortable interacting from a distance. Working on remote global teams can also cause people to feel isolated. Constant traveling and absences demanded by team activities can be demoralizing and harm family life. Poorly planned and loosely supported global teams can quickly burn out their members (Marquardt & Horvath, 2001, pp. 27-29).

The difficulties and challenges of coordination and control are even greater because of the greater complexities caused by cultural, linguistic, and technological issues (Carmel, 1999). That is an argument because coordination and control is even more important for global teams than for regular organizational teams. The

complexity of coordinating work increases as the interdependence within and between teams increases and as the task becomes more difficult. Also, coordination and control are more difficult in global teams that are of large size. A final element that causes a greater challenge in coordination is that management and follower styles between members are different in many countries. Global team managers may not understand how other cultures accept directions or how to give team members proper guidance (Marquardt & Horvath, 2001, pp. 29-30).

4. Maintaining communication richness over distances:

Because of geographical distance, the richness of context is often missing. High-context (or rich-context) cultures have the ability to share experience and make certain things understood without needing to state them explicitly.

Communication of meaning is transmitted not just in words; it also relies on group understanding of voice, body language, facial expressions, eye contact, speech patterns, use of silence, past interactions, status, and common friends.

Meaning tends to be implicit rater than direct. For example, in Asian cultures, a "yes" may mean yes, maybe, I don't know, if you say so, or even no. The precise meaning depends on the context, not just the words. Silence designates thought, not disengagement. Rushing to fill a silence may be considered pushy, impulsive, or even emotional. On the other hand, after-hours socialization is almost a daily occurrence (Marquardt & Horvath, 2001, p. 33).

5. Developing and maintaining teamness:

For most of us, participating in a team means co-location, cultural homogeneity, trust, common communication patterns, a relatively small number of members, and most important, cohesion.

However, because of the burdens of distance, time zone differences, and cross-cultural differences among team members, most familiar characteristics of team membership lose their "teamness"— the synergistic effect that makes it successful as a cohesive unit (Carmel, 1999, p. 42) Due to the lack of similar cultural backgrounds, trust within teams is often

challenged (Marquardt & Horvath, 2001, pp. 33-34).

Management of Transnational Teams

It is widely believed that teams can make better decisions, develop better products and services, as well as a more energized workforce, than people who work alone (Johnson & Johnson, 2003, pp. 3-45). However, these effects can only be achieved if the goals are common and team members have complementally skills. In general, teams are better at identifying problems and developing and choosing alternatives than individuals are. In a global environment, it is unavoidable that the specialties are gathered from individuals with different cultural background and nationalities. Therefore, while global companies have more opportunities doing business, they also face more management issues.

Charlene Marmer Solomon (1995, p. 49) provides some key points on building successful teams:

- 1. Have a good reason for forming a team. For example, you might want to create one if you can not execute a task individually or if the task requires working interdependently.
- 2. Create a common, shared goal and a strong task orientation that translates into each person

- knowing how to move towards that goal.
- 3. Promote interdependency. Each person needs to know what they're going to contribute.
- 4. Have measurable outcomes. Team execution is usually more effective if you can measure what the team produces.
- 5. Talk about cultural differences and allow people to have some fun with them. For example, in intercultural sessions, you might take accepted cultural dimensions and have people predict how their nationality might behave in certain situations.
- 6. Realize that people need to understand differences before coming together effectively and building a unified team.
- 7. Continually stress the team's purpose and its measurable outcomes.
- 8. Make sure team members have the right skills—
 technical competence, interpersonal skills
 (cross-cultural sensitivity), and good
 problem-solving skills.
- 9. Use training to help team members develop interpersonal and intercultural skills.
- 10. Provide detailed agendas for meetings.

11. Spell out lines of communication.

To overcome the challenge of a global team, Marquardt and Horvath (2001) provide a framework for global teams.

It is composed of three levels and nine components (Figure 2).

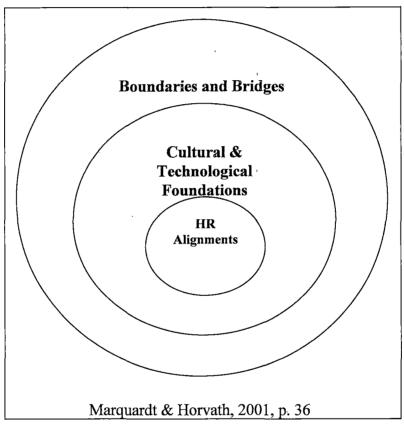


Figure 2. Global Teams Model

Outer Circle: Team Boundaries and Bridge Global teams must first concern themselves with developing cohesive boundaries around the team and with each other. By definition, global teams have many boundaries, including time, space, and nationality-that separate their members from one another. The goal is to create a bridge between members and allow the group to work effectively and comfortably together. This can be accomplished through (1) developing effective leadership, (2) creating shared team vision and identity with clear goals and boundaries, and (3) building swift trust based on shared norms (Marquardt & Horvath, 2001, pp. 36-37)

2. Middle Circle: Cultural and Technological Foundations

In order to develop, manage, and sustain high-performance global teams, it is necessary for the organization to provide structure and support. This is accomplished through (4) a global and cultural environment conductive to supporting diversity and (5) a technological infrastructure that is efficient and comprehensive so that it enables people to communicate effectively with one another (Marquardt & Horvath, 2001, p. 37)

Inner Circle: HR Alignments

Once the global team has developed an identity
and created bonds between members, it is
necessary to align the human resources practices
in order to sustain their high performance. This
can be achieved by (6) harnessing cultural,
interpersonal, and technological expertise
through selection and development of the global
team members, (7) providing facilitation to
optimize communication and productivity,
(8) incorporating measurement and feedback
systems tailor-made for global teams, and
(9) designing team-oriented rewards and

3.

