

# CHALMERS



## Fostering Efficient Knowledge Transfer in Cross-cultural Organisations

*A systematic Approach to a Cross-disciplinary Theory*

*Master of Science Thesis in the Master Degree Programme, Quality and  
Operations Management*

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Department of Technology Management and Economics

*Division of Operations Management*

CHALMERS UNIVERSITY OF TECHNOLOGY

Göteborg, Sweden, 2012

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## Acknowledgements

This master thesis has been written for Chalmers University of Technology, Sweden. This is the final task for completing a five years education at Chalmers resulting in a Master of Science degree within Quality and Operations Management. However, in the perspective of the topic of this thesis my learning experience did start many years before conducting this research. Prior to my time at Chalmers University I have been living and working many years in the South East Asia region which has given me a personal attachment to the topics and considerations in this thesis. I have during the years seen many sound ideas and much innovativeness that goes lost when the Small and Medium sized Enterprises (SME) is facing the complex and multi-layered task of setting up an organisation in the region. It has been evident to me that the establishing entrepreneur needs a conceptual tool useful as for structuring the whole process in a comprehensive manner. It is my hope that this contribution will be of use for the establishing SME's with shedding some aggregated light on the theoretical contributions that is available out there.

I would like to express my sincere gratitude to the Swedish Business Association, Indonesia (SBA) and Thai-Swedish Chamber of Commerce, Thailand (TSCC) for inviting me to conduct this research and giving me access to their members. This thesis is based on empirical data that has been acquired in semi-structured interviews with senior management in enterprises in the region. The interviewees are kept anonymous throughout this research so I can only express my gratitude here in an aggregated but individually intended expression of appreciation; thank you for your time and efforts!

Throughout the research I had the pleasure of receiving invaluable support from the Chairman of SBA, Per Brandt, as well as the Chairman of TSCC, Peter Björk, for which I am deeply grateful. My supervisor Mats Winroth does also deserve my greatest thanks for the support and for letting me pursue the research goals. I would also like to thank my good friend John Lundin for his continuous support and feedback before and through-out the research.

Lennart Tibblin

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2012-06-19, Gothenburg, Sweden

# Abstract

The research on organisation learning and creativity in cross-cultural organisations has gained a lot of attention the last decades due to the accelerated globalization and increasingly diverse organisations. The cross-cultural organisation holds apart from the traditional homogenous organisations considerations, also concerns towards the influence of cultural and individual values, communicated over language barriers. While the concept of the cross-cultural organisation holds much opportunity for exploring multiple theoretical disciplines, less research has been done in a manner that gives an overview suitable for an establishing entrepreneur. The objective of this thesis was to examine how a conceptual cross-disciplinary perspective on the learning organisation can illuminate the enablers and barriers the entrepreneur are challenged with in an establishment in a cross-cultural context.

The data collection methods used in this thesis was semi-structured interviews and literature research. Due to that the empiric data is derived from observations in semi-structured interviews, an inductive research strategy was the most suitable approach. This strategy allows to verify the findings from the interviews in established research and to develop further questions for following interviews. A total of 12 interviews were made, divided over six people. They were held in two countries in South-east Asia, Indonesia and Thailand. The interviews and the literature research were done between 2011-08-01 and 2012-05-01.

The interviews and literature research has identified barriers that are related to language differences, cultural distances, and the presence of cultural and language defined sub-groups in the organisation. The enablers identified were similarities over cultural barriers, access to knowledge, the socio-collective identity as a driver to organisation identity and local language adaptation. One insight is that the learning process within the culturally and language diverse organisation needs to be addressed in the perspective of the individual's embodied cognition as a capable participant in the organisation's learning. By using a conceptual overview of the barriers and dependencies related to an organisation process, the considerations can be analysed in the perspective of both the individual's cognition and the organisations requirements.

Other findings are the needs for a cultural and language transparent way to assess the quality of the information and knowledge. With culturally and language transparently defined information criteria, the barriers that are related to cultural and language differences can be assessed from the agility of the intermediary mechanism itself instead of the capability of the agents.

In this thesis it's also argued that the learning organisation needs to cater for the individual's acquirement of knowledge as well as the individual's sense of social and organisation identity. By identifying the individuals motivating values and promote organisational incentives the organisation can motivate the individual to negotiate the perceived risk of their social value i.e. 'face value' and take an interactive part in the learning process.

# Sammanfattning

Forskningen om lärande och kreativitet i interkulturella organisationer har fått mycket uppmärksamhet de senaste decennierna på grund av en accelererad globalisering och allt mer diversifierade organisationer. En tvärkulturell organisation måste utöver de homogena organisationernas hänsynstaganden även kunna hantera påverkan av kulturella och individuella värderingar, vilka dessutom kan komma att kommuniceras över språkbarriärer. Medan en interkulturell organisation rymmer mycket möjligheter för att utforska flera teoretiska discipliner, har mindre forskning gjorts på ett sätt som ger en överblick som lämpar sig för en etablerande organisation i en tvärkulturell kontext. Syftet med denna avhandling var att visa hur ett konceptuellt tvärvetenskapligt perspektiv på den lärande organisationen kan belysa de drivkrafter och hinder företagaren kan se i ett tvärkulturellt sammanhang.

De datainsamlingsmetoder som används i denna avhandling var semi-strukturerade intervjuer och litteraturforskning. Då empiriska data härrör från semi-strukturerade intervjuer, var en induktiv forskningsstrategi den mest lämpliga metoden. Denna strategi gör det möjligt att verifiera resultaten från intervjuerna i etablerad forskning och utveckla ytterligare frågor för följande intervjuer. Sammanlagt 12 intervjuer gjordes fördelat över sex personer. De hölls i två länder i Sydostasien, Indonesien och Thailand. Intervjuerna och litteraturen forskning gjordes mellan 2011-08-01 och 2012-05-01.

De barriärer som intervjuer och litteraturforskning har identifierat är relaterade till språkliga skillnader, kulturella avstånd, och förekomsten av kulturella och språkliga undergrupper i organisationen. De identifierade hjälpfaktorer var likheter över kulturella barriärer, tillgång till kunskap, den socio-kollektiva identiteten som en drivkraft för organisation identitet och en anpassning till det lokala språket. Genom att använda en konceptuell översikt över barriärer och hjälpfaktorer i samband med en organisation process kan överväganden analyseras mot bakgrund av såväl individens kognitiva självbild som organisationens behov. En insikt är att inlärningsprocessen i en kulturellt och språkligt diversifierad organisation måste baseras på en hänsyn till individens kognitiva självbild som delaktig i organisationens lärande.

En ytterligare insikt är behovet av en kulturell och språklig neutralt sätt att bedöma kvaliteten på information och kunskap. Med kulturellt och språkligt neutralt definierade informationskriterier kan de hinder som är relaterade till kulturella och språkliga skillnader bedömas utifrån funktionalitet av överföringsmekanismen i stället för förmågan hos de anställda.

I denna avhandling framhålls det också att den lärande organisationen behöver tillgodose den enskildes behov av att förvärva kunskap samt individens känsla av social- som organisationsidentitet. Genom att identifiera individuella värderingar och motiveringsgrunder i organisationen kan man motivera individen att förhandla upplevd risk av deras sociala värde, dvs. "face value" och ta en interaktiv del i organisationens lärande.



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# 1 Introduction

---

*This chapter presents the background and purpose to why the research is conducted. It also establishes the research questions and limitations in this paper based on a problem analysis.*

Building a new organisation structure is by itself no trivial task. The multinational organisation that are off-shoring an organisation entity to a low cost country share some considerations with the entrepreneur of the smaller enterprise. Aside from the physically dominated considerations that were the norm for the typical manufacturing company in the 1950's the organisation of today is more commonly a knowledge based construct (Drucker, 1988; Scardamalia & Bereiter, 2006).

One of the more prominent criteria for an organisation to function and prosper, is to have the ability to absorb, delegate, manage and utilize the information and knowledge generated from processes and functions within the organisation (Etemad, 2004; Triandis, 2001; Söderberg, 2002). The information and knowledge communication within the organisation is thus a vital enabler for the organisation to plan, allocate, coordinate and control resources efficiently. The literature defines this ability as the Learning Organisation (C.Goh, 1998). It is argued that there is a need for a *structured and systematic* way to harness and transfer the individual's knowledge into the realm of organisational knowledge (Argyris, 1999; Senge, 1990).

While not enjoying the benefits of having the multinational enterprises resources, stamina, transferrable corporate culture and guidelines, establishing small to medium sized enterprises (SME) have traditionally been facing the challenge of building a new organisation without much support from in-house management theory and capital venture firms (Clarke, 1998). Even though the organisations commonly don't start their lives with an empty slate there are contextual factors that need to be addressed when moving or build up an operation in a foreign setting. The establishing organisation in a cross-cultural context needs in addition to be able to manage organisational knowledge and behaviour, have understanding of the interaction between co-workers from different countries and cultures and how it can affect the operation.

The entrepreneurs has traditionally been reliant upon acquire knowledge by experience, rendering the knowledge predominantly tacit. The differences between countries, and the different cultural, religious and language compositions they hold, makes the knowledge learned from one nation potentially less usable in another (Hofstede, 2007). It is conclusively understood among the researchers that cultural diversity enables a rich dialog around different ways of thinking about issues and values, thus the organisations would benefit from define

their management systems to reflect the culture and language diversities (Chen & Easterby-Smith, 2009; Glinow, Shapiro, & Brett, 2004; Hamers & Blanc, 2000). While the concept of the cross-cultural organisation holds much opportunity for exploring multiple theoretical disciplines, less research has been done in a manner that gives an overview over all the factors that has an influence over the organisational learning.

## **1.1 Purpose**

The purpose of this thesis is to with support from theory and empirical data, suggest a conceptual framework to visualize the factors that has an impact on the knowledge management for a cross-cultural organisation. The research will focus on these aspects in the perspective of establishing an SME in South East Asia (SEA).

## **1.2 Problem analysis**

The cross-cultural organisation is a highly complex construct with diversity in languages, cultures, values and beliefs. The challenges and associated time and costs with setting up a new organisations in a region, with very little to none cultural, religious and language bearings is something that is well known by the established entrepreneurs in (SEA) (I1, 2011; I2, 2011; T3, 2011; T2, 2011). Commonly mentioned among the entrepreneurs is the difficulties of sourcing a management team, language barriers and how to manage the information and knowledge transfer within the organisation (I1, 2011; I2, 2011; T3, 2011; T2, 2011). Also mentioned are the difficulties to establish a sense of belonging and Organisational Identity (OI) throughout the organisation, and in particular for the work force in the lower segments of the organisation structure (I1, 2012; I2, 2012; I3, 2012; T2, 2012).

The standardization of organisation procedures is essential to gain organisational learning, manage knowledge and evaluate quality (Wheelwright, 1992). In the perspective of the establishing cross-cultural organisations one central question has been how to balance the desired need for standardization, individual and group assimilation to the organisation and still maintain consideration for the specific norms of the cultural context. The communication between agents within such an organisation requires to a certain extent a shared platform of deciphering tools and protocols to be able to communicate and evaluate knowledge and information, and to reach a common understanding of the task at hand as well as the shared overall objective.

These tools and protocols functionality are inherently derived from the distance between the agents in terms of language, culture, values, and beliefs. This renders that the organisations need establish communication quality criteria that is cultural and language transparent to be able to success in a standardization effort of the knowledge management.

By identifying the barriers and enablers that exist to the knowledge and information transfer and the sense of belonging, and by evaluate the possible contributions from related theoretical fields, this paper will suggest a conceptual framework to visualize the factors that has an impact on the knowledge management for the organisation.

### **1.3 Research questions**

To analyse the organisational challenges for SMEs when establishing an organisation in SEA the research will be focused on the following questions:

- **Fostering the organisational learning in cross-cultural organisations: what are the barriers, enablers and criteria?**
  - What are the factors involved in the knowledge transfer over cultural and language barriers?
  - What are the implications of the culture and language diversity within the organisation?
  - What are the drivers and barriers towards participation and organisation identity?

### **1.4 Delimitations**

Even though the aspiration of this thesis is to establish a conceptual framework of the considerations for an establishing organisation, limitations have to be made. This thesis will be limited to the information, knowledge and learning aspects in a cross-cultural organisation, and the barriers and enablers related to them. With “System Quality”, which are depicted in the conceptual overview (figure 1-1), it is meant the quality of the supporting fundamental structure that commonly supports the interaction and communication channels like meetings, reports and other similar means. The communication can take place within both the technology based network as well as in the social network, and quite possibly in both simultaneously. However, in this paper will the “System Quality “considerations are limited to the interaction between the agents in the organisation, in the organic network perspective. It is assumed that the reader is familiar with the concepts of technology based network and that the occasional reference to them will be left without further exploration.

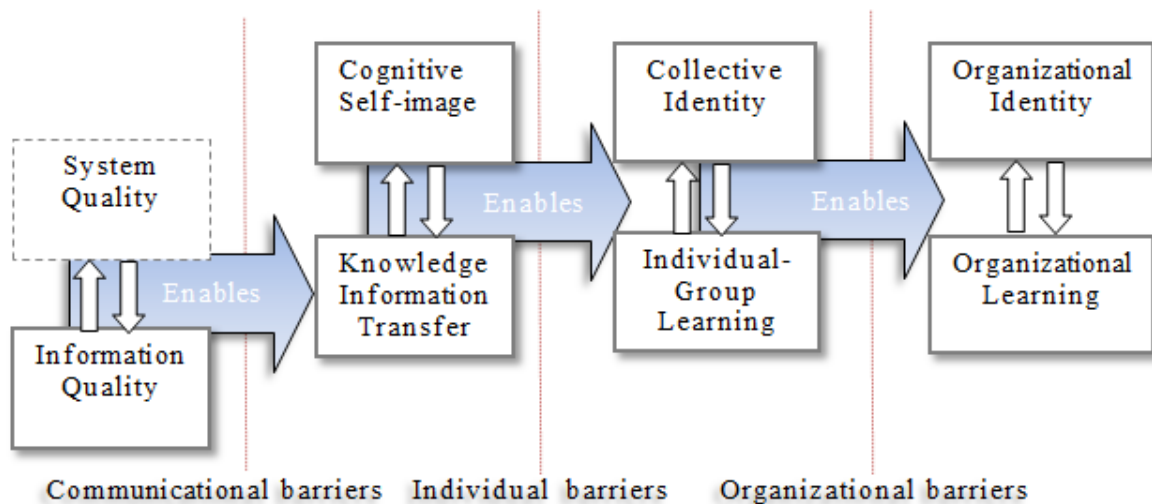


Figure 1-1 The knowledge and information transfer towards organisational learning, conceptually depicted as connected with the individual identity through the cultural -collective and the organisational identity (author)

## 1.5 Disposition of the report

Figure 1-2 depicts the structure and methodology of the report. The first chapter introduces the background as to why the research is conducted. It is here described what implications an entrepreneur faces that wants to establish an organisation in SEA, and what the cross-cultural organisation needs to establish to achieve organisational learning. To define the research questions, structure and establish boundaries of the research a problem analysis is conducted. The result from the problem analysis is what determines the research design and method in chapter 2. The theory that later will be used as reference in the analysis is presented in chapter 3. Chapter 4 analyses the theoretical and empirical findings that leads up to the following conclusion and discussion in chapter 5.

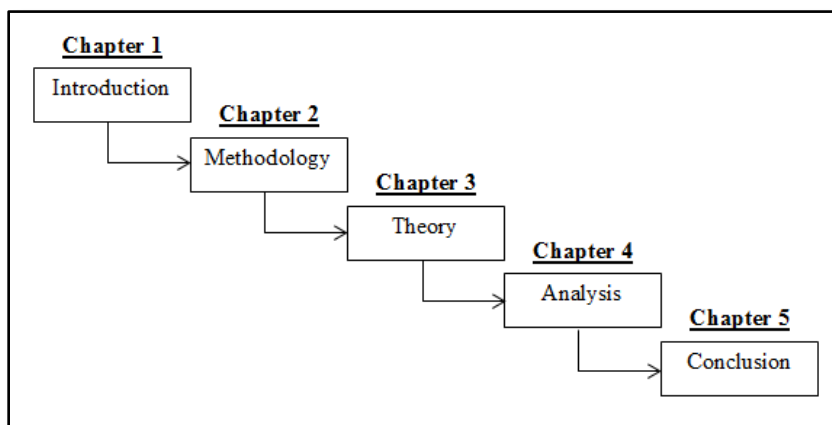


Figure 1-2 Disposition of the report (author)





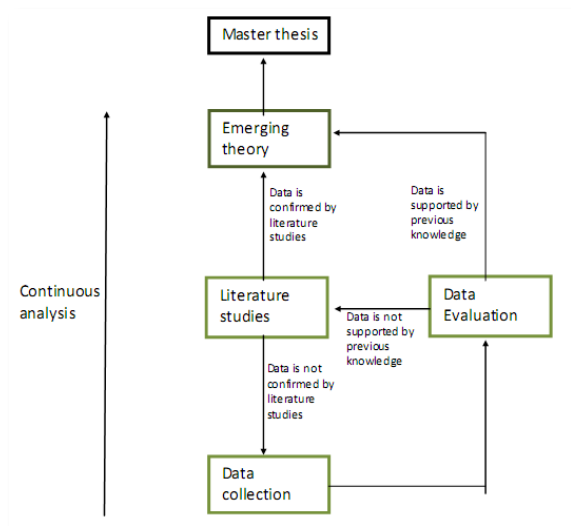
## 2 Research design and Method

*In this chapter the research design and method is presented. Based on the research questions and purpose defined in chapter two the validity and reliability of the method is also discussed.*

The inspiration to start this research derived from the authors previous work experiences in SEA. The project was initiated by the pre-research for the master thesis proposal which subsequently led up to this paper. The pre-research included literature studies of previous research and research methods to find a structured and systematic way to address the research questions. This resulted in a better understanding of the requirements of the research design as well as a conceptual framework, which through-out this following thesis has served as both an interview aid as well as a harnessing frame for the continuous analysis and literature studies.

### 2.1 Research design

Due to that the empirical data collection were done with semi-structured interviews; an inductive research strategy was the most suitable approach. In an inductive research strategy, data is collected to build a theory rather than to test it (Bryman & Bell, 2011). This method is favourable when a researcher has data that is describing specific observations, and need to establish a framework of the underlying structure of processes that are evident in the data.



**Figure 2-1 the emerging theory process in this papers research strategy, conceptual view (author)**

Bryman & Bell (2011) argues that one of the challenges when dealing with analysing qualitative data derived from semi-structured interviews, is how to deal with new themes of information that not directly relate to the theories or findings identified in previous studies. This is further discussed by (Bryman & Bell, 2011) as the need to reanalyse the previous

theories to identify if the new findings are possible valuable candidates to include in the research. By alternate the interviews with literature studies the data gathered from the interviews could continuously be evaluated. This in the perspective of existing theory and generate further insights towards an emerging theory, and illuminate questions to lift forward in a following interview.

## **2.2 Literature studies**

This study was initiated with a pre-research literature study in the realm of the research topics. A study of previous literature and knowledge regarding this topic did result in a better understanding of the research questions which also resulted in new and refined knowledge to consider in the continuous research. Sources of literature research material were Chalmers library and Google Scholar, as well as literature available in local university libraries. With keywords in sequence like “management” AND “information” AND “cross cultural” AND “South East Asia”, Google Scholar does an analysis of the meaning of the keywords and return articles and books that should be found relevant, but not necessarily match the exact keywords. The articles were then analysed in terms of thesis, relevant research, age and references in order to identify possible contributions to the research questions and the continuous analysis.

