

**A STUDY ON CULTURAL FACTORS AFFECTING TEAM
EFFECTIVENESS AMONG MULTI – CULTURAL TEAMS IN THE
CONTEXT OF KNOWLEDGE MANAGEMENT**

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requirements for the degree Master in Business Administration,
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By

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ABSTRACT

In view of the escalating interests in the study of diverse workforce, this study is undertaken to explore the effect of cultural factors on team effectiveness in the context of knowledge management. This study looks at the knowledge sharing aspect of knowledge management. The role of the organization as a moderator between the two factors and in encouraging knowledge sharing is also examined.

The objective of this research was to study the cultural factors that positively contributed towards team effectiveness and assisted in the process of knowledge sharing among team members. It also examined the cultural factors that inhibited the progress of these teams and hinders the process of knowledge sharing among team members. The sample chosen for this study comprised of middle management personnel representing the three major races; Malays Chinese and Indians from three American multi-national companies located in Northern Kedah and Perlis.

The findings confirmed that cultural factors do contribute towards team effectiveness and assisted in the process of knowledge sharing. The findings concurred that there was a positive correlation between Islamic work ethics and team effectiveness. The relationship between ingroup/outgroup interpersonal relationship, power distance and ‘gotong-royong and budi’ values and team effectiveness were partially supported. No significant relationship was found between collectivism, self vs collective interests, concern for face and team effectiveness. However the role of the organization significantly moderated the relationship in Islamic work ethics, ‘gotong-royong and

budi' values, and ingroup/outgroup interpersonal relationship and team effectiveness and contributed towards knowledge sharing. Organizational role significantly moderated the relationship between Concern for face and team effectiveness although this relationship was found to hinder knowledge sharing among team members. The relationship between collectivism, self vs collective interests were partially supported. It was observed that management had to play lead role in cultivating these traits so that members willingly give up their personal interests over collective interests and share their knowledge without feeling threatened. The relationship between power distance and team effectiveness were found to be not significant and this is important as it will not hinder knowledge sharing.

This study was significant as it shows the impact of cultural factors on team effectiveness in the context of knowledge sharing. Another important finding was the significant relationship between 'gotong-royong and budi' values, Islamic work ethics and team effectiveness and its positive contribution towards knowledge sharing. These factors need to be further explored, as they will provide valuable insight into the work behavior patterns of the Malaysian workforce particularly in the context of knowledge management

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TABLE OF CONTENTS

	Page
PERMISSION TO USE	i
ASBTRACT	ii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	xi
LIST OF FIGURES	xii
LIST OF ABBREVIATIONS	xiii
CHAPTER ONE: INTRODUCTION	
1.0 Overview	1
1.1 Introduction	1
1.2 The research problem	2
1.3 Study Context	4
1.4 Significance of the study	5
1.5 Summary	5
CHAPTER TWO: LITERATURE REVIEW	
2.0 Overview	6

	Page
2.1 Culture and cultural issues	6
2.1.1 Definition	9
2.1.2 Cultural values	12
2.1.3 “Gotong – royong and budi” values	15
2.1.4 Islamic work ethic	16
2.1.5 High & low context cultures	17
2.1.6 Dimensions of culture	20
2.2 Diverse teams	28
2.3 Knowledge management	37
2.3.1 The role of organizations in knowledge management	39
2.4 The Malaysian scenario	46
2.5 Summary	50
CHAPTER THREE : THEORETICAL FRAMEWORK	
2.0 Overview	51
3.1 Theoretical framework	51
2.1.1 Independent variable – Cultural factors	52
2.1.2 Dependent variable - Team effectiveness	56

	Page
2.1.3 Moderating variable - Organizational role	60
3.2 Relationship between the independent and the dependent variables	64
3.3 Relationship between the moderating variable, independent variables and the dependent variable	67
3.4 Summary	68
CHAPTER FOUR : METHOD	
4.0 Overview	69
4.1 Research design	69
4.2 Sample selection	70
4.3 Instruments	71
4.3.1 Questionnaires	72
4.4 Procedure	81
4.5 Summary	81
CHAPTER FIVE: RESULTS	
5.0 Overview	82
5.1 Frequency distribution	82
5.2 The mean of the independent, dependent and the moderating variables	84