Effective TNTs should be able to assist the enterprise by obtaining specialized talent from all over the world. They also help promote efficiency in enterprise operations, help collect information and knowledge, help train future leaders of global business, and increase the competitive advantage of an enterprise. However, the use of TNTs may introduce serious management challenges due to the difficulty of communication, cultural diversity, differences in time and geography, and lack of trust. If a

performance appraisal systems (Marquardt &

Horvath, 2001, p. 38)

global enterprise can find how to manage the challenges inherent in TNTs and work diligently to overcome those challenges, they can achieve the competitive advantages offered by TNTs.

A literature review was presented in this chapter, in the following chapter hypotheses focusing on TNTs are introduced.

CHAPTER THREE

HYPOTHESES

Based on the literature, a set of hypotheses may now be presented in this chapter.

Impacts of Value Placed on Culture Diversity on Performance

More and more companies now recognize that strong and effective TNTs are necessary to succeed in the global market (Marquardt & Horvath, 2001). "With increasing interdependence, diversity cannot be avoided or bypassed. The diversity of a group's membership may enhance or hinder the performance of the group. Diversity among individuals creates an opportunity, but as with all opportunities, there is potential for either positive or negative outcomes. Tomorrow's effective groups will be those that have learned to be productive with a diverse membership" (Johnson & Johnson, 2002, p. 457). These authors also indicate that team members need to learn how to highlight the group's identity and use it to resolve conflict based on member's differences.

Akio Morita, former chairman of Sony, commented that "culture may impact products, services, and operations by only ten percent, but this is the most important ten

percent" (Wendy Lalli, 2003). This ten percent may determine the success or failure of a global team (Marquardt & Horvath 2002). Therefore, the more TNTs members value culture diversity, the higher performance that company may achieve.

H1: A positive relationship exists between the value placed on cultural diversity and the performance of TNTs.

Impact of Cultural Adaptation on the Performance of Transnational Teams

Barkema, Bell, and Pennings (1996) found that performance was negatively related with the cultural distance between the home and host country. To achieve cultural sensitivity and successfully manage cultural difference, members of the team must develop a fairly deep understanding of the partner's culture (Johnson, 1996). Interaction between international partners may be difficult since cultural difference in beliefs, attitudes, and behavior patterns often lead to misunderstanding, misconception, and miscommunication. Where the end results of cultural adaptation are sound financial performance, the effect is likely to be accompanied by improved team relationships and enhanced ongoing interactions (Lin, 2004)

Pornpitakpan (2005) suggested cultural adaptation as a strategy for improving the processes and outcomes of business negotiations across cultures. It can be considered part of the processes and outcomes of business negotiations across cultures and can also be considered part of the standardization versus adaptation continuum in international business.

Cultural adaptation has also been investigated as a response to inter-cultural interaction and conceptualized as "a change in behavior to be more typical of behavior in another's national culture" (Thomas & Ravlin, 1995; Lin, 2004, p. 37). For managers in the international arena, the predominant reason for ineffective performance is not due to technical incompetence, but inability to cope with inter-cultural dynamics (Stening & Hammer, 1992; & Lin 2004). As mentioned earlier, cultural factors that affect TNTs members are one of the important factors for success. H2: A positive relationship exists between cultural adaptation in TNTs and the performance of TNTs.

Impacts of Communication Quality on the Performance of Transnational Teams

Without good communication quality, the success of a team may be placed in doubt. The importance of communication becomes critical in signaling future

intentions, and might be interpreted as an overt manifestation of more subtle phenomena such as trust and commitment (Mohr & Spekman, 1994). Orpen (1997) also suggested that both job satisfaction and work motivation were positively affected by the quality of communication.

Group success is dependent on effective communication among members. Lu, Watson-Manheim, Chudoba, and Wynn (2006) also indicated that teams performed more effectively when members developed effective communication norms, communication technology usage norms, and the like. Mohr and Speckman (1994) indicated that communication quality, trust, commitment, joint planning, and joint problem resolution all serve to better align the teams expectations, goals, and objectives. These factors all contribute to partnership success. Joshi, Labiannca, and Caligiuri (2002) confirmed that conflicts due to misunderstandings between crucial team members are the great threat to successful project execution. Therefore, effective communication in TNTs is a key to strong performance.

H3: A positive relationship exists between the communication quality in TNTs and the performance of TNTs.

Impacts of Trust on the Performance of Transnational Teams

The development of trustworthy relationships has been considered as an important socio-psychological dimension of all network activities (Ratcheva & Vyakarnam, 2001). Establishing trust is fundamental to the successful formation and growth of any new work team (Johnson & Johnson, 2003). An essential aspect of group effectiveness is developing and maintaining a high level of trust among group members. The more members trust each other, the more effectively they will work together (Deutsch, 1962; 1973; Johnson, 1974).

Global team members often must focus quickly on critical tasks and have little time for building relationships or even for in-person contact. Yet the successful global team requires a high level of trust among its members. However, there are several different national norms, values, and traditions in global teams that make trust even more difficult to achieve. Trust is one of the most important factors for TNTs members to cooperate tightly. Other than improving communication quality, trust can also assist TNTs to reduce problems from cultural diversity.

Building trust smoothly is imperative for the success of a global team (Marquard & Horvath, 2001). Rich (1997) found that trust is the key moderator of the effects of role modeling on job satisfaction and performance.

Zaheer's (1998) results broadly support the hypothesis that trust in relational exchanges influence negotiation processes and performances. In summary, trust will have an important impact on team performance on TNTs.

H4: A positive relationship exists between the trust among members of TNTs and the performance of TNTs.