## **2.3 Interviews**

The research data was to a great extent gathered by semi-structured interviews of the representatives of the participating organisations, formed to include the various organisational, cultural and language factors. The interviews were held at the location of the respondent’s workplace and with the intention to take approximately one hour. The topics were introduced with a short explanation of the theoretical background so that the respondent could orientate himself in the subject. The topics and questions was formed so to allow for flexibility for the respondent to respond to what is relevant for his specific thoughts and knowledge, yet be distinct enough to drive answers towards the research questions. The first session’s questions were focused on the knowledge transfer and its barriers, and the organisational learning and organisation identity. The second session did focus on the sub-group and the individual’s identification with the group and the implications for the learning and organisation identity.

### 2.3.1 The first interview

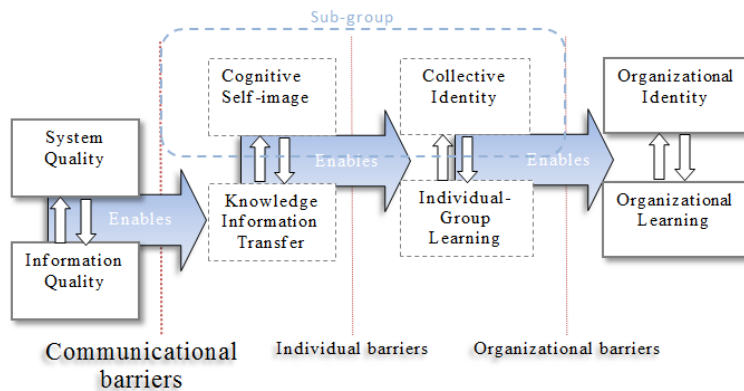


Figure 2-2 Focus topics in the first interview sessions (author)

The sequence of questions in the first interview (appendix I):

1. The cultural dimensions, Hofstede.
2. Communicational barriers
3. System quality
4. Information quality
5. Organisational identity
6. Complementing questions

The questions on the first session were introduced to the respondents as shown in appendix 1 based on the focus topics shown in figure 2-2. By focusing on the input, knowledge and the outcome of a working process, the organisational learning, the interviews could start in a domain where the factors possibly were more visible for the interviewee. As the research for this thesis deals with subjects that touches potentially politically sensitive areas like intellectual levels, religion, ethics and loyalty, an important concern for the interview sessions is to build trust and a comfortable setting for the discussions.

The rationale behind the sequencing of questions was that by building up a domain for the discussion, based on a reflection of established definitions of cultural or individual characteristics, the following discussion would be kept with a focus on the cultural dimensions of the research topics. Furthermore, as the research touches the possibly more sensitive subjects as the “embodied cognition”, “cultural collective identity” and the barriers related, the intention was to start with the more “palpable” topics to not discourage the interviewee towards participation.

### 2.3.2 The second interview

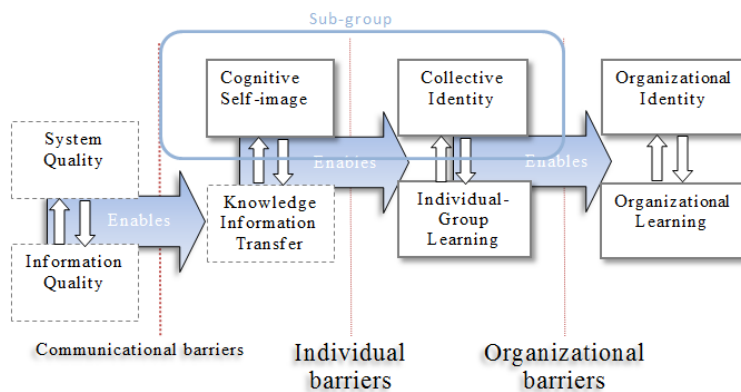


Figure 2-3 Focus topics in the second interview sessions (author)

The sequencing of questions in the second interview (appendix II)

1. Organisational learning & identity
2. The sub-group
3. The collective identity
4. The self-image
5. Individual-group learning process
6. Individual values
7. Complementing questions

The questions on the second session were introduced to the respondents as shown in appendix 2 based on the focus topics shown in figure 2-3. The change of the format of the second session's material was to an extent derived from the literature studies done after the first session which did result in a more defined conceptual framework that was presented to the interviewees and served as guidelines for the interviews. Based on the recordings and notes of the interview session a follow-up transcript of the interview was sent out to the participating respondents to give an opportunity to clarify and suggest correction of data. Respondents were also given the choice of what information that they required to be kept confidential or left out.

## 2.4 Validity

The validity in research shows how well the propositions in the research match the casual conditions in the real life (LeCompte & Goetz, 1982). Matching the scientific explanation to the real world and its actual conditions in it lifts forward two questions to be answered; is there a good match between the data and theoretical ideas developed, and can the ideas be generalized across different groups and social settings (LeCompte & Goetz, 1982)? The answer to the first question is defined as the internal validity and the latter the external validity.

### **2.4.1 Internal validity**

The new knowledge accumulated from every session, such as new insights and information, can possibly affect the discussions in the following interviews. New knowledge is hard to ignore, and even though it has not affected the key questions presented to the respondents, it can influence the interviewers input in the discussions and as such influence the interviewees reasoning (LeCompte & Goetz, 1982). This is a consideration that has been taken in to account when designing the questions and supporting material for the interview sessions.

#### ***2.4.1.1 Objectivity***

One of the criticisms towards qualitative research is that the data is filtered through the eyes of the data collector (Bryman & Bell, 2011). The authors own previous experience of working in cross-cultural organisation can be a consideration in terms of objectivity. Throughout this research the interviews were complemented with notes to describe the atmosphere and the settings. The notes and recordings have been helpful to improve the validity as it gave the opportunity to later reflect on what was said and written in interviews and to analyse the discussions to detect objectivity (Argyris, 1999).

#### ***2.4.1.2 Respondent validation***

LeCompte & Goetz (1982) discuss that internal validity strengthens by a prolonged interaction with the respondents due to that the researcher can ensure a high level of congruence between concepts and data. During the research the author has as a part of the research process continuously interacted with the respondents via email, at gatherings and official events. This has given an opportunity to complement the literature studies with their input and feedback. As discussed in section 2.3, after the interview session a follow-up transcript of the interview was sent out to the participating respondents to give an opportunity to clarify and suggest correction of data which also has been beneficial for the validation of the research.

### **2.4.2 External validity**

To validate the findings a better understandings of the dynamics behind the different challenges in establish an organisation in different parts of the region has to be established. With interviewing organisations in two countries in SEA a comparative study will help to

illuminate and better understand the dynamics behind the different challenges. The choice of countries has been made based on the differences in the characteristics of the cultural, social, and economical and language factors between them.

The aim was to interview a minimum of 5 SMEs from each country to have substantial input of data for the analysis, which however did turn out to be hard to achieve. The research was from the beginning constrained by resource boundaries which made the selecting of sample population from each nation a matter of the most efficient path to an acceptable validity.

With the rationale that the data collection from the interviewees shall represent the targeted constellation of a cross-cultural organisation in their nation of establishment, a motivation to evaluate of the data as representative has to be presented. Factors that can be viable contributing indicators of the interviewee's cross-cultural representativeness are time in the country, position in the organisation and the amount of employees under the responsibility of the interviewee. The interviewees and the organisations identities are kept confidential throughout this paper, but the country of establishment are indicated by the prefix of the interviewee ID in table 2-1.

| <b>Interviewee (ID)</b> | <b>Position (present)</b> | <b>Time in nation (years)</b> | <b>Employees (highest)</b> |
|-------------------------|---------------------------|-------------------------------|----------------------------|
| <b>I1</b>               | <b>Board Chairman</b>     | <b>19</b>                     | <b>6500</b>                |
| <b>I2</b>               | <b>General Manager</b>    | <b>6</b>                      | <b>250</b>                 |
| <b>I3</b>               | <b>President Director</b> | <b>13</b>                     | <b>500</b>                 |
| <b>T1</b>               | <b>Managing Director</b>  | <b>21</b>                     | <b>400</b>                 |
| <b>T2</b>               | <b>Executive Director</b> | <b>12</b>                     | <b>3</b>                   |
| <b>T3</b>               | <b>President Director</b> | <b>21</b>                     | <b>19</b>                  |

**Table 2-1**Representativeness of the interviewee's experience (author)

As shown in appendix III there is a small coherence between the interviews in terms of their assessment of the cultural differences. Even though there are differences between the interviewees in the estimating the dimensions and values based on Hofstede and Schwartz work, and the sample is on the small side, it shows an indication towards consensus. The variation in the estimation could arguably be related to the various backgrounds and type of entrepreneurship between the respondents.

To conclude that this sample holds enough water for the whole region is somewhat challenging. The facts that the all interviewees in this research have senior management positions can also raise considerations towards opinions being representative for the whole Swedish expatriate community in the region. Quantitative research is by its nature limited to a selection of representative cases to describe prevalent trends in thought and actions from a bigger community. The choice of respondents will then have to be determined on their ability to reflect on these trends, and this could arguably be related to the overview they have from a top position in the organisation. The result in this thesis should thus be seen upon as a study of a limited sample for a specific target, and as a stepping stone for further studies.

## **2.5 Reliability**

The external reliability is to what degree a study can be replicated (Bryman & Bell, 2011). It is argued that qualitative research is hard to replicate due to that social settings never are static. It is discussed whether independent researcher would reach the same result based on the changing variables (LeCompte & Goetz, 1982). It is suggested that to provide reliability to qualitative research it is essential with stringent documenting of data and filing of supporting documents for interviews. This should be done in conjunction with information about the social, cultural and historical context in which the research is done so that social changes and maturation can be taken in consideration (Borman, LeCompte, & Goetz, 1986). In this study all documents from interview has been collected and organized in a database in a systematic way to facilitate replication of the work process. The facts about the subjected nations and cultures are also given in the appendix of this report.





### 3 Theory

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*In the perspective of the findings in the problem analysis, interviews and literature studies the theory is analysed and applied. In this chapter the key concepts from the inductive research are presented. These are the subjects derived from both the observations in the semi-structured interviews and the literature studies and are what builds the emerging theory.*

#### 3.1 The Cross-cultural Organisation

Every organisation is a jumbled commotion of people, groups, objects and interactions. It is within the realm of this environment that the organisation members are required to create a meaning and take effective action based on the understanding and sense of affiliation with the collective goal. The organisational members, or the agents, initiate the interaction based on requirements, needs and preference (Tichy, Tushman, & Fombrun, 1979; Zack, 2000).

It is this interaction that defines the *knowledge and information transfer*, which can be considered as the dynamic interaction between three components; *the agents*, *the knowledge resource* and the *intermediary mechanism* between the first two (Belkin, 1984). The intermediary mechanism, which can be both the formal system, or/and another agent, then mediate the information or knowledge between the agents.

This renders that the communication between any agents within the organisation to a certain extent requires a shared understanding of the communication paths (*organisation structure*), deciphering tools (*language*), quality criteria (*information quality*) and protocols (*culture, customs*) to be able to reach a common understanding of the task at hand as well as the shared overall objective. These tools and protocols functionality are inherently derived from the distance between the agents in terms of culture, language, knowledge and knowledge absorption ability.

The global management theory, which applies to organisations in a cross-cultural context, can be divided into two paradigms. The Universalist paradigm teaches that there has to be one way of managerial effectiveness, regardless of the location or cultural context. The Contextual paradigm adheres in addition to organisational factors also to the contextual factors, such as culture and language (Trompenaars, 1993).

In the mid-1990s it was pointed out a lack of a cross-cultural perspective on the employee's interaction in organisations and that the research did suffer from segregation between the organisation psychology and cross-cultural disciplines (Erez, 1995). It has also been shown that a multicultural organisation will to a certain extent have an impact on the information

exchange (Hall, 1995; Hoecklin, 1995). Furthermore, the presence of cultural and language sub-groups is discussed to affect the in-groups individuals cognitive self-image, socio-collective identity and connection to the OI in the creativity and learning process (Kohn, 1987).

Melvin L. Kohn (1987) defines psychology as:

*“Psychology is the scientific study of human behaviour. Its presumptive goal is to achieve universal status by generalizing results found in particular ecological, social, legal, institutional, and political settings. Such generalization requires testing in maximally different cultures. In no other way can we be certain that what we believe to be social-structural regularities are not merely peculiarities, the product of some limited set of historical or cultural or political circumstances”* (Kohn, 1987)

Miriam Erez (1995) further defines psychology in an organisational perspective:

*“The field of Industrial/Organisational Psychology pertains to the application of psychology to the way individuals, groups and organisations behave to create output of products and services as a means for maintaining and enhancing their own survival”* (Erez, 1995)

This thesis is based on studies in these different theoretical fields, with intention to build a cross-disciplinary overview of the organisational learning process:

- Organisational learning; specifically through the knowledge transfer and individual learning in a cross-cultural organisation context
- Information quality; specifically information and communication quality criteria in a cross-cultural organisation context
- Organisational psychology; specifically embodied cognition, collective identity and organisation identity in a cross-cultural context

### 3.2 The sub-group

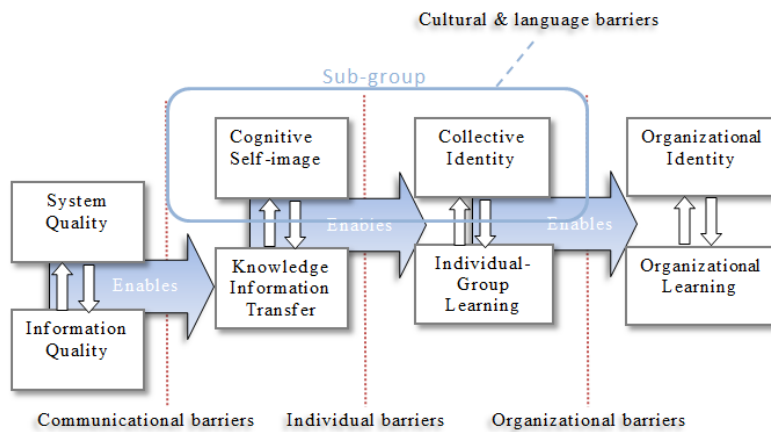


Figure 3-1 Organisational sub-groups, conceptual overview (author)

In the cross-cultural organisation the sub-group is defined by a group of individuals that by culture or language differs from the organisational culture and language. The organisational culture is predominantly derived from the country of the business origin, and the language in the cross-cultural context commonly English. As our language serves as an organizer of knowledge and is as such imperative for the understanding, the use of native language has shown to have an influential role in how the individual is shaping thoughts and habits (Hamers & Blanc, 2000; Boroditsky, 2001; Ji, Zhang, & Nisbett, 2004).

In later research it has been understood that a multi-cultural constellation in most organisational contexts will to a certain extent be challenged with difficulties when the information transfer includes “contextualization conventions” that differs across cultures (Glinow, Shapiro, & Brett, 2004). It is argued therefore, that for practical reasons there is a tendency to prefer interaction within cultures rather than across them, which renders our contextualization conventions predominately culture specific (Glinow, Shapiro, & Brett, 2004).

It is further discussed that even if the organisation formally embraces diversity, the individuals may choose to not interact with other members as they categorize as different (Schneider & Northcraft, 1999). Thus, in diverse organisations the distance between the individual members in the organisation can create by-pass routes between the members. These informal networks will be based on social, cultural or language preferences and can lead to sub-optimizing and sub-group competition (Schneider & Northcraft, 1999).

### 3.2.1 The cognitive self-image

The social cognitive theory adopts an agented perspective where the belief on one's ability to produce the desired effect is the core incentive to act (Bandura, 1998; Harris, 1994). This efficacy belief affects the individual's thought patterns and can as such both undermine as well as enhance their performance. This perceived self-image plays a fundamental role in human functioning and has impact on determinants such as goals, aspirations and inclination towards participation and creativity in a social setting. The organisations ability to distribute knowledge and information is thus directly related to the member's belief of their own capacity (Belkin, 1984).

Varela et.al. (1991) defines Embodied Cognition (EC) as:

*“Embodied cognition draws on theories that reveal how a person's capacities to process information, draw conclusions, gain knowledge, and interact with the world are functions of experiences that come from having a human body”* (Varela, Thompson, & Rosch, 1991)

George Lakoff and Mark Johnson (1999) further lift forward:

*“Embodied cognition assumes that an individual continually reconstructs or construes and expresses the concepts that he or she uses to understand their world depending upon the explanatory task at hand, the array of available multimodal information, the individual's vantage point, and their skill with particular embodied capacities”* (Lakoff & Johnson, 1999)

The ability to communicate and associate or disassociate with the collective when forming and linking the self-image to a group has been emphasized in social identity theory (Tajfel, 1982). The more one conceives of oneself in terms of the membership of a specific group, the more importance this identity carries for the self (Jetten, O'Brien, & Trindall, 2002). In a culture where the self-image (face) can be defined as a positive social value the tendency is to avoid situations where this social value is at risk, i.e. losing face (Ting-Toomey & Kurogi, 1998). Those who doubt their abilities will when faced with obstacles and setbacks slacken their efforts and settle for none or mediocre performance (Bandura, 1998; Bandura, 2000).

### 3.2.2 The socio-collective identity

People's shared beliefs in their collective power to produce desired results, are a key ingredient of the collective agency (Bandura, 1998; Bandura, 2000). It is argued that the cognitive theory extends the conception of human agency to the collective agency and that a

collective's performances not simply are the sum of the individual's ability but rather an emergent group level property (Bandura, 2000). However, measures of self-esteem used in cross-cultural comparisons have often been based on individual attributes rather than on group attributes (Bond & Smith, 1996). In this perspective have many cross-cultural comparisons possibly failed to identify differences in self-evaluation derived from the collective and the cultural identity (Luhtanen & Crocker, 1992). Depending of which of these measures used to evaluate individuals' self-esteem and identity across cultures, it will affect what one discovers about the concepts (Bond & Smith, 1996).

Two of the more prominent research contributions as to identify cultural differences are the studies by Geert Hofstede (Hofstede, 1984) and Shalom Schwartz and colleagues (Schwartz & Bilsky, 1987; Schwartz & Sagiv, 1995; Schwartz, Melech, Lehmann, Burgess, Harris, & Owens, 2001). By using these researcher's contributions some illumination can be provided on how culture and individual values can affect the individual's interaction within the organisation (Thorne & Saunders, 2002).

### **3.2.3 Geert Hofstede and the five cultural dimensions**

Among the more influential studies of the cultural construe in an organisational context is Geert Hofstede *Cultural Consequences* in 1984. Hofstede's study was performed within the organisation of IBM and was based on a survey of 72.215 employees in 66 countries. The chief result from his work was the definition of four dimensions of a culture. A fifth dimension was later added which was derived from findings from a Chinese study (Hofstede & McCrae, 2004). The resulting five dimensions are (Hofstede, Geert Hofstede™ Cultural Dimensions):

#### *Power distance*

Power distance is defined as the extent to which members of an organisation, which belongs to lower levels of the organisational hierarchy, accept and expect power to be unequally distributed (Hofstede & McCrae, 2004). This definition is based on the notion on of the members in the *lower* level of the hierarchy. Showing more or less power works well among high (low) power distance defined cultures because of the familiarity and acceptance of inequalities in power. Recent research has pointed out that power distance relates inversely to economic wealth (Hofstede, 2007). This means that the wealthier a society or nation becomes the lower will the tolerance be for unequally distributed power. Individuals that belong to a

nation of high power distance will also be more inclined to accept centralization and formalization of authority and great tolerance for the lack of autonomy and personal initiative (Donthu & Yoo, 1998).

### *Uncertainty avoidance*

This dimension defines how ambiguity and unstructured situations are handled in society. This is communicated through anxiety which manifests in a need for predictability (McSweeney, 2002). Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures (Hofstede & McCrae, 2004). In a high uncertainty avoiding culture people are also more prone to take an explicit stand in religious or philosophical questions, believing that there exists one explicit truth. In cultures with low uncertainty avoidance, people like to have as few rules as possible and they take a more relativistic stand towards philosophical and religious ideas (Hofstede & McCrae, 2004). Cultures of low certainty avoidance show a higher tolerance of opinions and behaviours different from their own and do need less precise and explicit rules such as job descriptions. Cultures of high uncertainty avoidance have a strong need of a controlled environment and situations (Donthu & Yoo, 1998).