	Page
5.3 The relationship between the independent and dependent variables	86
5.3.1 The relationship between the cultural factors and team effectiveness in Company A	88
5.3.2 The relationship between the cultural Factors and team effectiveness in Company B	89
5.3.3 The relationship between the cultural factors and team effectiveness in Company C	90
5.3.4 Overall analysis of the relationship between the independent and the dependent variables	91
5.4 The moderating effect of the organizational role on the relationship between the independent and the dependent variables	93
5.4.1 The moderating effect of the organizational role on cultural factors and team effectiveness in Company A	95
5.4.2 The moderating effect of the organizational role on cultural factors and team effectiveness in Company B	96
5.4.3 The moderating effect of the organizational role on cultural factors and team effectiveness in Company C	98
5.4.4 Overall analysis of the effect of the moderating variable on the independent and dependent variables	99
5.5 Summary	101

	Page
CHAPTER SIX : DISCUSSION	
6.0 Overview	102
6.1 The relationship between the independent variables and the dependent variable in the context of knowledge sharing	102
6.1.1 The relationship between collectivism and team effectiveness	102
6.1.2 The relationship between ingroup/ outgroup interpersonal relationship and team effectiveness	103
6.1.3 The relationship between concern for face and team effectiveness	104
6.1.4 The relationship between power distance and team effectiveness	105
6.1.5 The relationship between 'gotong-royong and budi values' and team effectiveness	106
6.1.6 The relationship between Islamic work ethics and team effectiveness	107
6.2 The moderating effect of organizational role on the independent variables and the dependent variables	108
6.3 Summary	115

	Page
CHAPTER SEVEN: CONCLUSION	116
REFERENCES	119
APPENDIX 1 - Power Distance Index	125
APPENDIX 2 - Questionnaire	126
APPENDICES 3 – 5 : Pearson correlation analysis for Company A, B and C	145
APPENDIX 3 - Company A	146
APPENDIX 4 - Company B	147
APPENDIX 5 - Company C	148
APPENDICES 6 – 8: Moderated regression analysis for Company A, B and C	149
APPENDIX 6 - Company A	150
APPENDIX 7 - Company B	151
APPENDIX 8 - Company C	152

LIST OF TABLES

	Page
CHAPTER TWO: LITREATURE REVIEW	
2.1 Priorities of values	13
2.2 Advantages and disadvantages of diverse teams	30
CHAPTER FOUR: METHOD	
4.1 Adapted questions in section D	75
4.2 Adapted questions in section E	76
4.3 Adapted questions in section H	79
4.4 Adapted questions in section I	80
CHAPTER FIVE: RESULTS	
5.1 Frequency distribution	83
5.2 The mean of the independent, dependent and moderating variables	84
5.3 Pearson correlation analysis	86
5.4 Significant relationship between the independent and dependent variables	87
5.5 Overall findings	91
5.6 Moderating effect of the role of organization in the relationship between the independent and dependent variables.	94
5.7 Overall analysis	99
5.8 The comparison of the analysis	108

LIST OF FIGURES

	Page
CHAPTER THREE: THEORETICAL FRAMEWORK	
3.1 Theoretical Framework	52
3.2 Theoretical Framework : The relationship between the independent, dependent and moderating variables	63

LIST OF ABBREVIATIONS

DV – Dependent Variable

IV – Independent Variable

MV – Moderating Variable

IWE – Islamic work ethic

vs - versus

eg - example

Chapter One: Introduction

1.0 Overview

In this chapter, the introduction, the research problem, study context, objectives and the significance of the study are presented.

1.1 Introduction

Wan Rafaei (2000) contends that teams are replacing individuals as the organizations' core unit, as teams prove to be more effective than individuals in certain situations. The onset of globalization has forced organizations to deal with multinational and multi-cultural work teams which is now a business imperative. Cross-cultural teams can be either highly effective or ineffective depending on the nature of the task and the conditions that prevail. When successfully managed, however, differences in the culture can lead to innovative business practices, faster and better learning within the organization and sustainable sources of competitive advantage (Hoecklin, 1996 in Low&Shi, 2002).

Knowledge has become a critical factor to organizations to gain competitive edge. Organizations are keenly aware that their people are their most important asset. The successful implementation of knowledge management is linked to culture and people.

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