Summary of Hypothesis

- A positive relationship exists between the value placed on cultural diversity and the performance of TNTs.
- 2. A positive relationship exists between culture adaptation in TNTs and the performance of the TNTs
- 3. A positive relationship exists between the communication quality in TNTs and the performance of TNTs.
- 4. A positive relationship exists between the trust among members of TNTs and the performance of TNTs.

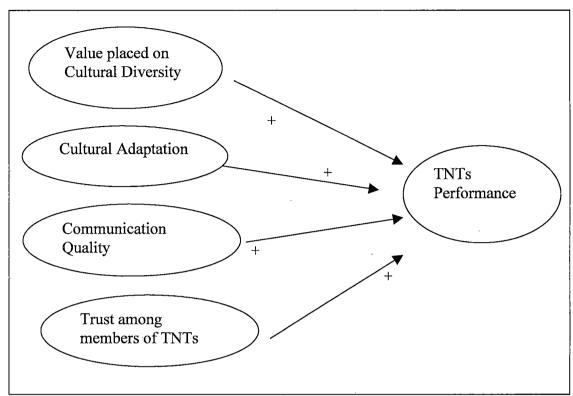


Figure 3. Conceptual Model

CHAPTER FOUR

METHODS

The Sample

The sample for this study consists of 30 individuals employed by one of ten pharmaceutical companies with offices in Taiwan and accessible through personal contacts. Individuals selected for interviews were limited to employees who were participating in TNTs during the months of March and April of 2007. Other pharmaceutical companies located in Taiwan were not contacted due to time constraints. The 30 respondents selected were individuals who were identified by department managers in these ten firms or through informal social networks. Three individuals participating in TNTs were selected from each of the pharmaceutical firms.

The criteria for the present definition of TNTs were submitted to the HR department of each company and one team was selected from each company. Three people from each team were then selected by the HR department for interviewing. Each one of the 30 respondents was interviewed on a one-to-one basis by the author.

Twenty-three of the respondents were interviewed in Chinese and seven were interviewed in English. On average,

each interview took approximately one hour to complete. The data for the study was collected during the face-to-face interviews as well as through structured questionnaires mailed to the respondents before and after the face-to-face interviews. The face-to-face interviews and the structured questionnaires yielded qualitative as well as quantitative data about the experiences and attitudes of the respondents regarding TNTs.

Respondent Characteristics

The ages of the respondents ranged from 32 to 63, with a mean of 44. Job experience with the current organization ranged from two to 35 years. In regards to education, 36.7% reported having completed some college education and 62.3% had a master degree or above. The national backgrounds of the respondents are listed below:

Taiwan 23

Japan 4

France 2

USA 1

Measures

All participants were interviewed face-to-face. They were informed that their participation was voluntary and that their responses would be treated on confidential and

anonymous. Respondents were also informed that they had the options to refuse answering any items they chose not to answer. They also signed a consent form, a demographic questionnaire, and a questionnaire that contained items what value placed on cultural diversity, cultural adaptation, communication quality, and trust in TNTs.

Data for the items representing the concepts previously identified in the hypotheses were obtained during the data collection stage. These items were then grouped into conceptual clusters and the actual scales used for the study were then formed based on the psychometric properties of the items and on the overall reliability coefficients of the scales. With the exception of the scale measuring value placed on cultural diversity, the items in the structured questionnaires measured interviewer responses with 5-point Likert scales.

Cultural Adaptation

The measure of cultural adaptation used in this study was formed by combining responses to the seven items below (Johnson, 1996). The scale formed from these items appears to have a viable measure of reliability (Cronbach alpha = 0.81).

- I am aware that communication patterns are very different from culture to culture.
- I make efforts to understand the ways my different-culture partners do things.
- I try to show my willingness to adapt to the different-culture way of doing things.
- I make necessary adjustments to my different-culture partners.
- I identify with the decisions made from different-culture partners.
- I learn from the different-culture partners.
- Overall, I try to adapt myself into the team culture.

Communication Quality

The measure of communication quality used in this study was formed by combining responses to the 5-items below (Mohr & Spekmen, 1994; Johlke & Duhan, 2001). The scale formed from these items appears to have a viable measure of reliability (Cronbach alpha = 0.86).

- The communication among members is timely.
- The communication among members is accurate.
- The communication among members is adequate.

- The communication among members is complete.
- The communication among members is credible.

Trust

The measure of trust used in this study was formed by combining responses to the 7 items below (Peace et al., 1992; Jarvenpaa, 1998; Javernpaa & Leidner, 1999; Deborah 1982). The scale formed from these items appears to have a viable measure of reliability (Cronbach alpha = 0.83).

- The outcomes of this project are very important to team members.
- Team members will do everything within their capacity to help the team perform.
- Team members try hard to be fair in dealing with another.
- Overall, team members have strong sense of commitment.
- I am doubtful about whether the other team members will do what they promised.
- Team members have much knowledge about the work that needs to be done.
- I feel I can trust my co-worker in the team.

Value Placed on Cultural Diversity The measure representing the degree to which diversity was valued by the members of TNTs was constructed from the open-ended responses obtained during the face-to-face interviews. Respondents were asked to identify some of the advantages that were gained from culturally diverse TNTs. The open-ended responses volunteered during the interviews included: (1) an enhanced vision, (2) creativity, (3) comprehensive thinking, (4) Experience-sharing, (5) strategic planning, (6) learning opportunities, (7) system efficiency, and (8) local responsiveness. Responses which identified one of the eight items listed above were coded as "1" and a "0" was assigned to these items when the respondents did not mention the item as an advantage gained from culturally diverse TNTs. The values for these eight items were then summed to form a proxy measure of diversity value (Cronbach Alpha = .30).