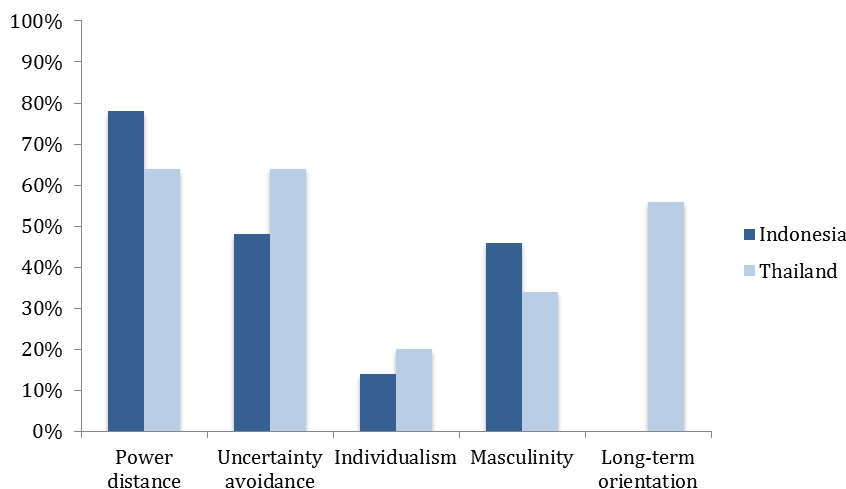
### *Individualism*

The individualism dimension has two end points on the measurement scale: individualism versus collectivism. In an individualistic culture everyone is focused on them self and only looks after his or her immediate family. In collectivistic cultures, the family concept is extended to include for example uncles and aunts, who are looked after in return for unquestioned loyalty (Hofstede & McCrae, 2004). However, since Geert Hofstede first developed this dimension in the 1980's, other authors have argued that one single dimension is not enough to characterize individualistic and collectivistic cultures. An additional dimension of vertical-horizontal has therefore been proposed (Tjosvold, Law, & Sun, 2003). Cultures can then be divided into four different groups: horizontal individualism, horizontal collectivism, vertical individualism and vertical collectivism. In Horizontal Individualism, the emphasis is on that individuals are inclined to personal agendas without the need for higher status. Vertical Individualism is that individuals are inclined to personal agendas and superior status. Horizontal Collectivism is defined as the focus on equality, sociability, and interdependence with a lesser respect for authority, whereas Vertical Collectivism focus on the in-group but with a greater respect to authority (Tjosvold, Law, & Sun, 2003). In individualistic cultures

job specialization and individual rewards is emphasized and a competitive climate encouraged. In collectivistic cultures people are by birth integrated into strong cohesive groups where they are protected by the unquestioned in-group loyalty (Donthu & Yoo, 1998).

### *Masculinity*

Masculinity versus its opposite, femininity refers to the distribution of roles between the genders. The IBM studies revealed that (a) women's values differ less among societies than men's values; (b) men's values from one country to another contain a dimension from very assertive and competitive and maximally different from women's values on the one side, to modest and caring and similar to women's values on the other (Hofstede & McCrae, 2004). The assertive pole has been defined as 'masculine', whereas the modest and caring pole 'feminine'. In cultures where the masculine roles are highly different from the feminine roles the masculine individuals tend to emphasize differentiated gender roles, performance and ambition. In cultures where the gap between the masculine and feminine roles are smaller, emphasize tend to be directed towards fluid gender roles, attentiveness and interdependence (Donthu & Yoo, 1998).



**Figure 3-2 Geert Hofstede's Five Cultural Dimensions in a comparison between Indonesia and Thailand (Hofstede, 1984; Hofstede & McCrae, 2004)**

### *Long term orientation*

Using a questionnaire designed by Chinese students, the fifth dimension was defined. With the value as Long Term Orientation on one side of the scale, which are driven by thrift and perseverance, ordering and adhere to relationship by status and having a sense of shame. Short Term Orientation is respect for tradition, fulfilling social obligations and saving face (Donthu & Yoo, 1998). It can also be said to deal with Virtue versus Truth (Hofstede & McCrae, 2004).



### **3.2.3.1 Critique of Hofstede's five dimensions**

Even though the enormous sample and amount of data gathered in Hofstede's work has impressed most researchers there has been some criticism toward its construe validity. The most prominent critique of Hofstede claims is the representativeness of the IBM population (Triandis, 1982; Banai, 1982; Robinson, 1983; Korman, 1985). The data gathered from IBM was restricted in a number of ways, mostly derived from the fact that it were gathered from within the confinement of the IBM organisation. The questions were almost exclusively about work place issues and as such arguably not representative for the national culture as whole. Even though Hofstede acknowledges that within national cultures there are sub-cultures he fails to further explore the implications and interplay between them (McSweeney, 2002). Another limitation that arguably has a bigger impact on the application in a cross-cultural manufacturing organisation is the fact that the analysed surveys were confined to certain categories of IBM employees, excluding among others the blue-collar workers (McSweeney, 2002).

### **3.2.4 Shalom Schwartz ten motivating values**

One of the more influential studies on how values can drive social actors and their choice of actions is the work of Shalom Schwartz and his team of researchers (Schwartz & Bilsky, 1987; Schwartz S. , 1992). In the effort to integrate the psychology and cross-cultural disciplines, the cross-cultural psychologists have considered the individual's values a core aspect of culture and a chief source for explaining cross-cultural differences in human behaviour (Smith & Schwartz, 1997). On this fundamental level of conscious goals for a human existence lays three universal requirements; biological needs, requisites of coordinated social interaction and demands of group functioning (Kluckhohn, 1951; Rokeah, 1973) see (Schwartz S. , 1992). Based on these three universal requirements, a survey in 55 countries performed by a team of researchers (Schwartz & Bilsky, 1987; Schwartz S. , 1992) resulted in 155 samples. These samples provided substantial support to define ten motivationally distinct types of values which serve as guiding principles to how social actors choose actions, evaluate people, and justify their actions and evaluations.

**Stimulation** (*Excitement, Variation, Challenge*)

*“He looks for adventures and likes to take risks. He wants to have an exciting life.”* (Schwartz, Melech, Lehmann, Burgess, Harris, & Owens, 2001).

To maintain an optimal level of activation and participation the need for variety and stimulation must be maintained. The motivation goal for stimulation is excitement, novelty and challenge in life which can manifest in looking for adventures and challenge conventional thoughts (Schwartz & Sagiv, 1995). The stimulation within an organisation is derived from having rotating tasks or by participation in innovative work settings. The success from successfully completing a challenging task drives stimulation.

**Achievement** (*Successful, Capable, Ambitious, Influential*)

*“Being very successful is important to him. He likes to stand out and to impress other people.”* (Schwartz, Melech, Lehmann, Burgess, Harris, & Owens, 2001).

A cornerstone to the ability to obtain means of survival, to succeed in social interaction and in organisational functions is the required level of competence (Schwartz S. , 1992). Personal success can be emerged through demonstrating competence according to social standards, built primarily on social approval. Official recognition in an organisational context as being a contributing member is a verification of personal achievement. Personal success can also be emerged through the sense of self-worth, linked more closely to one's independent self-determined standards (Schwartz & Sagiv, 1995).

**Self-direction** (*Creativity, Freedom, Independent, Choosing own Goals*)

*“He thinks it's important to be interested in things. He is curious and tries to understand everything.”* (Schwartz, Melech, Lehmann, Burgess, Harris, & Owens, 2001).

The driving needs behind self-direction are independent thought and action-choosing, creating, and exploring new things (Schwartz S. , 1992). Schwartz & Sagiv (1995) discuss that self-direction corresponds to autonomy. Organisation that has flexible work teams with autonomous tasks will encourage self-directed members. It is further argued that the drivers argued by (Schwartz S. , 1992) are related to agency and empowerment (Alkire, 2005).

## **Hedonism** (*Pleasure, Enjoying life*)

*"He really wants to enjoy life. Having a good time is very important to him."* (Schwartz, Melech, Lehmann, Burgess, Harris, & Owens, 2001).

The driver towards hedonism is the need for pleasure and sensuous gratification for oneself (Schwartz S. , 1992). The hedonistic value presents an opposite value to tradition and benevolence. It is argued that hedonism can be manifested on two levels, the nation and the individual. On the individual level it is correlated with hedonistic behaviour and on the socio-collective level it is correlated with the acceptance of pleasure and active leisure (Veenhoven, 2003).

## **Power** (*Authority, Wealth, Preserving my public image*)

*"He likes to be in charge and tell others what to do. He wants people to do what he says."* (Schwartz, Melech, Lehmann, Burgess, Harris, & Owens, 2001).

The drivers behind the goal of social power are the need for social status and prestige, control or dominance over people and resources (Schwartz S. , 1992). It is also argued that the desire to gain social power and acceptance towards authority varies over cultural boundaries and is as such much influential in the information exchange between agents of different cultures (Schwartz S. , 1992; Hofstede, 1984; Trompenaars, 1993).

In 1959 John French and Bertram Raven presented a topology of social power that describes five sources to social power; reward, coercive, expert, legitimate, and referent (French & Raven, 1959). They lift forward *reward power* as when someone perceives another to be able to provide desired rewards and *coercive power* when they can invoke punishment. It's argued that superiors could have both reward and coercive power over their subordinates because of their perceived ability to both give a raise or demoting a co-worker. Individuals seemed to have expertise or knowledge, in a specific domain or more generally, possess *expert power*. An individual can also hold *legitimate power* with others assuming that he has the right to exert influence over others. This can be related to that an individual holds a particular social role that commands respect or authority or because others feel a certain obligation to defer to that individual. Finally, *referent power* is said to refer to an individual's or group's likeableness or social attractiveness to others. Referent power is based on a feeling of identification with the other.

**Universalism** (*Broadminded, Social Justice, Equality*)

*"He wants everyone to be treated justly, even people he doesn't know. It is important to him to protect the weak in society."*

(Schwartz, Melech, Lehmann, Burgess, Harris, & Owens, 2001).

The drivers behind the sense of universalism are described as the need for understanding, appreciation, tolerance and protection for the welfare of all people and for nature, a "World at Peace" (Schwartz S. , 1992).

**Benevolence** (*Helpful, Honest, Forgiving, Loyal, Responsible*)

*"He always wants to help the people who are close to him. It's very important to him to care for the people he knows and likes."*

(Schwartz, Melech, Lehmann, Burgess, Harris, & Owens, 2001).

The driver behind the benevolence characteristics is the urge to preserve and enhance the welfare of people with whom one is in frequent personal contact (Schwartz S. , 1992).

**Tradition** (*Humble, Accepting ones fortune, Respect for Tradition, Moderate*)

*"He thinks it is important to do things the way he learned from his family. He wants to follow their customs and traditions."*

(Schwartz, Melech, Lehmann, Burgess, Harris, & Owens, 2001)

Tradition value driver is defined as the respect, acceptance and commitment to the customs and ideas that traditional culture or religion provides (Schwartz S. , 1992).

**Conformity** (*Politeness, Obedient, Self-discipline, Honouring Parents and Elders*)

*"He believes that people should do what they're told. He thinks people should follow rules at all times, even when no-one is*

*watching."* (Schwartz, Melech, Lehmann, Burgess, Harris, & Owens, 2001).

The conformity need is pronounced as restraint from actions, inclinations and impulses likely to upset or harm others and violate social expectations or norms (Schwartz S. , 1992).

## **Security** (*Family Security, National Security, Social Order*)

*"It is important to him to live in secure surroundings. He avoids anything that might endanger his safety."* (Schwartz, Melech, Lehmann, Burgess, Harris, & Owens, 2001).

The security value is described as the need for safety, harmony and stability of society, of relationships, and for one self (Schwartz S. , 1992). The need for safety can be translated to a secure employment contract or secure surrounding at work. An organisation can, and should be, considered a social construe (Hofstede, 1984). Thus, conflicts derived from social differences, religious believes or cultural predispositions can be a contributor to sense of a less secure environment.

Schwartz theoretical model is operationalized with a questionnaire where the respondents are asked to evaluate the values in terms of importance as guiding principles in their own life. After data collection the value priorities are analysed by means of Smallest Space Analysis. This multidimensional scaling technique generates a geometrical representation of the value inter-correlations in a two-dimensional space (figure 3-2).

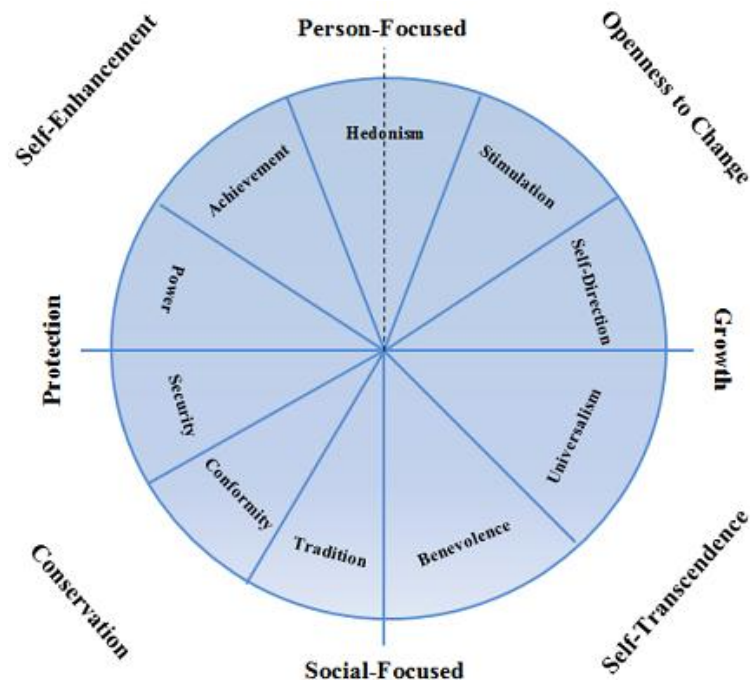


Figure 3-3 Motivational continuum of 10 values (Schwartz, 1992)

Shalom Schwartz's (1992) hypothesized structure of values which describes the ten value types in a circle with compatible value types in close proximity and competing value types on opposing sides in the circle. Schwartz (1992) further defines four higher order value domains, where Self-enhancement is in opposition to Self-transcendence, and Openness to change opposes Conservation.

The intention with Schwartz and his teams efforts is to define the individual's central goal, the end state to which they are directed (Caprara, Shalom Schwartz, & Vecchione, 2006) and what needs guides the individual within the social collective structure (Roccas, Sagiv, Schwartz, & Knafo, 2002).

Trompenaars (1993) further extends these guiding principles into the culture domain when he states that a culture is composed of shared values between the individuals. However, it is also argued that culture must be measured at an individual level even though it is assumed that it is a group-level phenomenon (Straub, Loch, Evaristo, Karahanna, & Strite, 2002). Value theory can therefore address creativity and organisational learning, as a social as well as an individual process (Schwartz S. , 1992). These conclusions have later been influential in research regarding the implications of these values in a work setting (Schwartz, Surkiss, & Ros, 1999).

### **3.2.5 Organisational Identity**

Organisational Identity (OI) is commonly described as an individual's notion as a participative organisation member and a sense of shared commitment towards a collective goal (Allen & Meyer, 1996; Ellemers, Gilder, & Heuvel, 1998; Harquail & King, 2010). One more developed conceptualization of OI is when it is looked upon as individual's perception of himself as a member of a social entity, the organisation, where the construing of the OI is an on-going, iterative, cognitive process for the individual organisation members (Harquail & King, 2010; Bergami & Bagozzi, 2000). By the continuous interaction with other agents, processing of the interaction, physical as well as symbolic, the member's sense of OI is not only by the objective physical stimuli, but also by socially construed experiences.

This means that the cognitive mapping of belonging to the organisation also is an intuitive process for the individual to achieve a social identity (Bergami & Bagozzi, 2000). Furthermore, it is argued that on the level of culture, work and life cannot, and should not, be separated (Hofstede, 1984). Thus, confirmed by numerous researchers, the organisation member's Organisation Identity will be influenced by the social collective identity, and as such also influenced from culturally derived values (Ellemers, Gilder, & Heuvel, 1998; Scott & Lane, 2000; Albert, Ashforth, & Dutton, 2000; Gioia, Schultz, & Corley, 2000; Hatch & Schultz, 2007; Harquail & King, 2010; Schneider & Northcraft, 1999; Ashforth & Mael, 1989).

It is further argued that the continuity of the OI can protect from and alleviate the negative consequences of a threatened social collective identity (Jetten, O'Brien, & Trindall, 2002). This linkage has also been described as a potential *social dilemma* within the organisation, when an individual can reap benefits from an organisational membership without paying its costs through organisational participation (Schneider & Northcraft, 1999).

### **3.3 The learning organisation**

One of the imperatives for organisations to learn is to be respond to threats, draw lessons from the past or engage in innovation (Argyris & Schön, 1996). Organisational learning has gained more interest during the past decades as a research discipline, motivated by the increasingly fast changing environment and increasingly diverse organisations. Even though the acknowledged importance of the subject, it has been pointed out in a range of studies that there is a lack of consensus in defining appropriate measures for analyse and assess the learning within the organisation (Chiva, Alegre, & Lapiedra, 2007).

A four stage process for reaching organisational learning is put forward by (Huber, 1991; Slater & Narver, 1995) that consists of information acquisition, information dissemination, shared interpretation and organisational memory. The information flow in the organisation can be viewed going in two directions, top down or bottom up. The top down model is a representation of bureaucratic organisational learning whereas the bottom-up model depicts autonomy with an emphasis on individual learning (Child, et al., 2001).

A third model called middle-up-down management model is a combination of both the bottom up and top down model and is a balanced approach that defines the interaction between top, middle, and lower levels in the organisation. This is effective when the middle level is completely familiar with company policies, procedures, grass root level problems and acts as an interpreter. For this to work, there need to be trust in the middle management from top and bottom. As Trompenaars and Hampden-Turner (2004, p.16) concludes; “middle management is the bridge between the standards of top management and the chaotic reality of those on the front lines”.

#### **3.3.1 The knowledge and information transfer**

On the more fundamental level of requirement for the learning organisation is the ability to gain and communicate knowledge within the organisation (Horvath, 2000). The knowledge

and information transfer, can be considered as a dynamic network, with interaction between three components; *the agents*, *the knowledge resource* and the *intermediary mechanism* between the first two (Belkin, 1984). The agents, or the interacting organisational members, initiates the interaction based on requirements, needs and preference. The intermediary mechanisms, which can be within the formal as well as the informal domain, technology based and/or by another agent for the organisation, then mediate the information or knowledge between the agents (Belkin, 1984; Zack, 2000). Depending on the modal of interaction, these network links may reflect the formal organisation defined by authority relationships, the structuring and flow of work, the informal organisation defined by the informal communication and information exchange, and the social relationships (Tichy, Tushman, & Fombrun, 1979).

Crossan, Lane and White (1999) maps out the framework of organisational learning as linking the individual, group, and organisational levels with four processes: intuiting, interpreting, integrating and institutionalizing. The framework, depicted in table 3-1, is based on an iterative process where the individuals acquire knowledge that is fed into the organisation's memory to become structured organisational knowledge, and after the knowledge has become institutionalized the organisational knowledge is then again explored by employees in the organisation. By that the organisations members is given the ability to exploit and evaluate the knowledge, the organisation learning takes place (March, 1991; Moorman, 1993; Crossan, Lane, & White, 1999).

| Process Level | Individual                                  |  | Group   | Organisation  |
|---------------|---|--|---|---|
| Process       | Intuiting                                   | Interpreting                                   | Integrating   | Institutionalizing  |
| Input/Outcome | <i>Experiences<br/>Images<br/>Metaphors</i> | <i>Dialogue<br/>Language<br/>Cognitive map</i> | <i>Interactive systems<br/>Mutual adjustment<br/>Shared understanding</i> | <i>Routines<br/>Diagnostic systems<br/>Rules and procedures</i> |

Table 3-1 learning in Organisations: Four processes through three levels (Crossan, Lane & White, 1999)

### 3.3.2 The individual-group learning

The chief element in learning is that the individual is consciously aware of differences and alternatives and have deliberately chosen one of these alternatives. Learning is not just about taking in information. Learning is also dependent on the quality of the information itself, and quality of the framework it is communicated within as well as the ability of feedback and verification. Learning redefines ourselves and enables us to do cross barriers and do something we never have done before (Senge, 1990). Even though individual learning is



fundamental to organisational learning, it is not simply the sum of the individuals learning (Fiol & Lyles, 1985). Organisational processes and systems foster individuals to learn when they enter the organisational culture which implies that individuals and culturally defined groups are to some sense interchangeable. Thus, learning is also a system-level phenomenon, as the knowledge stays within the organisation even if the individuals change.

### *Intuiting*

In their framework of organisational learning (table 3-1) (Crossan, Lane, & White, 1999) lifts forward the individuals intuiting as an important entry stage in the learning process. Intuiting is defined as the individual's ability to subconsciously recognize patterns, similarity and possibilities, based on previous experience, mental images and metaphors. Individuals use metaphors to help explain their intuition to themselves and to share it with others. Even though we share intuitively derived assumptions over cultural barriers are there cultural concepts that can render the intuition different between individuals (Barret & Nyhof, 2001). As metaphors are recognized as a critical link in the evolution from individual intuitive insight to shared interpretation (Crossan, Lane, & White, 1999), the communication and interaction between the individuals are thus inherently subjected by their cultural domain (Barret & Nyhof, 2001; Ji, Zhang, & Nisbett, 2004).

### *Interpreting*

The process of interpreting is the individual's conscious development of cognitive maps of their self and the domain they operate. It is argued that cognition and reasoning styles differ across cultures; individuals will to an extent interpret the same information differently, based on their established cognitive maps. For example, East Asians tend to reason in a holistic and relational way, whereas Westerners, in particular European and Americans, tends to reason in an analytic way (Ji, Zhang, & Nisbett, 2004). The knowledge and information communication is thus a social phenomenon, with functionality impaired by the cultural and language distance between the agents and functions in the organisation. As (Crossan, Lane, & White, 1999) lifts forward; *"just as language plays a pivotal role in enabling individuals to develop their cognitive maps, it is also pivotal in enabling individuals to develop a sense of shared understanding. Interpreting is a social activity that creates and refines common language, clarifies images, and creates shared meaning and understanding* (Crossan, Lane, & White, 1999: 528)". As our language also serves as an organizer of knowledge it is as such imperative for the understanding, thus the language understanding has an influential role in how the individual is shaping thoughts (Hamers & Blanc, 2000; Boroditsky, 2001; Ji, Zhang, & Nisbett, 2004).

### *Integrating*

It's by shared goals and understanding the coherence in action is built. It's when the team's task requires high interdependence among the team members, that they need to develop shared mental models and knowledge to guide their behaviour (Cannon-Bowers & Salas, 2001). By a continuous conversation among members of the groups and through shared practice and participative decision making, the collective mind develops by mutual adjustment and negotiated action (Crossan, Lane, & White, 1999; Seely-Brown & Duguid, 1991).

The participative decision making is considered a motivator for the employee's involvement and a driver towards organisation commitment and organisation identity. It is argued that it facilitates for learning due to that information needs to be provided to the employees in order for them to be part of the decision making process efficiently (Chiva, Alegre, & Lapiedra, 2007). This integrative process is dependent on an established structure of roles and identities as enablers to root in organisational practices (Crossan, Lane, & White, 1999).

### *Single loop and double loop learning*

Learning is occurred under two conditions; when the result is as intended, as when there is an outcome which matches the intent of the process, and when a failure to match the intent of the process subsequently allows action to correct it to match the intent (Kim, 1993; Argyris & Schön, 1996). Argyris (1999) further develops the process of correcting the outcome into two different types of learning, single-loop and double-loop learning. In single-loop learning the individual detects the mismatch or failure and corrects the input without questioning the underlying values in the system. In double-loop learning the individuals first examines and alters the governing variables, and then the input or actions (Argyris & Schön, 1996; Argyris, 1999). This is exemplified with an individual's ability to questioning if an erroneous product configuration should even be produced instead of afterwards correct the errors with the product, which would be double loop learning. This is reliant upon the individual's authority to access organisational knowledge as well as ability to understand the information to be possible. A parallel can here also be drawn to total quality management and the discussion often held on differences between efficiency, doing things right, and effectiveness, doing the right thing (Argyris & Schön, 1996).

### **3.3.3 Organisational learning**

Cohen (1991) relates organisational learning and development in psychology when he argues that the foundation of organisational capabilities is the collective knowledge of its individual members. The organisational learning is derived from individual behaviour when acting as agents for the organisation (Moorman, 1993). In order to become a learning organisation, the knowledge that results from organisational inquiry must become embedded in the organisation, held in its members' cognitive maps and memories, routinely re-entered in the processes embedded in the organisational environment (Kim, 1993; Argyris & Schön, 1996). Argyris & Schön (1996) further discuss that learning only takes place when the newly acquired knowledge gets translated into a changed behaviour that is *replicable*. Huber (1991) develops this further arguing that an organisation only learns if any of its units acquires knowledge that is recognized as potentially useful to the organisation. Organisational learning is therefore dependent on the individuals given ability to analyse and take action to satisfy their role as a contributing member of the learning organisation, i.e. their perceived organisational identity (Moorman, 1993).

## **3.4 The barriers to learning**

### **3.4.1 Communicational barriers**

In a cross-cultural organisation the transfer of knowledge and information is inheritably impaired by the cultural, language and knowledge barriers (Smircich, 1983; Hall, 1995; Hoecklin, 1995; Griffin & Hauser, 1996; Bhagat, Kedia, Harveston, & Triandis, 2002). It is argued that there are similarities in group communication and the individual communication when one discuss the barriers of culture, custom and language in communicating over long distances, culture and nationalities. Organisational sub-groups and functions may speak different languages and have different priorities and thought worlds (Griffin & Hauser, 1996). Communicating over cultural, language and knowledge defined group boundaries could thus potentially be a barrier to learning. Figure 3-3 illustrates examples of communicational barriers in a manufacturing cross-cultural organisation established in the SEA region.

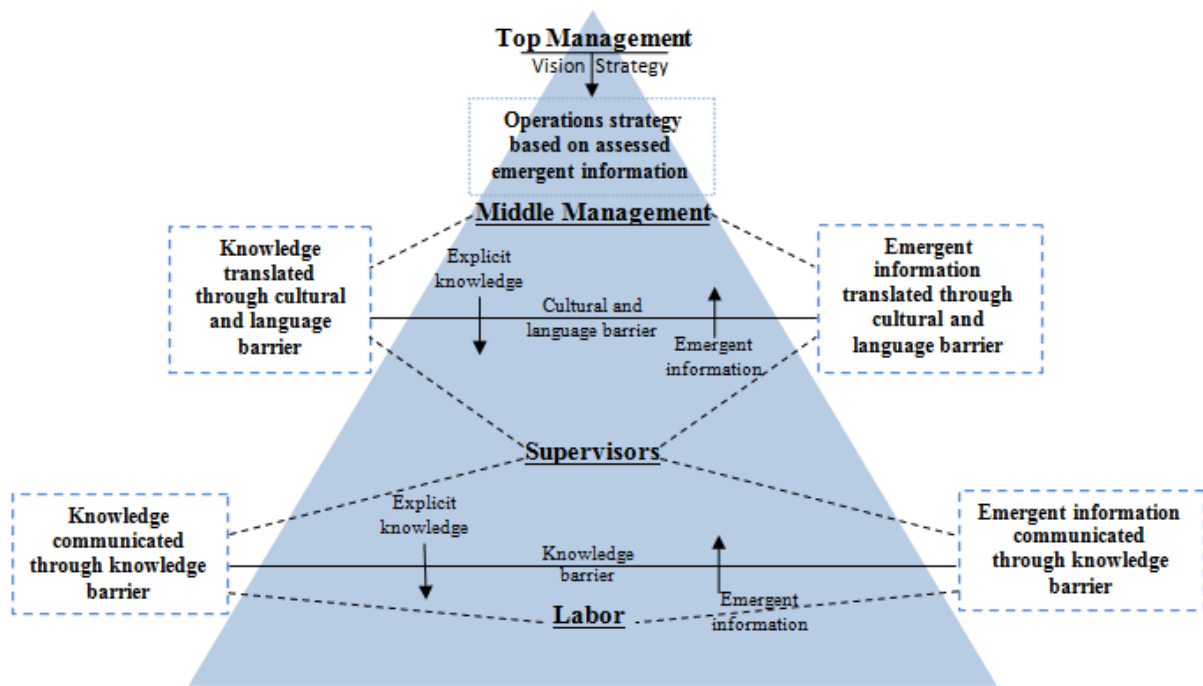


Figure 3-4 Barriers for the vertical knowledge and information transfers in an exemplified SEA cross-cultural manufacturing organisation (author)

In the exemplified organisation (figure 3-3) the labour or blue collar will almost exclusively be locally acquired, and with low level of specialized knowledge and knowledge absorption ability. This assumption is based on access to low cost labour as the predominate incentive of out-locating to this region, which in turn is correlated to the general educational levels among the population. On the supervisory level the labour can be either locally or regionally acquired, with enhanced language abilities and/or work merits. The middle management level generally consists of educated and specialized personnel that can be acquired both nationally and internationally. The top management is commonly represented by the entrepreneur or by a representative of the nation of origin for the out-locating venture. The management levels as a whole is predominantly an English speaking domain. The barriers will thus be defined by the transferring and receiving agent's cultural, language and knowledge constitution, and the distortion of knowledge and information derived from the distance of these aspects. Depending on the approach of knowledge management the organisation applies; top-down, bottom-up or middle-up-down, it will render different implications for the organisation.

### 3.4.2 Individual barriers

One of the barriers related to the individual learning are the emotional hindrances to change. The emotions can reflect many different states of mind. It is argued that anxiety is the main driver behind reluctance to change (Nadler & Tushman, 1997; Coutu, 2002). Coutu (2002)

further develop this by dividing anxiety into two different types, survival anxiety and learning anxiety. Learning anxiety could be the anxiety to learn new things due to unwillingness to change, based on the notion that it inheritably expose the individual of doing wrong, hence learning anxiety is a hinder to learning. It is argued that only when survival anxiety is greater than learning anxiety will learning occur (Coutu, 2002). The fear of being wrong is intimately related to what extent the social construe stigmatizes it, i.e. ‘loosing face’ (Chen & Easterby-Smith, 2009; Clarke, 1998). Individual barriers to learning can also be when failing to see the big picture and giving too much focus on events. This means that individuals have hard to take a system perspective and too often acts on what is best for them and their immediate surroundings and not for the organisation (Senge, 1990).

### 3.4.3 Organisational barriers

While individuals have a habit of learning from experience, organisations have feedback cycles, and such complex dynamics as learning from experience in this context is impossible (Senge, 1990). To allow the experience, or individual knowledge to become institutionalized, the individual needs to have feedback and verification (Crossan, Lane, & White, 1999). This verification can only be done by allowing the individual to initiate the access to the organisational knowledge (Crossan, Lane, & White, 1999). Simply having confirmation on that not doing wrong will not drive the individual’s notion of contributing to organisation learning, i.e. having organisation identity (Senge, 1990). Management support and clearly defined roles are important in all kinds of development work, hence is a barrier that must be considered to achieve ‘learning’ (Wheelwright, 1992). Having a management that stresses short term objectives and does not challenge traditional thinking is a barrier to learning (Senge, 1990).

| Communicational   | Individual  | Organisational   |
|---|---|--|
| <ul style="list-style-type: none"> <li>- Language diversity</li> <li>- Cultural diversity</li> <li>- Knowledge absorption ability</li> <li>- Lack of structured system to communicate information &amp; knowledge</li> <li>- Lack of language &amp; culturally transparent quality criteria’s for information &amp; knowledge transfer</li> </ul> | <ul style="list-style-type: none"> <li>- Reluctance to change, fear of “loosing face”</li> <li>- Defensive reasoning; “The enemy is out there”</li> <li>- Cultural resistance in spreading knowledge</li> <li>- Failure to see the big picture</li> <li>- Focus on events; “the boiled frog”</li> </ul> | <ul style="list-style-type: none"> <li>- Individuals learn from experience, organisations can’t</li> <li>- Lack of clearly defined organisational roles</li> <li>- Lack of managerial support</li> <li>- Resistance in sharing organisation knowledge</li> <li>- Lack of structured way to organize information &amp; knowledge</li> </ul> |

Table 3-2 Barriers to organisational learning (author)

### 3.5 The information system

Information systems are by definition composed of people and structures, harnessed by work systems, routines and technologies (Alter, 2003; Hevner, March, Park, & Ram, 2004). Organisational routines can be defined as “*repetitive, recognizable patterns of interdependent actions carried out by multiple actors*” (Feldman & Pentland, 2003). The rapid growth in organisations that stretches over national and cultural boundaries has generated a host of management issues that require a new set of tools to manage (Cross, Parker, & Borgatti, 2002).

With the presence and interaction between the socially construed networks as well as the formal organisational network, comes a need to understand how these structures work and how to manage them (Cross, Parker, & Borgatti, 2002). It is argued that the network perspective is a viable theoretical framework when defining the organisation as a system of interrelated objects (e.g. people, groups, organisation functions) (Tushman & Fombrun, 1979). Cross, Parker & Borgatti (2002) lifts forwards how a mapped network diagram can help to visualize and analyse the information flow between agents, groups and functions within the network.

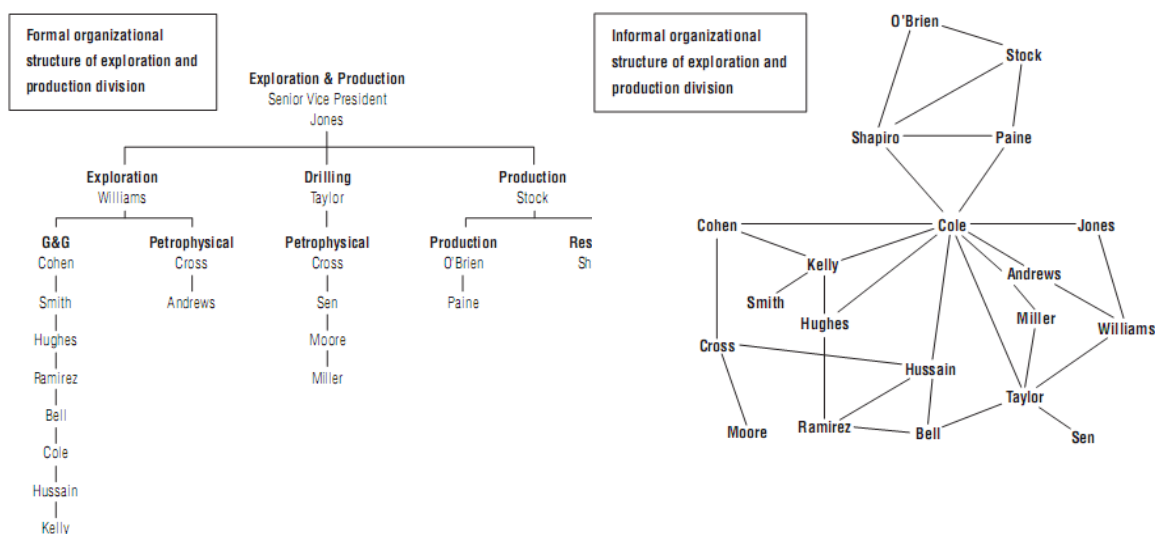


Figure 3-5 Formal and informal information flow (Cross, Parker & Borgatti, 2002)

The benefits with a network analysis are the ability to identify the causes and consequences related to the interrelations between the agents in the organisation. The multilevel of the network perspective can add insight to several content areas (Tushman & Fombrun, 1979). Mentioned are the communication between individuals and the analysis on power and political processes within the organisation (Cross, Parker, & Borgatti, 2002). Analysing and map the knowledge relations between people and departments can be particularly helpful for improving collaboration, knowledge creation and knowledge transfer in organisational

settings (Cross, Parker, & Borgatti, 2002; Tushman & Fombrun, 1979). The extent to as the information is subjected to distortion is influenced positively by the number of nodes it is transferred through (Cross, Parker, & Borgatti, 2002; Huber, 1991).

| Indicators                                 | Implications   |
|--|--|
| <b>Bottlenecks</b>                         | <b>Central nodes that provide the only connection between different parts of the network</b>   |
| <b>Numbers of links</b>                    | <b>Insufficient or excessive links between departments that must coordinate effectively</b>  |
| <b>Average distance</b>                    | <b>Degrees of separation connecting all pairs of nodes in the group. Short distances transmit information accurately and in a timely way, while long distances transmit slowly and can distort the information</b> |
| <b>Isolation</b>                           | <b>People that are not integrated well into a group and therefore, represent both untapped skills and a high likelihood of turnover</b>  |
| <b>Highly expert people</b>                | <b>Not being utilized appropriately</b>  |
| <b>Organisational subgroups or cliques</b> | <b>Can develop their own subcultures and negative attitudes toward other groups</b>  |

**Table 3-3 Indicators of potential barriers and enablers (Cross, Parker, & Borgatti, 2002)**

Figure 3-4 and table 3-3 depicts how the organisation can reveal potential barriers and enablers to promote and denote interaction by mapping the connections and analyse the communication (Cross, Parker, & Borgatti, 2002).

Information systems introduction into the organisations and its routines has generally been accompanied with changes of the organisations form and function (Volkoff, Strong, & Elmes, 2007). The organisation forms has more been designed to match the communication needs, and communication technology designed to match the organisation form (Fulk & DeSanctis, 1995). It has been argued that defining an information system should be based upon considerations both of the individual as well as technological capabilities (Volkoff, Strong, & Elmes, 2007). Later research has shown that with progress the IT design variables and considerations have become homogenous with the organisation design efforts (Lucas & Baroudi, 1994; Hevner, March, Park, & Ram, 2004; Fulk & DeSanctis, 1995; Dibrell & Miller, 2002; Zack, 2000).

### 3.5.1 Information quality

The definition of information quality stems from how the information is used and perceived by the receiving agents (Miller, 1996; Donthu & Yoo, 1998). In information system research there has been prevalence towards using the information output as a measurement of the systems performance (DeLone & McLean, 1992). Researchers have developed various system related items and quality dimensions for the measurement of the information output quality. One commonly used measurement for evaluating the information quality is the aggregated measurement "User Information Satisfaction" (DeLone & McLean, 1992; Bailey & Pearson, 1983). Even though this aggregated measurement have certain commonly recognized criteria such as accuracy, timeliness, relevance and understandability, many researchers still disagree on the specifics (Miller, 1996). In previous studies authors have made efforts to define a multi-attribute information utility for the measurement of the information value.

| Author                 | Dimensions   |
|------------------------|--|
| Ahituv (1980)          | Accuracy, timeliness, relevance, aggregation, formatting   |
| Baily & Pearson (1983) | Information accuracy, output timeliness, reliability, completeness, relevance, precision, currency         |
| Iivari-Koskela (1987)  | Relevance, comprehensiveness, recentness, convenience, timeliness, interpretability                        |
| Miller & Holmes (1996) | Accuracy, timeliness, completeness, coherence, format, accessibility, compatibility, security and validity |

Table 3-4 Reviewed information quality dimensions(author)

In the early 1980's Niv Ahituv constructed five measurement dimensions of information value; 'accuracy', 'timeliness', 'relevance', 'aggregation' and 'formatting' (Ahituv, 1980). Baily & Persons (1983) followed suit with their 39 system-related items for measuring 'User Information Satisfaction', where the ten most important are defined and ranked in descending order; 'information accuracy', 'output timeliness', 'reliability', 'completeness', 'relevance', 'precision' and 'currency'.