Transnational Teams Collaboration

The first measure of performance used in this study was formed by combining responses to the 5 items below.

(Paul, 2004) The scale formed from these items appears to

have a viable measure of reliability (Cronbach alpha = 0.88).

- I collaborated with my teammates to come up with decisions acceptable to us.
- I tried to bring all our concerns out in the open so that the issues could be resolved in the best possible way.
- I tried to work with my team members to find solutions to problem that satisfy our exceptions.
- I exchanged accurate information with my teammates to solve a problem together.
- I tried to investigate information with my team members to find a solution acceptable to us.

Perceived Decision Quality

The measure of decision quality used in this study was formed by combining responses to the 5 items below (Paul, 2004). The scale formed from these items appears to have a viable measure of reliability (Cronbach alpha = 0.90).

- The decision made by my group is practical.
- The decision made by my group is fair.

- I am confident that the final decision we came up is the best decision.
- I feel that the quality of the group's decision would have positive effects on the performance of the company.
- Overall, it is my opinion that our final decision is of high quality. The decision made by my group is practical.

Satisfaction

The measure of satisfaction used in this study was formed by combining responses to the seven items below (Paul, 2004). The scale formed from these items appears to have a viable measure of reliability (Cronbach alpha = 0.84).

- Our group was able to reach a consensual solution without any major conflicts.
- The decision making process of the group was complete.
- The progress of the group towards the stated goals of the task was satisfactory.
- Overall, as a member of our team, I am satisfied with the process I employed in arriving at the final solution.

• Overall, I am satisfied with the process I employed in arriving at the final solution.

Descriptive measures were first obtained for the seven scales in order to examine their pattern of distribution. The level of association among these factors was then examined using 1-tailed Pearson correlation coefficients. The predictive power of the independent factors was also assessed with step-wise regressions of the independent measures on the performance measures.

CHAPTER FIVE

RESULTS

Descriptive statistics and one-tailed correlation coefficients for the variables in this study are summarized in Table 3. The measure for value placed on cultural diversity and cultural adaptation did not correlate significantly with any of the performance measure. The only significant correlation with the measure of cultural adaptation was the measure of trust (Pearson r = .325).

No significant relationships were found between value placed on cultural diversity and culture adaptation, trust, communication and all of the three performance variables. The statistical test did not support the first hypothesis which proposal a positive relationship between value placed on cultural diversity and TNTs performance.

Also, non-significant relations were found between cultural adaptation and communication and performances. A positive correlation was observed between cultural adaptation and performance, but these are not significant. Although the relationship between culture adaptation and trust is moderate (r = .33), the relation between culture adaptation and communication as well as culture adaptation

and performance is not strong enough to support the second hypothesis. These are in the right direction, but not significant.

As Shown in Table.3 a positive and significant effect was found between communication and trust(r=.70), collaboration(r = .45), decision quality(r = .82), and satisfaction with the decision making process(r = .46).

The correlations suggest that higher degrees of communication quality result in better trust and performance. This proved support for the third hypothesis.

In regards to trust, positive and very significant effect was found between trust and communication (r = .20), collaboration (r = .67), decision quality (r = .69) and satisfaction with the decision making process (r = .68). Hence, the relationship between trust and value placed on cultural diversity is not very strong.

Table 3. Means, Standard Deviations and 1-Tailed Interco Relations

(N = 30)

										
Variable	N	Mean	SD	1	2	3	4	5	6	7
1. Value Diversity	. 30	2.7	1.3							
2. Adaptation	30	32.9	3.3	.20				-		
3. Communication Quality	30	19.8	2.6	04	.13					
4. Trust	30	29.1	3.7	05	.33*	.70**				
5. Collaboration	30	21.6	2.4	.26	.24	.45**	.67**			
6. Decision Quality	30	20.8	2.3	.16	.25	.45**	.69**	.82**		
7. Satisfaction	30	20.1	2.1	.21	.17	.46**	.68**	.80**	.86**	

^{*.} p < = .05 **. p < = .01

In general, the correlation results show a strong relationship among communication, trust and the performance measures. The variables of trust and communication quality are highly correlated with each other. The following table summarizes the overall pattern of the correlations.

Table 4. Summary of Correlation Results

Hypothesis Results of Data Analysis						
Hy1	Value Culture Diversit	y → better Performance	Not supported			
Ну2	Cultural Adaptation	→ better Performance	Not supported			
НуЗ	Communication Quality	→ better Performance	Supported			
Hy4	Trust	→ better performance	Supported			

A set of step-wise regressions were also performed to assess the amount of variance or predictive power of the independent variables combined. The results of these step-wise regressions are summarized in Table 5. The step-wise regressions show that trust is the single most important predictor of performance in TNTs. The measure representing the amount of value placed on cultural diversity was significant in accounting for some of the variance in the measure of collaboration among TNTs (standardized beta = .29, p \pm .05). In relation to the other two performance measures, only trust could account for a significant amount of their variance. The high amount of collinearity between the measures of cultural adaptation, communication quality, and trust minimized the amount of variance that could be attributed to cultural adaptation or communication quality.