Another study defining dimensions for measure 'User Information Satisfaction' is the Iivari-Koskela (1987) satisfaction measurements constructs; "Informativeness" which consists of 'relevance', 'comprehensiveness', 'recentness', 'accuracy', and 'credibility'; "Accessibility" which consists of 'convenience', 'timeliness', and 'interpretability'; and "Adaptability".

Miller & Holmes (1996) argues for the definition of their proposed dimensions of information quality with pointing out that information quality is defined by the need of information's



recipient and how it is perceived by its users; 'accuracy', 'timeliness', 'completeness', 'coherence', 'format', 'accessibility', 'compatibility', 'security' and 'validity'. In table 3-4 these research contributions is summarized in terms of measurement dimensions for evaluation of the information quality.

### **3.5.2 Information quality dimensions**

#### *Accuracy*

Accurate information shall reflect the underlying reality. It is argued that the different purposes of the information require various levels of accuracy (Miller, 1996; Ahituv, 1980). In practice can the information be too precise information used for different purposes requires various levels of accuracy, and it is even possible for information to be too accurate in the sense of being too precise. When too precise the information's degree of precision exceeds the receiving agents processing capability (Miller, 1996) and hesitation to act occurs (Bailey & Pearson, 1983).

#### *Timeliness*

Timely information is still current. It is argued that implicit in this definition new information arises to replace the old (Miller, 1996). Information has a cycle time that depends on how quickly new information can be processed and communicated to its recipient. This requires that that the new information arrives in the right time. Right time can also be 'as soon as possible', but then with an accuracy-timeliness trade-off (Ballou & Pazer, 1995). Cross; Parker & Borgatti (2002) discuss that just the knowledge of someone's possession of information is not enough, gaining access to a person's thinking or knowledge in a sufficiently timely fashion is also a requisite. The transferring agents view on the timeliness for the receiving party of the information exchange can affect it as well (Huber, 1991).

#### *Completeness*

It is argued that in similarity with accuracy the information can be too complete for the receiving agent, which can lead to that the receiving agent can't process it all in a timely fashion (Miller, 1996). Complete information for one person can also be incomplete for another. Incomplete information can result in that the receiving agent will take action that is not preferred by the organisation (Maher, Ramanathan, & Peterson, 1979). Huber (1991) lifts forward that the difference between the desired or needed information and the actual information is positively related to the extent of distorted knowledge distribution in the organisation.

### *Coherence*

Coherence is how well the information hangs together and is consistent with itself. Information becomes incoherent through irrelevant details, confusing measures, or ambiguous format that confuses information customers and causes them to not receive or even to reject the information's message. Although information can be genuinely incoherent, incoherent information usually indicates an error in accuracy or timeliness.

### *Format*

The format of information is defined as how it is presented to the receiving agent. There are two components of information format that are considered its frame, its underlying form and its context for interpretation. Its underlying form is the container it is transferred in, and the context is the situation. It is argued that the amount of discretion allowed in the format of information transfer has a positive influence on the extent of information distortion (Huber, 1991). The predisposition and present knowledge of the information's receiver and sender, or interpretation boundaries, is thus influential to what are the appropriate format, and the context it is delivered in (Miller, 1996).

### *Accessibility*

The accessible information is information that can be accessed when needed. The accessibility depends on Accessibility depends on both the transferring agents and on the specific circumstance. It is argued that organisation units often are not aware of the existence or where it is accessible, rendering that the synergistically potential coupling between agents goes unconnected (Huber, 1991). Cross, Parker & Borgatti (2002) lifts forward the implications in accessibility when information has to be transferred through multiple nodes. For information quality to occur, timeliness and accessibility should complement each other. Timely information that is inaccessible or accessible information that is obsolete cannot satisfy an information customer's needs (Miller, 1996).

### *Compatibility*

Compatibility is the compatibility the information has with other information, how the delivering systems affect each other and work together (Miller, 1996). Examples of harnessing means for the knowledge delivery are language, culturally derived values (intuiting and interpreting) and OI (embodied cognition). The information exchange in a language and culturally diverse organisation will be influenced how compatible these factors are.

It is argued that an organisation should view internal processing entities as internal customers with specific requirements to be met (Hallowell, Schlesinger, & Zornitsky, 1996). Miller & Holmes (1996) further discuss that *“information should be considered as a product itself, which as a component of the production processes, and as a vehicle for managerial planning and control”*.

Donthu & Yoo (1998) discuss the cultural influences on the expectations and satisfaction from the internal customer's perspective. It is argued that different thought worlds will have implications on the perceived quality. With the rationale that agents within a cross-cultural organisation differs in these aspects the information quality considerations also are subjected to culturally based interpretation.

## 4 Analysis

*In chapter three it emerged several variables that could have an effect on the intra-organisational information and knowledge transfer. Some of these variables are found to facilitate the communication, and some are found to obstruct it. The established terms for these types of factors are enablers and barriers. In this chapter it will be described how the barriers and enablers can affect the organisation, on individual levels as well as the organisation as a cross-cultural collective function. These descriptions originate from the initial pre-research for the master thesis proposal, interviews, internal documents as well as theoretical studies. The rationale behind the format of this analysis section is that by merging key quotes from the interviews and the observation they represent, they can be viewed in the perspective of the theory presented in chapter 3, hence the quotation within the analysis to the contributing theoretical findings.*

### 4.1 The diverse organisation

The factors that have an influence on the knowledge and information transfer in a cross-cultural context were identified in chapter two. These factors were found in material made and discussed by other authors and those identified in the interviews, which are summarized in table 4-1.

| Key factors identified in this thesis | Analysed in section | Theoretical reference in section |
|---------------------------------------|---------------------|----------------------------------|
| Organisational diversity              | 4.1                 | 3.1                              |
| Organisational sub-groups             | 4.2                 | 3.2, 3.2.1, 3.2.2, 3.5.1         |
| Organisational identity               | 4.2.3               | 3.2.3                            |
| Individual-group learning             | 4.3                 | 3.3, 3.4                         |
| Information quality                   | 4.3.2               | 3.5, 3.5.2, 3.5.3                |

Table 4-1 Identified key factors for organisational learning (author)

#### 4.1.1 Cultural diversity

The cultural and language differences between the groups and individuals and its impact on the organisational knowledge and information exchange have been discussed in section 3.2. With help of the theoretical studies and the empirical data gathered in the interviews have multiple cultural factors emerged that can be seen as positive or negative influencer to the

knowledge and information exchange. These findings have been the basis for the following discussion.

As earlier discussed there are differences between culturally defined groups (3.2; 3.2.2) as well as between the individuals guiding values (3.2.1; 3.2.3) within these groups that can affect the knowledge and information transfer. These cultural differences are derived from the individual's cognitive mapping as a member of both the organisation and the sub-group. This multileveled barrier is perceived by all interviewees as a chief contributor to the difficulties of transfer knowledge and information within the organisation but with various levels of impact in respective organisation. The ability to communicate over these barriers into these groups is generally considered a skill that is acquired by experience and not easily achieved without costly failures.

### *The barriers*

The differences, when ignored or not understood, can work as a negative force on the knowledge and information exchange. The behaviour or lack of understanding, by one individual can be a source of refusal or resistance to interact with another. This was confirmed by the respondents throughout the interviews. A common scenario described was that the employees choose not to participate at all, leaving the information transfer to a stall. This resistance to act derives from the individual's relation between the perceived self-image (*embodied cognition*) and the belief as to be able to contribute and not risk losing face (*positive social identity*). If the cognitive self-image is lesser capable than the perceived requirements to overcome the barrier, the individual will not act (3.2.1). Likewise, if the information is not clearly understood due to lack of ability to evaluate the information (3.1; 3.5.2), as derived from a different cultural reference frame (3.2.2) and intuiting process (3.3.2), then the individual will not take action and enter the integrating process (3.3.2) by participation.

*"The culture here is that people really have difficulties to say no or I do not understand, they rather prefer to avoid you instead. They don't want you to know that they do not understand and simply wants kill the issue by silence"*

- Respondent I1, I2

### *The enablers*

The cultural differences when acknowledged and understood can act as a positive force on the knowledge and information exchange. As discussed (3.1) the cultural diversity enables a rich dialog around different ways of thinking and values, which can both be a contributor to the

sense of common understanding as well as a competitive factor. The interviews showed a general consensus about the value of a culturally diverse organisation, and that different

*"We Swedes are a people that like a structured life with respect to protocols and regulations, which actually work very well when you merge it with the Indonesian work mentality. This synergic relation seems to put us ahead of many competitors and we often see that we can produce cheaper and of better quality."*

- Respondent I1, I2

cultures could have synergic effects when assimilated. As discussed in section 3.1, the fundamental notion in psychology is the drive to define social-structural regularities that bear no colours by any cultural or

political circumstances. It is by correlation of guiding principles, derived from the underlying values that decide how well the collective cooperates. The discussions became constructive in the sense of the understanding and implications regarding the diversity, but somewhat lacked a clear view on how to manage the socio-cultural barriers, i.e. the organisation member's reluctance to risk the perceived social identity (face), and still push for organisational progress and learning.

The notions expressed where that there where synergic effects when pairing the different cultures and work mentalities, but it appeared to evolve from different values or cultural needs and behaviour. This verifies that the culturally diverse organisation holds potential towards an

*"I think the Swedish and Thai culture has a lot in common. We have this with consensus seeking and avoidance of conflicts. This is something the Thais appreciate very much. My students who have been in Sweden are extremely positive about Swedes and Swedish society. They're very sensitive to this with confrontation and losing face. We Swedes are perhaps more focused on the integrity of the counterparty, but it works very well together with the "face" concept."*

- Respondent T2, T3

evolved state where both the respect for contextual specifics as well as the organisational need for standardization can be met.

*"It is by acknowledging the existence of cultural "peculiarities" that we can find the underlying social-structural mechanism, and by understanding those underlying mechanisms we can design the communicational framework"* (author)

When cultural differences manifests in an interaction that acts as a barrier to the knowledge

*"Of course there are things here that you learn that you should not do, such as getting upset. By raising the voice, you have lost control and in doing so killed the discussion."*

- Respondent I1, I2, I3, T1, T2, T3

transfer, the underlying factors should be identified and acknowledged by the organisation as a whole. All of the interviewees acknowledged the distance

between the own culture and the national cultures. There is a clear understanding of the cultural barriers and the implications it carried for the organisation. The most discussed subject during the interviews was the concept of “loosing face”, which confirms this as a dominant factor to cross-cultural miscommunication. As discussed earlier this is directly related to the socio-collective and social value driven by the social-structural mechanisms.

The organisational verification in terms of roles has been discussed, where it was concluded to be a valuable motivation mechanism for the individual’s organisation identity. The interviews did show that there is a well-established awareness of the cultural differences and the implications they have. The interviewees have all a long history of establishment in culturally challenged environments and distinct knowledge of the differences and the difficulties they carried. It was clearly understood that the cultural differences and predispositions towards them negatively affected the communication over cultural boundaries if they were not understood or ignored.

#### 4.1.2 Language diversity

One of the first factors to consider for organisations operating in a different nation is the language diversity. In contrast to culture, which can be analysed for identify the underlying mechanisms; do language not hold much sub-context to either communicate or interpret. As discussed in section 3.2, is language the means we use to organize knowledge, which makes the knowledge inherently affected by the interpretation and translation. English, which by many international organisations is the preferred language, can vary in usage from country to country, but still share a common body big enough to facilitate communication without much hindrance. This has made the English the preferred language in the establishing organisations (I1, 2011; I3, 2011; T2, 2011).

*“I think one of the bigger mistakes that companies do is trying to use English through-out the organization. Even though people can speak English the understanding is in many times worse. This is also true in many cases for Swedish companies that come here; they are not very good at English either. It isolates the local staff from management. They who are located in between those two languages, and speak both languages, they can then use it against those who cannot. There are quite large wage differences between those who can and cannot so the incentive is there”*

**- Respondent I1**

The language diversity can work as a negative force on the knowledge and information

*"We only use English in the management team but when we communicate to all employees we do it in Thai. This was initially enforced by the Thai government, but it has shown to be a concept that works very well for us"*

- Respondent T1

exchange. Similar to the cultural understanding, the lack of language understanding can be a source of refusal or resistance to interact or give creative input. Likewise, the

resistance to act derives from the relation between the perceived self-image and the belief as to be able to contribute and not risk losing social value. A communication based on a language that is not sufficiently spoken and understood will impair the knowledge transfer. During the interviews it has been clear that some interviewees (I1, 2011; I3, 2011; T1, 2011; T2, 2011) consider the forcing a second language on both nationalities is not a good idea, based on the information distortion occurring in the translation in both groups.

As discussed is the language the means we use to organize knowledge, and the more information intense environment, the greater the implications from the translation distortion. As discussed (3.5; 3.5.1; 3.5.2), the *Information Quality* is dependent on the *compatibility* between the transferring agents. If the agents perceive the compatibility insufficient, they will choose other paths of communication or not communicate at all (3.5: 3.2.1). During the research it became clear that the language was an important and underestimated barrier to communication and learning in the organisations. In some scenarios it were indicated that by keeping the workspace within the native language it can enhance the creativity and learning output. These findings suggest that the organisations should evaluate the

*"Indonesians can be participating, but you have to communicate with them, which means that you must use the same language as the Indonesians understand best, which seldom are other than Indonesian. Our meetings were always in English, but we could always follow up in Indonesian. This is doable if you have the ambition to learn Indonesian, which I think is an effort you should take, but unfortunately there are too many expats here who do not do this. The bahasa languages (Indonesia, Malaysia) are incredibly easy for a Swede to learn, it contains only 19 sounds while Swedish contains 33-34. It's without diphthongs and with simple grammar, and spoken by 275 million people..."*

- Respondent I3

cost and benefits related to that the expat management learns the local language, as to enhance creativity and reduce the information distortion over the language barriers.



## 4.2 The sub-group

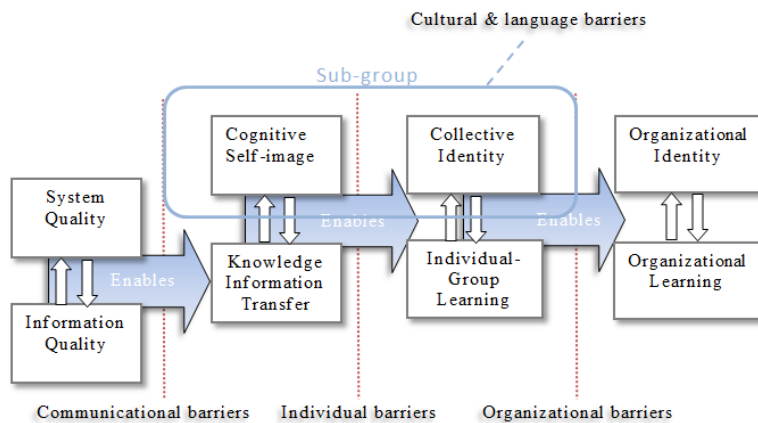


Figure 4-1the organisational sub-group, conceptually illuminated (author)

In section 3.2 it was discussed the sub-group as a cultural or language defined group in the organisation. The discussion in all interviews confirmed that these distinct sub-groups exist and that the interviewees are aware of the implications they can bring. During the research

*"Yes, sub-groups are very common in bigger companies. We can see a difference between senior management and sub-ordinates. These sub-groups can be defined by their cultural, language or ethnical specifics. When setting up a new organization it's important that the work teams are put together with this in mind. The sub-groups must be inter-functional, otherwise they can easily grow too strong and start to sub-optimize"*

– Respondent I1, I2, I3, T2, T3

and empirical studies it emerged several factors that can both act as barriers and enablers.

The study shows that there were differences between individuals as well as groups. It is clear

*"I think I have a relatively deep insight into the sub-groups. However, we do very little to interfere with the intrigues and such that is going on in them. We have had some incidents where people have gotten bullied out of the group, but that's commonly in the white collar group."*

– Respondent I1

that when one build an organisation with multiple cultures and languages, the complexity will be increased and the implications accentuated. The visibility into these groups will be impaired, and the ability to be pro-active towards negative forces will be reduced.

During the research it was also indicated that the learning organisation could consider review the lateral move of the creative workspace from the individuals own language and culture specific context to the standardized organisational context. It was shown that the culture and language context is able to channel creativity when promoting these sub-groups priorities, languages and characteristic thought worlds (3.2). If the individuals have established a strong

*"The "blue collar" out in the production works in independent homogenous groups with their own responsibility for quality and improvements, where they are supported by the management, not directed. This works very well for us. We have the highest quality rating globally and a very high employee engagement index"*

- Respondent T1

organisation identity and if the communication is supported by established terminology and procedures, the move to a foreign domain can potentially reduce the platform for a creative exchange between agents of same culture and language constitution (3.5.2).

#### 4.2.1 The cognitive self-image

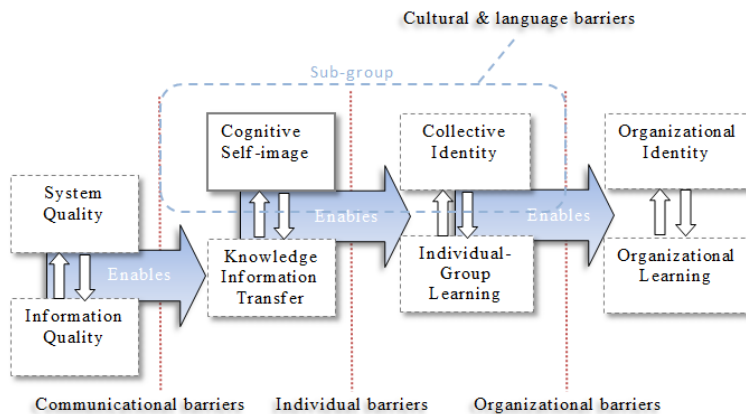


Figure 4-2 the cognitive self-image, conceptually connected to the knowledge and information transfer (author)

As discussed in section 3.1, one fundamental notion in psychology is the drive to define

*"I'm convinced that when a manager from another country comes to Thailand so do they not see what is going on in the sub-groups. They do not understand the strong informal network connections. They miss out on the important feedback from the people and in many cases gets frustrated and loose the "calm" that is essential here. Firing people to left and right do not work here, its counterproductive."*

– Respondent T2, T3

social-structural regularities that are not colored by any cultural or political circumstances. It is by correlation of guiding principles, derived from the underlying values that decide

how well a collective cooperates. During the interviews it became clear that the interviewees were aware of the importance of the co-worker's self-image as a contributing member of the organisation, and that a foreign manager normally know little about the co-workers barriers (3.2.1) to participate in the collective learning process.

The perceived failure of matching the self-image with the requirement of the input will result in reluctance to participate. If the cognitive self-image is more capable than the perceived

*"In addition to the language barrier it is also hard for a westerner to read the people here. There is a resistance to "open up" for the boss and they would never confess to something unfavorable. Sometimes "yes" means "no", this is hard to grasp for a westerner. When you bring in an interpreter in the mix they can sometimes withhold information because it is uncomfortable for the Thai to communicate negative information. This makes it even harder for someone that does not speak the language."*

– Respondent T2

requirements the individual will act (3.2.1), and through *achievement* (3.2.4), gain social

acknowledgment, i.e. collective identity (3.2.2). This has indicated to be a valuable driver towards participation, and is the stepping stone towards the organisation identity. In a

*"I think our organization by default foster a strong self-image as they are required to wear a uniform and are specifically trained and certified for their task they do. This builds self-confidence and drives their performance."*

– Respondent 11

changing environment like an organisation development it can affect the self-image and the identification with both the

social group as well as the organisation (Jetten, O'Brien, & Trindall, 2002). The individual barriers discussed in section 3.4.2 propose that the organisation should take measure to assess the employee's identification with the group and well as the organisation.