Table 5. Step-wise Regression Results

Performance Measures

Performance 1 Performance Performance

	Perform	nance 1	Perfor	rmance	Performance Satisfaction		
			Qua.	lity			
Independent	Partial	Standardized	Partial	Standardized	Partial	Standardized	
Variables	Correlation	Beta	Correlation	Beta	Correlation		
		Coefficient		Coefficient		Coefficient	
Value on Diversity	.39*	.29**	.27	.19	.33	.19	
Diverbrey							
Cultural Adaptation	07	05	.04	.03	08	.03	
Communication Quality	03	03	05	06	02	06	
Trust	.67**	.67**	.69**	.69**	.68**	.68**	
	Multiple R	.73	Multiple R	.69	Multiple R	.68	
	R-Squared	.53	R-Squared	.48	R-Squared	.46	
	Adj. R-Sq	.49	Adj. R-Sq	.46	Adj. R-Sq	.44	
	F = 15.04			F = 25.53	F = 23.48		
	Sig. F ≤	.001	Sig. F ≤	.001	Sig. F ≤ .001		
,	* P < 05						

^{*} $P \leq .05$

^{**} $p \le .01$

CHAPTER SIX

DISCUSSION AND CONCLUSION

In this chapter, the relationships observed among performance and the measures of value placed on cultural diversity, cultural adaptation, communication quality, and trust are discussed. Based on the quantitative results, the proposed model of factors that are important for the performance of TNTs is reviewed. The discussion will address the issue of performance in TNTs based on the empirical results as well as the qualitative insights from the comments of the respondents concerning important success factors for TNTs.

1. Value placed on cultural diversity

The statistical data shows that value placed on cultural diversity had a low correlation with TNT collaboration (r=.26) and it contributed significantly in explaining some of the variances of TNTs collaboration. The results did not indicate any other relationships between value placed on cultural diversity and TNTs collaborations. The empirical analysis provides very little if any support for the first hypothesis. One obvious problem with value

placed on cultural diversity is the low coefficient of reliability for the measure (Cornbach Alpha = .30). Future work may benefit from the development of a more reliable measure of this concept.

Contrary to the empirical measures in the face-to-face interviews, most interviewees indicated that culture diversity value has a positive impact on performance. In a global community, such as in the teams selected for the present study, individuals from highly diverse cultural contexts interact daily studying and working in small groups. "Heterogeneity tends to increase group productivity on a variety of tasks, increase the difficulty of developing cohesive relationships among members, and increase the potential conflict among members. Diversity among members is advantageous" (Johnson & Johnson, 2003, p. 479). If the members of such groups develop a global mind-set, they have greater ability to deal with the complexity of a global organization. To accept different opinions and different ways of thinking, an open mind will assist the members

of TNTs to work smoothly. They should appreciate other cultures, not viewing the other cultures as better or worse, but simply different. "It is exactly this nonjudgmental attitude that is so critical for effective global activities" (Marquardt & Horvath, 2001, p. 57).

2. Cultural adaptation

According to the data analysis, we cannot see a direct and significant impact between cultural adaptation and performance, but their relationships are positive and in the predicted direction. Therefore, even through the statistical analysis didn't show cultural adaptation to have a strong impact on TNTs performance, we can still see the positive relationship between them.

Our interviewees indicated that TNT members who have positive attitudes on cultural issues and are willing to accept new ideas as well as able to get along with members from other cultural backgrounds can create better team efficiency. High levels of cultural adaptation within members assist organizations save time, and money. Competitive advantages can be gained

with members who adapt to different cultures easily. We can see that cultural adaptation can also affect trust among team members. Therefore, we could still find an indirect but positive relationship between cultural adaptation and performance.

The members of TNTs need to be open-minded and prepared to accept different opinions, even from very different perspectives. The ability to accept new ideas, get along with people from different cultures, and aggressive attitudes are very important for TNT members. The ability to tolerate uncertainty and accommodate a wide range of diversity is indispensable. "Successful international managers shed their parochial assumptions about how the world should be and adapt to circumstances that determine how the world is" (Holt, 2002). To work smoothly, cultural adaptation must be a natural and timely process. Understanding the impacts of different cultures and the importance of adaptation on TNT members will help improve the performance of the team.

3. Communication quality

The correlation between communication and performance shows strong and significant relationships, but the regression analysis suggest that this concept and trust are highly correlated (r = .70). This factor did not help explain performance above the amount of variance explained by the measure trust. Future research has to develop a better measure of this concept.

Our interviewees indicated that effective communication is an important factor to solve the conflicts or disagreements among TNT members with different cultures. Several interviewees also pointed out that the Asian communication style is relatively difficult for people who do not have experience with people with eastern cultures.

Several respondents mention that different cultural communication caused problems for the implementation of projects in their teams.

Common industry language sometimes helps resolve this problem. In addition, most interviewees believe that effective communication can save time and costs and lead to better performance.

Poor communication leads to project stagnancy. TNTs will spend a lot of precious time on arguing. Therefore, efficient communication is necessary for TNTs to attain better performance. Joshi (2002) also confirmed that conflicts between crucial team members are, the greatest threat to successful project execution. Thus, qualitative evidence suggests that communication quality should be considered an important issue leading to the success of TNTs.

4. Trust

The result of the data analysis supports
hypothesis four which proposes that trust
affects TNTs performance. The data shows that
trust strongly affects performance. Higher
levels of trust are associated with a better
collaborative conflict management style, better
perceived decision quality, and better
satisfaction with the decision making process in
TNTs. This data is consistent with the finding
of Kramer and Tyler (1996) showing that
"Increases in trust decrease transaction costs
of relationships because individuals have less

self-protective actions in preparation for the possibility of other's opportunistic behavior" (Kramer & Tyler, 1996) Therefore, trust appears to be a key to successful TNTs.

Most interviewees indicated that team members need to trust each other and try to find the best way to do things for company, even if the way is different from their own. They also need to feel that they have the full support and trust of their team members.

Trust is the foundation of a good relationship. Respondents also indicated that building a good relationship among people with different cultures is not easy, but as long as the "unvoiced pact" was built, things go well. Respondents also mention that good relationships are one of the most important factors to run things, especially in Taiwan. This is supported by Marquardt and Horvath's (2001) opinion that "In every type of the team, performance is always dependent on the level of trust established within the team" (Marquardt & Horvath, 2001, p. 82).