## 4.2.2 The socio-collective Identity

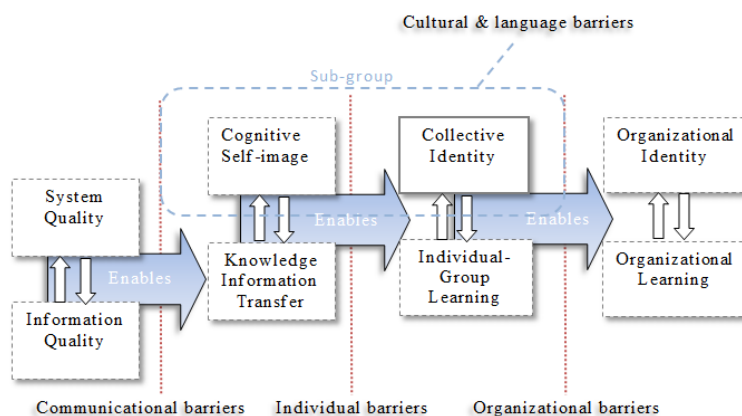


Figure 4-3 Collective identity, conceptually connected to individual-group learning (author)

In social identity theory a key assumption is that the individual derive his identity from the group he belongs, and that the more the individual define himself in the group, the more importance this identity will have. This has been argued as a dynamic process where the individual continuously orient himself in an environment (Tajfel, 1982). In this research it has been found that the socio-collective identity for a sub-group in the diverse organisation can act as a barrier and an enabler. These factors have been discussed in perspective of the driving individual values (3.2.4) as well as the social-collective identity (3.2.2; 3.2.3). The questions discussed during the interviews did open up a few issues regarding the visibility of the dynamics within the sub-groups.

*"The sub-group power game definitely exists. It also happens that they give misleading information upwards to maneuver out someone. I cannot see much on what is going on in these groups, only see the resulting output. I do however sometimes call them together in meetings, and then I can see how they interact and distribute roles and such between them. With some experience you can force them to unveil themselves in a constructed situation like that, but it is something that you learn by years of experience, it's not easily done..."*

– Respondent 12

During these interviews they fuelled the discussions related to the interaction within these

*"The biggest "danger" for me in terms of these sub groups is when their moral values are not in line with the customer. There are such simple things as guards in discos and such, where a Muslim guard not to display contempt to that the guests are drinking alcohol and the like."*

– Respondent I1

sub-groups, and a much varied ability to see the internal structures within them. The informal network and the

possibility of personal agendas and sub-optimizing are topics that got a lot of attention. The cultural collective and its informal leader and the "power game", can impair the individual identity's connection to the organisation identity. The common notion of the interviewees was that it is something that is a complex matter to manage.

The benefits of informal leaders for specific short term objectives is balanced against the long term risk of sub-optimizing and power games within the groups. The study did not show any differentiation in inclination between the cultures in this aspect. However, the drive behind the structuring of these groups could arguably be different between the nations. In Indonesia it seems the social and religious status had a bigger importance than in Thailand. The Thai informal network structure seems to be more based on a sense of a family concept. The discussions around this suggested that it could possibly be related to that Thailand never had experienced

*"It happens that it develops to something very negative where the group gets very strong and the informal leader suppresses an individual that tries to climb in the organization. This can be for many reasons, but it is a clear case of sub-optimizing when the group acts within the organization but to their own benefit."*

– Respondent I1, I2, T2, T3

occupation or colonialism and are a more homogenous nation. Apart from experienced both colonization and occupation, is Indonesia an ethnically and culturally much more diverse nation and this could suggest prevalence to structure the network on an ethnic and religious basis.

### 4.2.3 Organisational Identity

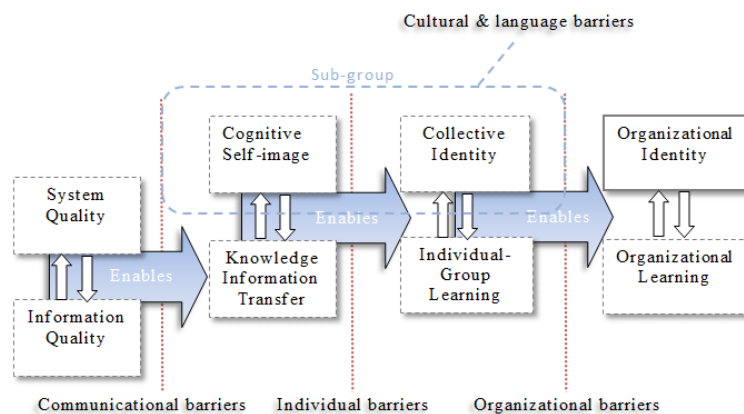


Figure 4-4 Organisational identity, conceptually connected to organisational learning (author)

As discussed in sections 3.2.2 and 3.1.3 is the face value, or socio-collective defined identity, potentially connected to the OI with the organisational feedback and verification as the vehicle 3.2.5. As discussed in section 3.2 and 3.2.4, the social recognition, is also valuable for the organisation and its learning. It is an important factor, beneficially communicated by an organisation identity and roles.

*"I believe in an organization where the formal structure is close to the informal. Then you will have functional connections and roles that can be rooted in the formal network. It will be visible that you do your task assigned and the communication is transparent"*

– Respondent T2

The research has shown that the individual's organisational identity is also a social construe, driven by social recognition (3.2.3). These needs towards both a social status and

*"It is very important for Indonesians to be a bit better, much more than for Swedes. In an organizational context does status and roles have a big importance!"*

- Respondent I1, I2, I3

organisational recognition were also described by the interviewees as a chief contributor to individual initiative, and an important factor to participation and learning. The drive towards social status and

organisational recognition is argued to be related to the values *Power* and *Achievement*, discussed in section 3.2.4. As discussed in section 3.2.5 when the social status is allowed to influence the elevation of organisation status or identity without recognized *achievement*, it can create a potential *social dilemma*

within the organisation which undermines the enabler that an achievable organisation identity can be. This interdependency between the social and organisational identities is thus both an enabler and a barrier.

*"However, the influence of the socio-collective identity to the organizational role, as of being promoted because of one's status outside work, is something that is fading away I believe. I've heard many times from the Indonesians, Malaysian and Thai that they seek work abroad just to get away from this. They want to be gain organizational status by their performance, not their social status"*

– Respondent T2

### 4.3 The knowledge transfer

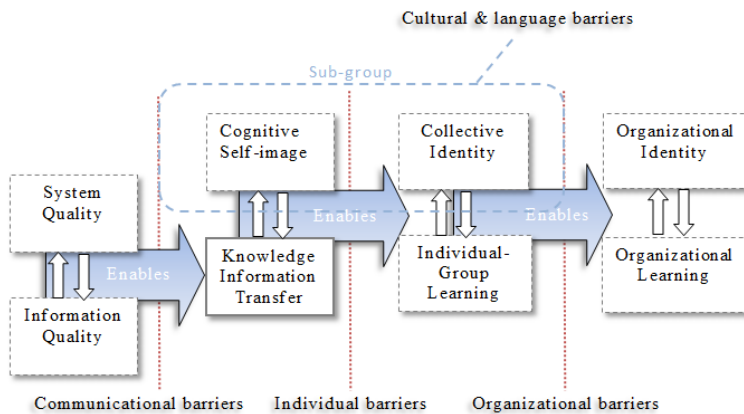


Figure 4-5 Knowledge and information transfer process (author)

The Learning Organisation is defined by (Crossan, Lane, & White, 1999) as linking of the individual, group, and organisational levels with four processes: intuiting, interpreting, integrating and institutionalizing. As argued in sections 3.1 and 2.2, the link between the individual's cognitive self-image and knowledge transfer, socio-collective identity and the OI has been found to drive organisational learning. As discussed in section 3.1 the cross-cultural organisation is a complex commotion of people, objects and interactions with diverse cultural and language properties. Cultural and language diversity affects the communication of knowledge and information. The knowledge transfer within the organisation is inherently impaired by the cultural diversity (3.2), language diversity (3.2) and is as such influential to the perceived quality of the information itself (3.5.1).

#### 4.3.1 The individual-group learning

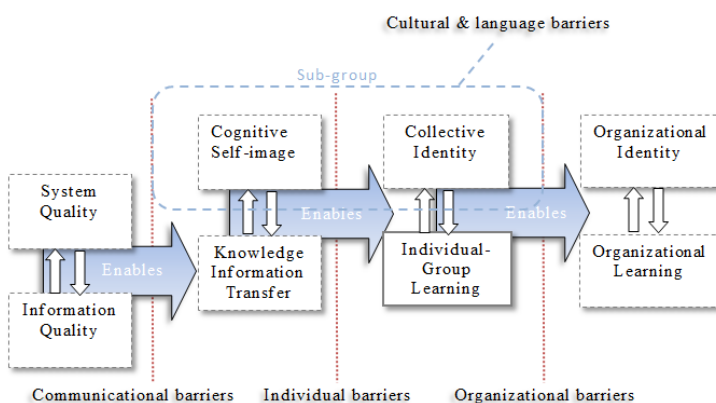


Figure 4-6 Individual-group learning process (author)

As discussed in section 3.3.1, one barrier to organisational learning is the lack of access to the organisational knowledge for the learning individual. The construe of the OI is an on-going cognitive process for the individual organisation members which require recognition to be

useful for the organisation (3.2). The organisation knowledge is what determine the competitive advantage of a business and is as such the core value. In the modern times these values has been protected by construes like patents and immaterial property rights accompanied in later years by measures such as data protection and access authorization. The strength of the

former is reliant on the strength of the legal system in the nation, and the latter on the restrictions applied by the organisation. The legal systems in the nations of establishment for the interviewees has been known for not have the sufficient strength to protect the business knowledge, which for some of the interviewees has been a core issue towards facilitating for the individual to access the organisational knowledge (I1, 2011; I2, 2011; I3, 2011).

*"In the beginning I thought that everyone should know everything, I had to pay dearly for that .Today I'm much more restrictive with what information I let out."*

- Respondent I1

*"The risk of this activity, even if it is marginal, to build their skills through learning and development, is that they break away and take their new knowledge with them and start their own competing business. This has happened, but the risk, I think you have to take"*

- Respondent T3

To drive individual knowledge to become institutionalized, the individual needs to have feedback and verification. This verification is done by allowing the individual access to the organisational knowledge (Crossan, Lane, & White, 1999).

Simply having confirmation on that not doing wrong will not drive the individual's notion of contributing to organisation learning, i.e. having

organisation identity (Senge, 1990). A resistance towards sharing knowledge to the organisation members has conclusively in both literatures (Allen & Meyer, 1996; Ellemers, Gilder, & Heuvel, 1998; Harquail & King, 2010) as well as interviews (I1, 2011; I2, 2011; I3, 2011; T1, 2011; T2, 2011; T3, 2011) been established as a chief contributor to the lack of learning.

*"What has worked best for me is to be open to local conditions, but still maintain the Swedish way with open information and open doors. This has been appreciated by almost everyone. In Asia, information is power. Through our sharing of information it requires new criterion. That's what we Swedes carry with us from Sweden; information is kept in Asia, but shared in Sweden"*

- Respondent T1

Knowledge or ability to absorb knowledge has been shown to be influential in the learning process (3.4.2). While (Crossan, Lane, & White, 1999) conceptualize the learning process through various levels and interactions in the organisation, the whole learning process is reliant

*"We say to our co-workers that you will get the support you need if there are any questions. Their learning is extremely important to us"*

- Respondent T1



upon the ability of *the agents, the knowledge resource* and the *intermediary mechanism*. Thus, this dynamic interaction between the organisation mechanisms and the individuals are dependent on the quality of the mechanism (the distance and access to the organisational knowledge), the ability to decode the information (the language compatibility) and the quality of the information (the precision and understandability).

An organisational structure can be seen as a system or network of communication and authority that links people and groups together as they perform value generating tasks. It is how the various parts of an organisation are arranged to both divide up the work to be done and coordinate the performance results.

*"We have a lot of transparency in this organization, and if something needs to be discussed anyone can bring it up directly on the daily meetings"*

- Respondent T3

A well-defined arrangement manages these tasks well and is imperative for a learning organisation (Chandler, 1962). The value of information increases when it is shared across the organisation. The physical space also plays an important part in encouraging learning. When the barriers towards learning are reluctance to share information, the enablers are the given ability to access information. The *accessibility* of the information has been put forward an important enabler to learning (3.5.2). The main

*"The problem is to know on what level of access to give. It's always a risk that they run away with the information. I believe in a model where we only let out enough for them to develop themselves within certain boundaries. The hard part is to know the appropriate boundaries."*

- Respondent I2

difference between individual and organisational learning is that in organisational learning information distribution and shared interpretation is possible (Slater & Narver, 1995). It

is imperative to have quality criteria for the media through which the information is shared, which has been discussed in previous sections (3.5.2) as well as in the interviews. The media scope and richness are also considered critical for the success of a learning process.

Even though it became quite clear from the interviews that organisational learning and shared knowledge is considered important for the organisation, the *format* it is delivered in and the *completeness* for the transfer differed between the interviewees and their nations of establishment. The interviewees established in Indonesia expressed a generally higher

*"The learning process is very important, but I believe the access to information has to be adapted very carefully to the receiver's ability and knowledge."*

- Respondent I3



reluctance towards giving access of organisation knowledge. Apart from the perceived risks of miss-use and theft, the recipient's ability to process the information if not delivered within certain boundaries was also considered important.

### 4.3.2 Information quality

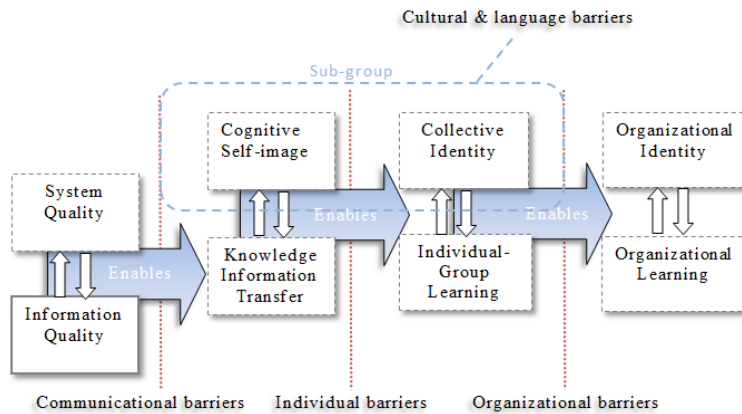


Figure 4-7 Information quality criteria (author)

The literature shows that a network perspective on the knowledge and information exchange can be beneficial in both the IT based and the organic network (3.5.1). The information and knowledge transfer in the cross-cultural organisation has to

*"One common mistake is to have too high accuracy or precise information which can generate more questions than what it solves. It has to be balanced against the receiving's ends capability and need"*  
- Respondent I2, T1

be efficiently communicated over both language and cultural barriers. This requires cultural and language transparent quality criteria for the information transfer (3.5). As argued in

*"The format in which you present information is very important in this context! For some cultures it is very difficult to interpret X-Y diagram, they can look at it but understand nothing. Pie charts have been problematic as well. The information simply doesn't get through"*  
- Respondent T2

section (3.5.1) can the information quality dimensions derived from IS theory be a viable measurement for the communication over these

barriers. With the motivation that by establish cultural and language transparent quality criterion on the information itself, the communicating agents can pro-actively and cooperatively analyse and correct to the information's viability on both ends, instead of direct questioning the individual's performance, with the risk of challenging his integrity and social value.

*"The compatibility in terms of culture, language and knowledge is obviously something that can both be a barrier and a enabler. Question is only, how do we evaluate the differences? I also believe this is an important factor to an efficient organization here..."*  
- Respondent I1, I2, I3, T2, T3

## 5 Conclusion & reflection

*The purpose of this research was to identify and analyse barriers and contributing factors towards learning in a cross-cultural organisation, in an effort to create a conceptual overview suitable for the establishing entrepreneur. This has resulted in a concept supported by interviews, theoretical research and sub-concepts.*

A cross-cultural organisation is a complex construe of interaction between groups and individuals with different languages, cultures, values, beliefs and social codes. In this thesis these individuals and groupings are defined as sub-groups. A conceptual overview must to some extent be able to illustrate the barriers and distance between these sub-groups and the organisation language and culture to be useful as a tool for understanding and assessing the implications these differences might hold. The organisation will need as the intermediating mechanism establish language and culturally transparent quality criteria. These sub-groups “fit” into the organisation are assessed by the match between the sub-groups cultural and individual characteristics and the set requirement for organisational learning and organisational identity, conceptually depicted in figure 5-1.

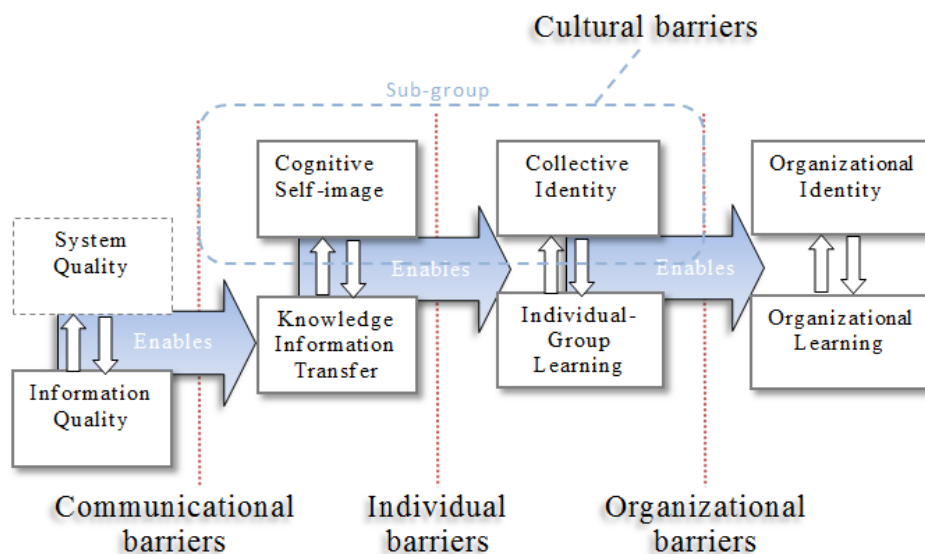


Figure 5-1 Barriers to organisational learning, conceptual overview (author)

With an *Information Systems* view on the organisational learning the data and generated information should become knowledge for the organisation as a whole. If organisational learning and information quality is the starting point when designing an information system, the system will improve the organisations knowledge base and ability to make the right decisions. By redistribute the knowledge we motivate action by understanding and shared vision, which in turn facilitates for organisational learning. The information system should not

only help managers to understand their operations better, but also visualize the distribution of knowledge to the organisation members and functions. By visualize interdependencies between functions, processes and people in the organisations it can be used as mean to find the most efficient path to utilize the knowledge.

## 5.1 Conclusion

Through reviewing literature and interviewing established entrepreneurs in the region multiple means needed of becoming a learning organisation has been identified; facilitators and a processes. The definitions of facilitators are those measures that should be acknowledged and implemented by the organisations in order to harness and increase the learning, and to define the learning process as the structured way of working with knowledge to learn for all organisation members.

| Communicational  | Individual  | Organisational  |
|--|---|---|
| <ul style="list-style-type: none"> <li>- Information quality criteria</li> <li>- Shared vision</li> <li>- Information systems</li> <li>- Dialog</li> </ul> | <ul style="list-style-type: none"> <li>- Participative decision making</li> <li>- Mental models</li> <li>- Information access</li> <li>- Team learning</li> </ul> | <ul style="list-style-type: none"> <li>- Committed leadership</li> <li>- Clear organisation structure</li> <li>- Organisational identity</li> <li>- Foster creative thinking</li> </ul> |

Table 5-1 Facilitators for organisational learning (author)

### 5.1.1 Communicational barriers

**Information quality  $\Rightarrow$  Knowledge transfer**

Senge (1990) identifies five research disciplines that contribute to and facilitate organisational learning. One of these is *systems thinking*, which helps us to better understand and influence the relations between the different functions in an organisation. It refers to seeing the whole system, and not just looking at the different events and components by themselves, but to have an overview and understand how they are related and how they affect each other. For example, decisions based solely on information at the low level can be counterproductive to the system as a whole, rendering the efforts sub-optimized.