As the interviewees said, trust is one of the important factors to having good communication. They belt that the communications among them were meaningless if they would not trust their team members. With trust they are willing to share information. That is an important step to building good communication and relationships. The data analysis also shows that trust impacts other variables significantly, especially communication quality. Morgan and Hunt (1994) point out that a major precursor of trust is communication. Communication fosters trust by assisting in resolving disputes and aligning perceptions and expectations. Anderson and Narus (1990) found that from both the manufacturer's and distributor's perspectives, past communication was positively related to trust. Anderson and Weitz (1989) found that communication was positively related to trust in channels. The results from the face-to-face interviews, data analysis, and previous literature all support that trust will give communication a quality positive influence among members in TNTs.

Limitations of the Study

One limitation of this study is the sampling method. Because I use a non-random sample generalizations of the results to other groups of people or other situations must be done with care. Given a firm belief that only those people who work within the TNTs setting would be knowledgeable, and therefore capable of providing the necessary feedback, purposeful selection of participants was essential. For this reason, the sample population was limited to only those people who did work in TNTs (Lurey & Raisinghani, 2001).

Second, when we talk about performance in this paper, we refer to three variables. They are collaborative conflict management style, perceived decision quality, and satisfaction with decision making process. We didn't discuss financial achievement as one of the performance factors.

Third, other factors may influence performance. In this research, we assume four variables may improve the performance of TNTs. However, there may be some other variables that affect TNTs' performance. For example, cross-cultural training and leadership style may affect the performance of TNTs.

Fourth, the sample size limits the study. Although TNTs are more and more popular, their number in Taiwan is still limited. This is compounded by the fact that this study only focused on one particular industry.

Fifth, most of the respondents are Taiwanese. This limited the level of diversity of respondents.

Suggestions for Future Research

First, future studies might try to investigate additional factors that could affect the performance of TNTs. For example, cross-cultural training might be used as a factor to look at is it benefits TNTs' performance. Future study should continue to explore the relationships among cross-cultural training, value placed on cultural diversity, cultural adaptation, communication, and trust but with instruments that can capture these concepts with more precision. Additionally, leadership style may help in guiding research in the future.

Second, the collection of larger and more diverse samples in the future should lead to more statistical power and increase the reliability of research. For example, the research sample can be expanded to other industries to see whether the outcomes are the same or different.

Suggestions for Managerial Implementation

Cultural adaptation requires practice, learning, and true understanding (Pornpitakpan, 2005). Managers should invest some energy in cross-cultural issues. Cultural factors are an essential strategic topic for TNTs. In other words, TNTs might not work without cultural adaptation and trust even if the relationship seems good from a business point of view. How to improve the adaptation in TNTs should be considered seriously.

Marquart (2001, p. 81) indicates, "Trust not only builds effective and efficient communications but helps to establish the norms that will guide the group across the boundaries of time, distance, and culture". Trust within members of TNTs with significantly impact team performance in a positive way.

The face-to-face interview results indicated that a clear message and quality communication are important factors and contribute to the performance of TNTs. This is because they can help members to avoid misunderstanding, disincentives, and confusion. Also, TNTs should receive guidelines about how often they should communicate. Establishing a regular pattern of communication will help TNTs to reduce uncertainty and increase stability. Setting clear rules will assist in building trust among people in

culturally diverse environments. Rules should be communicated and understood exactly.

The quality of communication among members in TNTs is one of the most essential factors in affecting team performance.

In general, TNTs need "To think about the people they work with, take time to get to know their working style and consider things from their point of view. Avoid making assumptions and do not dismiss ideas; just because something did not work initially does not mean it will not work next time" (Deeks, 2004, p. 14.). Remember that working in a cross cultural team is not about minimizing the difference between people; rather, it is about making the most of the added value that a diverse team can offer.

Summary

This thesis set up a model to analyze factors affecting the performance of TNTs and the relationships among them. Because the participants came from the same industry and most of them have the same cultural background the analysis has been more manageable than with a much more varied sample. Although the results have to be interpreted cautiously, there is some significant evidence

from this study suggesting that the cultural factors examined here impact on the successful management of TNTs.

In the current study, both face-and-face interview and data analysis have found that the relationships between trust and TNTs collaboration, perceived decision quality, and satisfaction are highly correlated. In other word, trust is a significant and strong factor that affects performance of TNTs.

APPENDIX A INTERVIEW QUESTIONNAIRE

Interview Ouestionnaire

This is the initial draft of the questionnaire I am planning to administer for my research thesis. I am providing it for you to have a basic idea about the questions I will be presenting to you during our interview. I appreciate your assistance volunteering information for my master's thesis and look forward to meeting with you.

Before I start asking you questions I need to inform you that all of your answers will be treated as confidential and anonymous. Specific answers will not be linked to particular respondents or their company in any reports linked to this study. Also, you have the right to answer only those questions you wish to answer, if there is question you prefer to skip, let me know and we'll proceed to the next question.

This research topic concerns the role of culture and personal opinions you may have formed through your work with trans-national teams (TNT's). Questions related to the long-term and short-term experiences you have had with TNT's, project teams or daily report groups are included.

As a form or gratitude for your assistance I can provide you with a copy of the results of this study and a copy of my master's thesis. If you should have any questions concerning my research project or the MBA Program at CSUSB you may contact my thesis advisor, Dr. Ernesto Reza, at the address and phone number printed above.

First, please think of the various TNT's in which you participate and focus on the team that requires the greatest amount of time from your schedule. Before I ask specific questions, can you describe this group to me in your own words.

Part 1: Cross Culture Management

Now in regards to the team you described, please fill-in as much detail as possible concerning your team and its members in the table below:

1. Could you please describer your team member's skills, abilities and other related characteristics that may be relevant to their work on this team:

	Member's Role	Gender	Languages spoken	Formal Company Position	Job description	Nations Where Person Has Worked
1						
2						
3.						
4			-			
5						-
6						
7						
8						
9						
10						,
11				_		
12						

	Member's Role	Gender	Languages spoken	Formal Company Position	Job description	Nations Where Person Has Worked
			·			
			,			
,	,					

2.	What language is most commonly used among the members of this team to communicate with each other during team activities?
3.	What is the primary objective or purpose of the team?
4.	How frequently does the team meet as a group:
	A. Physically:
	B, Virtually:
5.	What are some of the challenges the team has encountered?
6.	In your opinion, has the team experienced conflict at any time due to the nature of its cultural or occupational diversity?
	(IF YES:) Please explain how this was expressed:
	(IF YES:) How has such conflict been resolved?

7.	Does your organization have policies or a company strategy for managing its TNT's?
	(IF YES:) Please describe these policies or strategy:
8.	Does your organization provide cross-cultural training to members of TNT's?
	(IF YES:) What kind of training do TNT's members receive?
	(IF YES:) Do you think such training improves the effectiveness of your team?
	(How?)
9.	How are the members of TNT's selected?
10	. Based on your experience and your personal opinion, what kind of skills and abilities should TNT members preferably have?

Part Two - Comparison of TNT's and Homogeneous Team

The following questions ask you to compare you	ur experience working with TNT's and
other teams that do not have such cultural divers	sity or relatively homogeneous teams.

other teams that do not have such cultural diversity or relatively homogeneous teams.

11. In general, what kind of advantages do TNT's provide?

12. In general, what kind of challenges or disadvantages do TNT's have?

13. What kind of advantages do TNT's provide for you in particular?

14. What kind of challenges or disadvantages do TNT's present for you in particular?

Part Three-Effectiveness

15. Do you think all team members exert their best efforts when it comes to the work they perform for the team? 16. Are team members likely to share their knowledge and technology with other team members? 17. Generally speaking, are your team members enthusiastic about team work? (Please Explain:) 18. More specifically, using the scale below can you rate the level of enthusiasm about team work among the members of this TNT? 5 4 1 3 Not Enthusiastic Neutral Very Not Very Somewhat At All Enthusiastic Enthusiastic Enthusiastic

19.	as the performance of this TNT improved over time? (Please Explain:)
20.	n your opinion, do you think that this team helps the organization significantly Please Explain:)

Part Four- Basic individual information
Gender:
Age:
Education:
Experience on study or working abroad:
Formal Organizational Position:
How long have you work in your organization?
How long have you work with TNT's?
Business area:

APPENDIX B SURVEY QUESTIONNAIRE

SURVEY QUESTIONNAIRE

I am really appreciating you to set an interview for me in March. There are some more questions I would like to ask you. If it is possible, please help me to finish these questions.

Before I start asking you questions I need to inform you that all of your answers will be treated as confidential and anonymous. Specific answers will not be linked to particular respondents or their company in any reports linked to this study. Also, you have the right to answer only those questions you wish to answer, if there is question you prefer to skip, please skip and proceed to the next question.

If you should have any questions concerning my research project or the MBA Program at CSUSB you may contact my thesis advisor, Dr. Ernesto Reza, at the address and phone number printed above.

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California State University, San Bernardino

Committee Chair: Dr. Ernesto Reza Shu-Yir Lee

Part One- Cultural Adaptation (Johnson 1996)

1.	I am aware that	t communication pa 2	ttern is very	different from culto 4	are to culture 5
	Not At All	Not Very different	Neutral	Somewhat deferent	Very different
2.	I make efforts t	to understand the wa	ays my differ	ent-culture partner	s do things.
	Not At All	Not Very much effort	Neutral	Somewhat much effort	Very much
3.	I try to show m	y willingness to ada 2	apt to the diff	ferent-culture way o	5
	Not At All	Not Very much	Neutral	Somewhat show	Very much
4.	I make necessa	ry adjustments to m	y different-c	ulture partners 4	5
	Not At All	Not Very much	Neutral	Somewhat adjustment	Very much adjustment
5.	I am going to r while doing de	emind the amount o	of time it take	es to different-cultu	re partners
	1	2	3	4	5
	Not At All	Not Very much	Neutral	Somewhat remind	Always remind
6.	I identify with	the decisions made	from differen	nt-culture partners. 4	5
	Not At All	Not Very much	Neutral	Somewhat identify	Always identify
7.	I learn from the	e different-culture p	artners		
	1	2	3	4	5
	Not At All	Not Very much	Neutral	Somewhat learned	Learned a lot
8.	Overall, I try to	adapt myself into	the team cult	ure.	
	í	2	3	4	5
	Not At All	Not Very much	Neutral	Somewhat I tried	I always try to adapt

Part Two-Communication Quality (Mohr&Spekmen, 1994; Johlke& Duhan, 2001)

1.	The communica	tion among memb	ers is timely.		
	1	2	3	4	5
	Not timely At All	Not Very timely	Neutral	Somewhat timely	Very timely
2.	The communica	tion among memb	ers is accurat	e.	
	1	2	3	4	5
	Not accurate At All	Not accurate Very much	Neutral	Somewhat accurate	Very accurate
3.	The communica	tion among memb	_		_
	1	2	3	4	5
	Not adequate At All	Not adequate much	Neutral	Somewhat adequate	Very adequate
4.	The communica	tion among memb	ers is comple	te	
	1	2	3	4	5
	Not complete At All	Not Very complete	Neutral	Somewhat complete	Very complete
5.	The communica	tion among memb	ers is credible	e	
	1	2	3	4	5
	Not credible At All	Not Very credible	Neutral	Somewhat credible	Very much credible