The inter-dependency between the individual's cognitive self-image and the knowledge and information transfer is subjected to the cultural and language barriers. The individual's perceived ability to contribute will affect the participation. As discussed earlier is a chief concern for the SME in the region the concept of losing face, which is directly related to the

reluctance of participation on a creative basis. While an organisation culture from a western perspective could encourage personal initiative without fear of being stigmatized, the local culture may hold individual or collective values and beliefs that could emphasize the stigma. This would limit the individuals drive towards participation and distance them from their organisational role.

A lack of understanding derived from poor *information quality* can lead to reluctance to act, and subsequently a lesser defined Organisation Identity (Moorman, 1993). The organisation needs to establish cultural and language transparent information quality criteria to ensure that fear of losing face due to lack of compatibility between the agents don't occur.

The dimensions identified in this study as to be influential to the information quality in the information and knowledge exchange are those that surfaced during the literature studies and interviews. These dimensions are Accuracy (precision), Timeliness, Completeness, Coherence, Relevance, Format, Accessibility and Compatibility (interpretability).

**Table 5-2 Influential information quality dimensions (author)**

| Author                 | Dimensions <sup>b</sup>  |
|------------------------|--|
| Ahituv (1980)          | <i>Accuracy, timeliness, relevance</i> , aggregation, formatting   |
| Baily & Pearson (1983) | <i>Information accuracy</i> , output timeliness, reliability, completeness, relevance, precision, currency         |
| Iivari-Koskela (1987)  | <i>Relevance</i> , comprehensiveness, recentness, convenience, <i>timeliness</i> , <i>interpretability</i>         |
| Miller & Holmes (1996) | <i>Accuracy, timeliness, completeness, coherence, format, accessibility, compatibility</i> , security and validity |

<sup>b</sup>The italicized dimensions are the dimensions that are suggested to be influential to the information quality in the information and knowledge exchange

*Dialogue* and communication is important to organisational learning, it is a way of building common understanding. The information quality has shown to hold great importance to the ability to transfer knowledge between the agents in the culturally diverse organisation. Cross-cultural teams can help bridging some of the communicational barriers that exist between agents and functions. Authentic dialogue between people or groups that have different visions and thoughts worlds has shown to improve organisational learning (Chiva, Alegre, & Lapidra, 2007).

### 5.1.2 Individual barriers

#### Knowledge transfer Individual-group learning

*Individual learning* is pivotal for the learning organisation, since the ability for the individuals to learn determines how well an organisation can learn. The learning settings are confined by cultural boundaries, protocols and customs which have shown to vary greatly between the nations. By giving access to knowledge the driving individual values will pull the individual over the socio-cultural boundaries by the person-focused drivers described in Schwartz continuum.

There are three aspects of *team learning* in an organisation (Senge, 1990). First, an insightful understanding of the task at hand is essential. A key issue here is that the team members can communicate with each other. Second, innovative collaboration is needed. Here it is important to be able to act spontaneous and independent without fear of doing wrong, but still be a complement to the other team members. Third, it is important to understand how different groups work together and how they affect each other, since one group's efforts can be the initiation of other groups forming and work tasks.

*Shared vision* is imperative to group learning. Learning that is transferred in teams spreads and affects the organisation effectively. In order for a team to achieve desired result, the individuals in the team have to have the same vision, and their efforts have to move in the same direction (Senge, 1990). The ability to project a shared vision in an organisation is dependent of the ability to communicate a mental model for the members to grasp. This requires that it is communicated in a *format* that is understood by all members in the organisation. The individuals' mental projection is by the learning process initiated by an embodied cognition (3.2.1), and as such dependent on the knowledge transfer and the information quality (3.5.1; 3.5.2).

#### Cognitive Self-image Collective identity

By *participative decision making* it is meant the impact the employees have when it comes to the process of making decisions. Giving the organisation members the ability to be a part of the production planning will give them a sense of *stimulation* and *self-direction* that will help to negotiate the individual barriers of fear of losing social value. There are several ways organisations can benefit from participative decision making, among them is that it increases

the motivation among the employees by improving the job satisfaction, employee involvement and the commitment to the organisation (Chiva, Alegre, & Lapiedra, 2007). Decision making is considered as one of the chief motivators that can facilitate learning due to that information needs to be provided to the employees in order for them to be part of the decision making process efficiently (Bhagat, Kedia, Harveston, & Triandis, 2002; Crossan, Lane, & White, 1999; Chiva, Alegre, & Lapiedra, 2007; Zack, 2000).

The use of *mental models* helps us by making simplifications to understand our environment and how we should behave. Individuals make conclusions of things by making observations, and many times we are not aware of our mental models as they commonly derive from an intuitive process. Building and communicating strong mental models that are culture and language transparent will overcome the individual barriers through shared vision and understanding (Senge, 1990).

### 5.1.3 Organisational barriers

#### Individual-group learning Organisational learning

By using the *network perspective* the organisation can identify the communication paths within and over the cultural boundaries. The research has shown that a creative setting in the individuals own language and thought worlds can be beneficial for the organisational learning. The presence of *homogenous groups* can stimulate the learning positively when not limited by communication over cultural and language barriers. However, the risk for sub-optimizing and a distanced organisation identity is something that has shown to be an important consideration.

It has also been pointed out the difficulties the businesses face in the region with the organisation learning and the risk of losing both knowledge and business. The differences between the countries are remarkable, where the Indonesian located businesses are significantly more constrained in the ability to let the organisation knowledge be utilized. This reluctance to share information has been shown to be barrier towards individual-group learning, organisational learning and Organisational identity.

Motivating in initiatives towards better knowledge management will not fare out well if it is not also anchored in the management routines. To facilitate for organisational learning the management should be participative in the efforts, by example show that they believe in the

efforts and have a passion for what the organisation does. They should also be able to understand, read and accommodate if necessary to what both external and internal sources want to achieve. Learning the local language could be such an initiative to communicate that the process towards a better knowledge management includes all organisation members.

### **Collective identity Organisational identity**

It has been shown that there is an important connection between the socio-collective identity and the organisation identity, and that the linkage between them holds both enabler and barriers for the learning organisation. *Clearly defined organisational structure* and visible *achievable roles* for advancement is an enabler for the individuals that are distanced to the organisation identity by cultural barriers.

By communicating opportunity to organisation advancement by participative engagement the reluctance from a negotiation of risking the socio-collective positive value will be smaller. The ability to see through the cultural barriers into the individuals driving values has shown to be a valuable tool. The values can hold much help for the establishing entrepreneur when setting up the organisation. By understanding the interaction driven by individual values described by Schwartz (table 5-3) the organisation can take measures to foster a shared sense of belonging and organisational identity.

An achieved organisational identity has shown to have influence for both the social value as well as a driving individual value. By communicating a strong *organisational identity* with cultural and language transparent terminology the organisation can negotiate the distance between the collective identity and the organisational identity. Volvo's "My Volvo Way" and "The IKEA Way" are excellent examples on how an organisational identity can pull sub-groups together over cultural boundaries.

**Table 5-3 Influential value types to creativity and participation (author)**

| Value type            | Conscious goals   | Driving needs <sup>a</sup>   |
|-----------------------|---|--|
| <b>Stimulation</b>    | Exciting life, Varied life, Challenge in life   | <i>Feel excitement, Variation, Challenge</i>                         |
| <b>Achievement</b>    | Through demonstrating competence approved by social standards achieve personal success                              | <i>Be successful, Show Capability, Show ambition, Influence</i>      |
| <b>Self-direction</b> | Independent thought and action choosing, creating, exploring  | <i>Be Creative, Have freedom, Be independent, Choosing own Goals</i> |
| <b>Hedonism</b>       | Pleasure or sensuous gratification for oneself  | Feel pleasure, Enjoy life  |
| <b>Power</b>          | To gain social status and prestige, and/or control or dominance over people and resources                           | <i>Have authority, Get wealth, Get social power</i>                  |
| <b>Universalism</b>   | Have a true appreciation, understanding, tolerance and protection for the welfare of <i>all</i> people and nature   | Feel equality, Have social justice, Be considerate                   |
| <b>Benevolence</b>    | Build and preserve the welfare of those with whom one is in frequent contact  | <i>Be helpful, Be honest, Be Loyal, Be Responsible</i>               |
| <b>Tradition</b>      | Have respect, commitment, and acceptance of the customs and ideas that one's culture or religion provides           | Be humble, Accepting the fortune of life, Have respect for Tradition |
| <b>Conformity</b>     | Minimize actions, inclinations and impulses likely to upset or harm others and violate social expectations or norms | <i>Be polite, Show self-discipline, Honour Parents and Elders</i>    |
| <b>Security</b>       | Gain safety, harmony, and stability of society, of relationships and of self  | Feel Safe, Have social order   |

<sup>a</sup> the italicized driving needs are the needs suggested to be influential to individual creativity, organisational learning and the social interaction.

The values identified in this study are those that literature and interviews suggest being influential to organisational learning and creative behaviour, through social interaction. These value types are Stimulation, Achievement, Self-direction, Power, Benevolence and Conformity, driven by the needs suggested in the right column in table 5-3. Mills and Cameron (1993) lifts forward Curiosity and persistent interest as two driving indicators of the individual's creativity and learning potential. It's further hypothesized that Self-direction and Stimulation needs holds the measuring components towards Openness to change. Openness to change is what allows the individual to be open to unconventional ways of doing things, and can arguably be considered a paramount value that can drive the individual to act in uncharted territory, i.e. crossing culture and language barriers. However, this is reliant upon that skills are present to fall well out.



#### 5.1.4 Cultural and language barriers

By this research interesting insights has emerged on how cultural diversity affects cross-cultural organisations. It has become evident that what traditionally are considered barriers also can function as enablers, it is clear that cultural diversity can enrich communication and promote generation of ideas that derives from different thought worlds. It has been pointed out that there are bridging similarities between countries that should be harnessed to facilitate understanding and communication. Similarly, the differences, when ignored or not understood, can also work as a negative force on the knowledge and information exchange. The cultural dimensions by Hofstede holds valuable measures on how to define and understand the socio-cultural construe that defines the cultural sub-group. As globalization continues the cultural specifics will arguably have less importance and the driving individual values will get more importance. As the organisation are a social construe rather than culturally defined, the organisations should focus on the individuals driving values as a common nominator.

During the research it was also indicated that the learning organisation could consider review the lateral move of the creative workspace from the individuals own language and culture specific context to the standardized organisational context. It has been shown that the culture and language context is able to channel creativity when promoting these sub-groups priorities, languages and characteristic thought worlds.

By using the *network perspective* the organisation can identify the communication paths within and over the cultural boundaries. The network perspective can be helpful in assessing the risk of sub-optimizing from organisational groups that by preference or anxiety avoid the cultural or language barriers in the formal links. The risk of sub-optimizing and informal communication paths are certainly a noteworthy consideration, but with clear and visible organisation identities, roles and incentives, the potential benefits are evident.

The language diversity has also been established have a great influence on the knowledge transfer. The language chosen in the organisations are most commonly English, which renders the communication transferred over multiple language barriers. The question of which language to choose in the organisation should be reflecting the required resources related to one group learning a new language. Is it more straining on organisational resources and information quality to force both the local work force and management to use English? The findings suggest that the organisations could benefit from evaluate the cost and benefits

related to that the expat management learn the local language, as to reduce the information distortion over the language barriers.

## **5.2 Reflection**

The research in cross-cultural organisational holds multiple research disciplines and the contributions from previous research is a vast source to acquire knowledge from. The research contributions come from organisational psychology, knowledge management, social and cultural theoretical fields. This is the size of knowledgebase that a scholar or establishing organisation are required to assess in terms of contributions to understanding the considerations for a learning cross-cultural organisation. This research has elevated a relevant set of contributions from each theoretical field presented in a conceptual aggregated form.

The entrepreneurs in SEA do often more than not face difficulties when trying to establish an organisation that foster creative input and learning over cultural and language barriers. Cultural differences can become a barrier when ignored or not understood but the diversity by itself can lead to a richer context of learning. This study brings forward the need for a comprehensive, yet accessible theoretical description of the wide range of considerations the cross-cultural organisation brings.

This study lifts forward a conceptual overview of the knowledge management as dependent of the individual's identification with the organisational processes. This is useful as a way of structuring the whole process in a comprehensive manner. By focusing on the specific barriers and dependencies related to an organisation process, the considerations can be analysed in the perspective of both the individual's cognition and the organisations requirements.

- The ability to assess the socio-collective's driving values has shown to be a useful tool. The ability to communicate that initiative, creativity and learning will enhance the individual's collective identity. This will encourage negotiation of the barrier related to the risk of social value against participation.
- The suggested information quality dimensions as a way of assessing the information and knowledge transfer over language and cultural barriers has shown to be valuable. It will be a pro-active method of to assess the information compatibility between the sub-groups.

- The various degree of local language knowledge among the entrepreneurs and the potential benefit of learning the language has been a valuable insight. The establishing organisations should evaluate to implement an organisation language that reflects the contextual conditions. There is a cost and benefit aspect to this that are most evident.
- This research has shown that a creative setting in the individuals own language and thought worlds can be beneficial for the organisational learning. The presence of homogenous groups can stimulate the learning positively when not limited by communication over cultural and language barriers. However, the risk for sub-optimizing and a distanced organisation identity is something that has shown to be an important consideration. The potential effects on the creativity of when moving to a work space different from the own language has also been shown to hold considerations that motivates to further research.

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## Appendices

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### APPENDIX 1. INTERVIEW QUESTIONS 1<sup>st</sup> SESSION

|                       |  |
|-----------------------|--|
| <b>Name</b>           | _____ (optional)   |
| <b>Position</b>       | _____  |
| <b>Organisation</b>   | _____  |
| <b>Company nation</b> | _____  |
| <b>Education</b>      | _____  |
| <b>Work history</b>   |  |
| Main industry         | _____  |
| Number of year's      | _____  |
| <b>Age</b>            | _____ (optional)   |
| <b>Gender</b>         | <input type="checkbox"/> Woman <input type="checkbox"/> Man (optional) |

Filled in by moderator (for transcript identification)

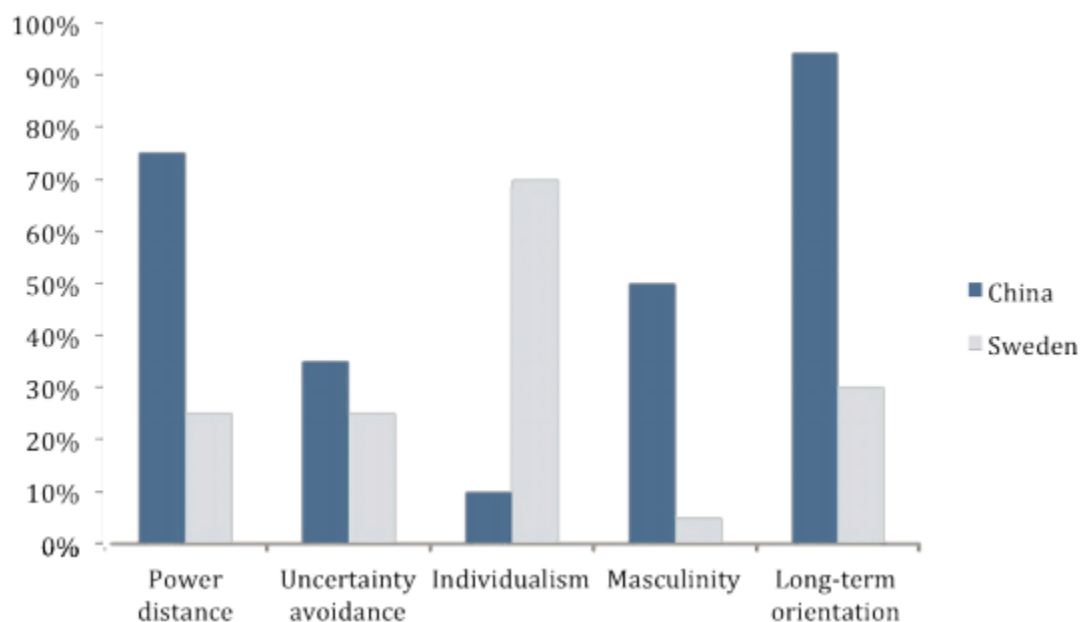
**Interviewee ID** \_\_\_\_\_

## Cultural and communicational characteristics

### Cultural dimensions

It is sometimes said that one of the more elusive and possibly one of the bigger contributors to miscommunication within an cross-cultural organisation is the cultural differences in interpreting what is said, how it is said and in what (cultural) context it is delivered. In the 1980's, Geert Hofstede analysed findings from a large survey of IBM employees which later resulted in a construct of five dimensions that can help explain differences between national cultures.

- *Given the reference frame between China and Sweden, could you estimate the dimensions of culture of (country)?*
- *Within your organisation, can you see any dimensional differences between the levels, functions and agents within it?*
- *Based on the description below of the cultural dimensions, could you describe any 'situations' that has occurred because of this?*
- *How did the organisation overcome it?*



#### *Power distance*

The extent to which the less powerful members of organisations and institutions (like the family) accept and expect that power is distributed unequally

#### *Uncertainty avoidance*

How ambiguity and unstructured situations are handled in society. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures

### *Individualism*

On the individualist side we find societies in which the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family

*Masculinity* (materialism, self-centeredness, strength and individual achievements)

How dissimilar men's emotional roles are to women's. The dimension varies from very assertive and competitive and maximally different from women's values on the one side, to modest and caring and similar to women's values on the other. The assertive pole has been called 'masculine' and the modest, caring pole 'feminine'.

### *Long-term orientation*

How long-term oriented people are in planning.

### Language and knowledge compatibility

The language barrier is probably one of the first obstacles for a Swedish entrepreneur or organisation when establishing in a South-East Asian country like Indonesia or Thailand.

- *What are your experiences regarding the language barriers, do you see any differences within the organisation regarding the levels, functions and agents within it?*

Inherently by the fact that businesses and organisations locate producing entities to low developed countries we commonly see a gap in terms of knowledge and knowledge absorption ability between the levels, functions and agents within the organisation.

- *What are your experiences regarding knowledge and knowledge absorption ability, do you see any differences within the organisation and agents within it?*

### System Quality

As we know, the information and knowledge quality is by many aspects dependent on the harnessing system itself. Could you please tell me a bit about your processes and how they fair out in your opinion?

- *What kind of IT supporting processes?*
- *Reports and operation data?*
- *Type and frequency of meetings and to what degree are they structured / unstructured?*
  - Management
  - Supervisors
  - Labour/team leaders

## Information Quality

There is a term in IT and information system theory that is called information quality. The information quality can be assessed according to ten dimensions. If we are to use some of these dimensions to assess the need information quality within the context of the organic organisation network (human network), which of these dimensions do you feel are relevant for an organisation in general? If possible, can you see any important implications from these different dimensions on your organisation and different functions and agents within it?

### *Accuracy*

- Accurate information reflects the underlying reality. That quality information should be accurate seems obvious. In practice, information used for different purposes requires various levels of accuracy, and it is even possible for information to be too accurate in the sense of being too precise.