Part Three-Trust (Peace et al, 1992; Jarvenpaa wt al., 1998, Javernpaa& Leidner, 1999; Deborah 1982)

1.	The outcomes of	f this project are vo	ery important	to team members	5
	Not At All	Not Very	Neutral	Somewhat important	Very important
2.	Team members project.	would not knowin	gly do anythin	ng to disrupt or slo	w down the
	1	2	3	4	5
	Not do At All	Not do very much	Neutral	Somewhat they do	They still do it Very much
3.	Team members	are concerned abo	ut what is imp 3	oortant to the team 4	5
	Not credible At All	Not Very credible	Neutral	Somewhat credible	Very much credible
4.	Team members	will do everything 2	within their c	apacity to help the	e team perform.
	Not do At All	Not do Very much	Neutral	Somewhat they do	They Do Very much
5.	Team members	try hard to be fair	in dealing with	h another.	
	1	2	3	4	5
	Not try At All	Not Try Very much	Neutral	Somewhat they try	They Try Ver much
6.	Overall, team m	embers have stron	_	nmitment	-
	1	2	3	4	5
	No sense At All	Not Very much	Neutral	Somewhat they have	They have commitment sense Very much
7.	I am doubtful ab	oout whether the or	ther team men		· · _
	Not At All	Not Very Much	Neutral	Somewhat they will	Very much they will
8.	_	about the other tea			_
	1	2	3	4	5
	Not At All	Not Very much	Neutral	Somewhat confident	Very much confident

9.	Team members	have much know	ledge about the	work that needs	to be done
	1	2	3	4	5
	Not At All	Not Very much	Neutral	Somewhat they have	They have Very much
10.	Team members	are capable of per	rforming their ta	nsks	
	1	2	3	4	5
	Not At All	Not Very capable	Neutral	Somewhat capable	Very much capable
11.	I feel I can trust	my co-worker in	the team	Α.	
	1	2	3	. 4	5
	Not trust At All	Not Very Trust	Neutral	Somewhat trust	Trust Very much

Part Four-Performance (Paul et. 2004)

A. 1.	I collaborated w	vith my teammates	to come up w	rith decisions acce	ptable to us
	1	2	3	4	5
	Not Accept At All	Not Very Accept	Neutral	Somewhat Accept	Accept Very much
2.	I tried to bring a in the best possi	all our concerns out	in the open s	so that the issues c	ould be resolved
	1	2	3	4	5
	Not At All	Not Very much	Neutral	Somewhat	Very much
3,	I tried to work vexceptions.	with my team mem	bers to find so	olutions to problen	n that satisfy ou
	. 1	2 .	. 3	4	5
	Not At All	Not Very much	Neutral	Somewhat	Very much
4.	I exchange accu	rate information w	ith my teamn	nates to solve a pro	oblem together.
	Not At All	Not Very much	Neutral	Somewhat	Very much
		•			•
5.	I tried to investi acceptable to us	gate information w	ith my team	members to find a	solution
	1	2	3	4	5
	Not At All	Not Very much	Neutral	Somewhat	Very much
В. ј	perceived decisio	n quality			
1.	The decision ma	ake by my group is	practical		
	1	2	3	4	5
	Not practical At All	Not Very practical	Neutral	Somewhat practical	Very practical
2.	The decision ma	ade by my group is		4	-
	1	2	3	4	5
	Not fair At All	Not Very fair	Neutral	Somewhat fair	Very fair
3.	I am confident t	hat the final decision		-	
	1	2	3	` 4	5
	Not confident At All	Not Very confident	Neutral	Somewhat confident	Very confident

4.	I feel that the quality of the group's decision would have positive effects on the performance of the company.				
	1	ne company:	3	4	5
	Not Positive At All	Not Very Positive	Neutral	Somewhat Positive	Very Positive
5.	Overall, it is my opinion that our final decision is of high quality. 1 2 3 4 5				
	Not At All	2 Not Very High Quality	Neutral	Somewhat High Quality	Very High Quality
C .	Satisfaction with	decision making p	rocess		
1.	Our group was able to reach a consensual solution without any major conflict.				
	1	2	3	4	5
	Not At All	Not Very much	Neutral	Somewhat able to reach	Very much
2.	The decision making process of the group was complete				
	1	2	3	4	5
	Not complete At All	Not Very complete	Neutral	Somewhat complete	Very complete
3.	The progress of the group towards the stated goals of the task was satisfactory.				
	1	$\frac{1}{2}$	3	4	5
	Not satisfactory At All	Not Very satisfactory	Neutral	Somewhat satisfactory	Very satisfactory
4.	Overall, as a member of our team, I am satisfied with the process I employed in arriving at the final solution.				
	1	2	3	4	5
	Not satisfied At	Not Very	Neutral	Somewhat	Very
	All	satisfied		satisfied	satisfied
5.	Overall, I am sa	tisfied with the pr	ocess I emplo	yed in arriving at t	he final solution.
	Not satisfied At	Not Very	Neutral	Somewhat	Very
	All	satisfied	1104141	satisfied	satisfied

Part Five- 1 raining (INC	JS, 2002)
Does your organization p	provide following training:
a. Conflict conciliate	Yes No
b. Technology	Yes No
c. Sales and marketing	Yes No
d. Language	Yes No
Part Six- Basic individu	ial information
Gender: Male Fem	ale
Age: 30~35 35~40	40~45 45~50 More than 50
Education: Bachelor	Master
Experience on study or w	vorking abroad: Yes (where No
Formal Organizational P	osition:
Organization is: Japanese Taiwan	e company European USA
How long have you work	in your organization?
How long have you work	c with TNT's?
Rusiness area:	

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