### *Timeliness*

- Timely information is still current. Implicit in this definition is a dynamic process where new information arises to replace the old. Information has a cycle time that depends on how quickly new information can be processed and communicated to its customer

### *Completeness*

- Incomplete information can lead users/agents astray. However, complete information for one person may be incomplete for another. For example, the marketing vice-president and the director of research and development for a pharmaceutical company may both be interested in the clinical trials tests for a new drug, but each may require different levels of detail. Just as information whose precision exceeds a customer's processing capability may be too accurate, information may also be too complete. The danger in business lies in information systems that generate so much information that users/agents cannot process it all in a timely fashion.

### *Coherence*

- Coherence is how well the information hangs together and is consistent with it. Information becomes incoherent through irrelevant details, confusing measures, or ambiguous format that confuses information customers and causes them to not receive or even to reject the information's message. Although information can be genuinely incoherent, incoherent information usually indicates an error in accuracy or timeliness

### *Format*

- Information format refers to how the information is presented to the receiver. Two components of information format are its underlying form and its context for interpretation, which is sometimes referred to as its frame. In an

organisation context it can be orally, written and within process (ad-hoc) or pre-structured information.

### *Accessibility*

- Accessible information is information that can be requested and obtained when needed. Accessibility depends on the involved agents and their specific circumstances. For information quality to occur, timeliness and accessibility should complement each other. Timely information that is inaccessible or accessible information that is obsolete cannot satisfy an information customer's needs.

### *Compatibility*

- Information quality lies not, only in the quality of the information itself, but also in how it can be combined with other information and delivered to a recipient. A requirement for a successful delivery is then the harmonization of compatibility and knowledge between the agents of the information transfer.

## Organisational psychology and individual -> organisational impact

It is a well-established maxim in both literature and organisations management that a happy co-worker is a productive worker. Job satisfaction and organisational identity is commonly considered as an important driver towards individual and organisational impact and learning.

- Do you have any function or procedure in place to gather information regarding employee's job satisfaction? (Ex. Personal meetings, Surveys, Minnesota Satisfaction Questionnaire)
- Do you consider the organisational identity an important factor for the employees, and if so, do you see any differences regarding the levels, functions and agents within the organisation?



## Complementing questions

- In your opinion, what are the organisations position/functions that have had the most “circulation” in your organisation?

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- In your opinion, what are the most difficult position/functions to find suitable candidates for in your organisation?

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- In your opinion, what are the biggest contributing factors to miscommunication in your organisation? If possible, please rank them from 1 - 6.

- ☐ Cultural differences
- ☐ Language
- ☐ Work ethics
- ☐ Perceived concept of quality
- ☐ Knowledge absorption ability
- ☐ Mismanagement

- In your opinion, which of the above factors have been the most costly ones in your organisation? (discuss)

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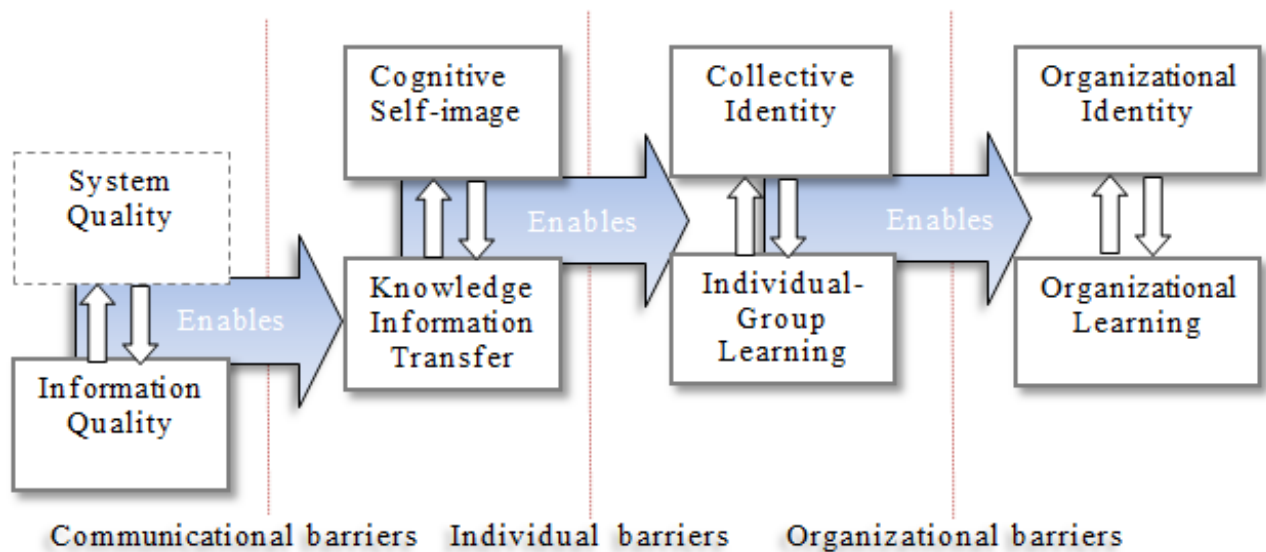
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## APPENDIX II. INTERVIEW QUESTIONS 2<sup>nd</sup> SESSION

### Organisational Learning & Organisational Identity

The Learning Organisation is defined as linking of the individual, group, and organisational levels with four processes: intuiting, interpreting, integrating and institutionalizing, where the individual's cognitive self-image through socio-collective identity construe the organisational identity.

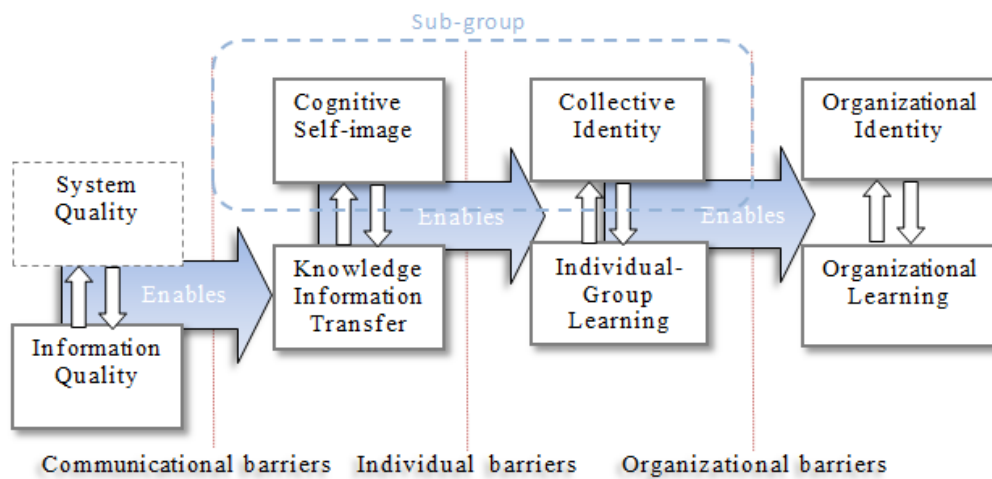
The Organisational Learning and Organisational Identity, conceptual overview (author)



| Process Level | Individual  |  | Group   | Organisation  |
|---------------|---|--|---|---|
| Process       | Intuiting   | Interpreting   | Integrating   | Institutionalizing  |
| Input/Outcome | <i>Experiences</i><br><i>Images</i><br><i>Metaphors</i> | <i>Language</i><br><i>Dialogue</i><br><i>Cognitive map</i> | <i>Interactive systems</i><br><i>Mutual adjustment</i><br><i>Shared understanding</i><br><i>Collective ID</i> | <i>Routines</i><br><i>Diagnostic systems</i><br><i>Rules and procedures</i><br><i>Organisational ID</i> |

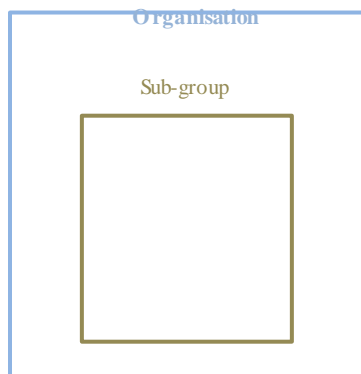
The learning in Organisations: Four processes through three levels (Crossan, Lane & White, 1999)

## The Sub-group



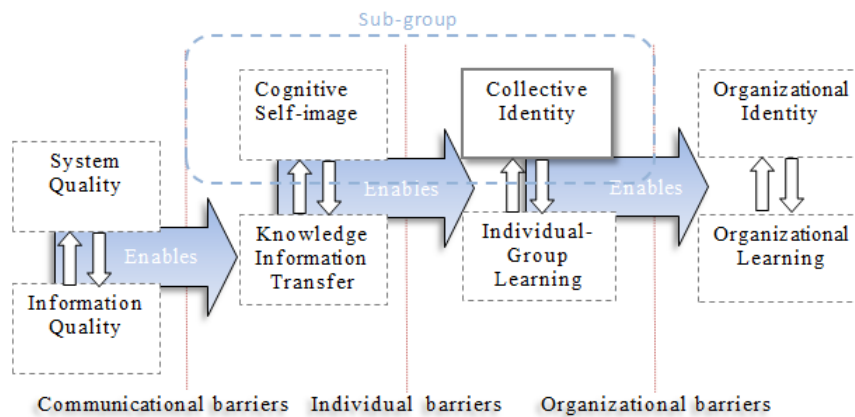
The sub-group in the Organisational Learning conceptual overview (author)

- Do you consider your organisation having culturally and language defined sub-groups?
- If so, could you please give an overview of the structure including these sub-groups?



- Does the management (expats, other groups) see the interaction within these sub-groups as visible?
- From your experience, how “deep” into these sub-groups do you consider yourself have knowledge and understanding of the daily activity, formal and non-formal? (discuss)

## Socio-collective identity



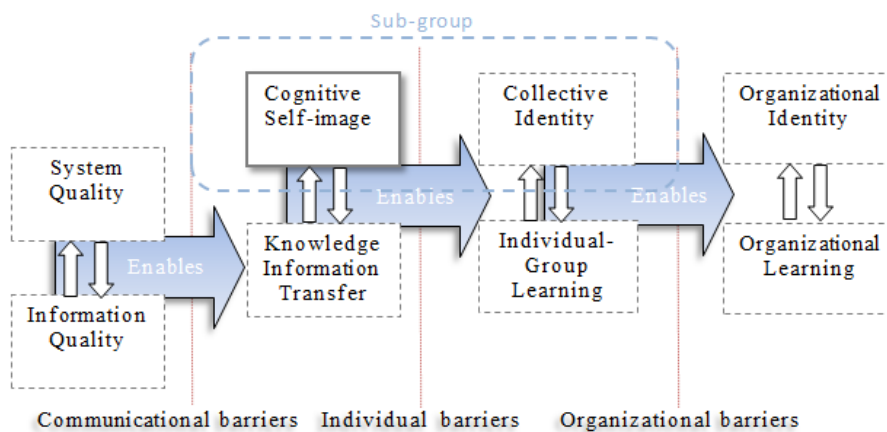
The Socio-collective identity in the Organisational Learning conceptual overview (author)

- Do you consider the Organisational Identity connected to the Socio-collective identity, and if so, how does it manifest itself in your organisations? (discuss)
- What is your opinion/experience about transfer cultural knowledge (roles, traditions and customs) into organisational knowledge and procedures?
- Do you have any tradition or events that are organized and performed by a sub-group?



- Do you have evaluation functions of the interaction performance within these groups? (discuss)
- Does the Socio-collective (sub-group) have an informal leader?
- Is there any “power game” within these sub-groups?
- If present, do the Socio-collective and its informal leader (and the “power game”), impairs the individual identity transfer to organisation identity? (discuss)
- Do you consider informal leaders an asset, for example to overcome communication barriers? (short term objective, non-critical aspects)

## Embodied cognition (self-image)



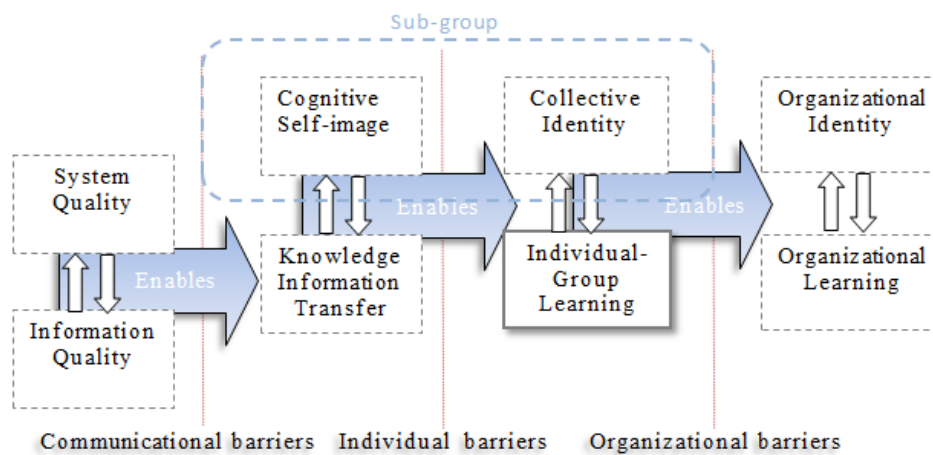
The Cognitive Self-image, conceptual overview (author)

- If looking at the individual, do you consider yourself have knowledge and understanding of the individuals embodied cognition (self-image) in these sub-groups? (discuss)



- Do you have sub-group managed functions to assess employee satisfaction of individuals within these sub-groups?
- Do you have sub-group managed evaluation functions of the performance from individuals within these sub-groups?

## Individual-Group Learning



The Individual-Group Learning, conceptual overview

- In your experience, do you consider the access to organisational knowledge necessary for the individual and group learning?
- Do you have any “in-house” training as a way of advancing in the organisation?
- Do you have any “out-house” training as a way of advancing in the organisation?
- In your experience, have you seen any hesitation from individuals when participating in such training? Why? (discuss)
- Do you have any function as for feedback and verification for the individual's efforts and input?
- In your opinion, do you see any benefits of transfer the sub-groups individual's tacit knowledge to organisational knowledge? (discuss)

## Cultural and values characteristics

### Values and Cultural dimensions

On the fundamental level of conscious goals for a human existence lays three universal requirements; biological needs, requisites of coordinated social interaction and demands of group functioning. Based on these three universal requirements, ten motivationally distinct types of values serve as guiding principles in people's lives. These values define the individual's central goal, and guide the individual within the social collective structure.

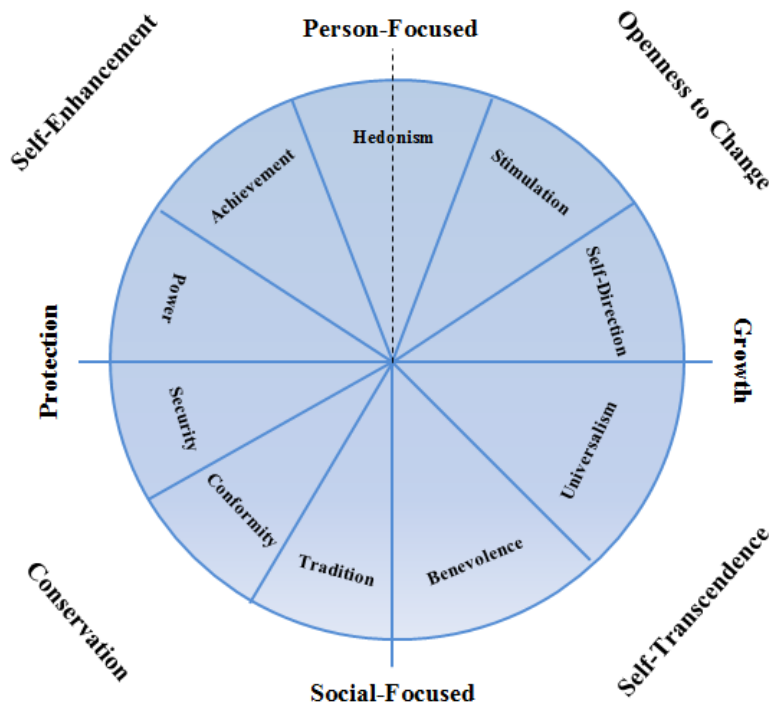


Figure 2.2 The motivational continuum of 10 values (Schwartz, 1992).

#### **Stimulation** (*Excitement, Variation, Challenge*)

*“He looks for adventures and likes to take risks. He wants to have an exciting life.”*

To maintain an optimal level of activation and participation the need for variety and stimulation must be maintained. The motivation goal for stimulation is excitement, novelty and challenge in life which can manifest in looking for adventures and challenge conventional thought.

#### **Achievement** (*Successful, Capable, Ambitious, Influential*)

*“Being very successful is important to him. He likes to stand out and to impress other people.”*

A cornerstone to the ability to obtain means of survival, to succeed in social interaction and in organisational functions is the required level of competence. Personal success can be emerged through demonstrating competence according to social standards, built primarily on social approval.

#### **Self-direction** (*Creativity, Freedom, Independent, Choosing own Goals*)

*"He thinks it's important to be interested in things. He is curious and tries to understand everything."*

The driving needs behind self-direction are independent thought and action-choosing, creating, and exploring new things. Self-direction can also correspond to autonomy.

### **Hedonism** (Pleasure, Enjoying life)

*"He really wants to enjoy life. Having a good time is very important to him."*

The drivers behind the inclination towards hedonism are the need for pleasure and sensuous gratification for oneself.

### **Social power** (Authority, Wealth)

*"He likes to be in charge and tell others what to do. He wants people to do what he says."*

The drivers behind the goal of social power are the need for social status and prestige, control or dominance over people and resources.

### **Universalism** (Broadminded, Social Justice, Equality)

*"He wants everyone to be treated justly, even people he doesn't know. It is important to him to protect the weak in society."*

The drivers behind the sense of universalism are described as the need for understanding, appreciation, tolerance and protection for the welfare of all people and for nature, a "World at Peace".

### **Benevolence** (Helpful, Honest, Forgiving, Loyal, Responsible)

*"He always wants to help the people who are close to him. It's very important to him to care for the people he knows and likes."*

The driver behind the benevolence characteristics is the urge to preserve and enhance the welfare of people with whom one is in frequent personal contact. Not necessarily only family, can also be co-workers.

### **Tradition** (Humble, Accepting ones fortune, Respect for Tradition, Moderate)

*"He thinks it is important to do things the way he learned from his family. He wants to follow their customs and traditions."*

Tradition value driver is defined as the respect, acceptance and commitment to the customs and ideas that traditional culture or religion provides.

### **Conformity** (Politeness, Obedient, Self-discipline, Honouring Parents and Elders)

*"He believes that people should do what they're told. He thinks people should follow rules at all times, even when no-one is watching."*



The conformity need is pronounced as restraint from actions, inclinations and impulses likely to upset or harm others and violate social expectations or norms.

**Security** (*Family Security, National Security, Social Order*)

*"It is important to him to live in secure surroundings. He avoids anything that might endanger his safety."*

The security value is described as the need for safety, harmony and stability of society, of relationships, and for one self.

### Values and Cultural dimensions

- Given your own reference frame between the characteristics between..... and Swedish, could you discuss the values and implications of them, on-off site? (discuss)
- Based on the description above of the values, could you estimate the positioning of.....and Sweden in the “motivation continuum”? (discuss)
- Based on the description above of the values, could you describe any “peculiarities” that has occurred because of this? (discuss)
- How did the organisation overcome and/or benefit from it?

## Complementing questions

- Have you experienced the need for adaptation of your/the management style to local conditions? (discuss)

- ☐ Cultural adaptation?
- ☐ Language adaptation?
- ☐ Individual/collective adaptation?

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- In your opinion, what is the criterion for “leadership respect” in .....? If possible, rank them.

- ☐ Title respect (job title)
- ☐ Earned respect (acknowledged actions)
- ☐ Age respect
- ☐ Religious respect (Master of Ceremony, Hajji...)

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### APPENDIX III. Figures and tables

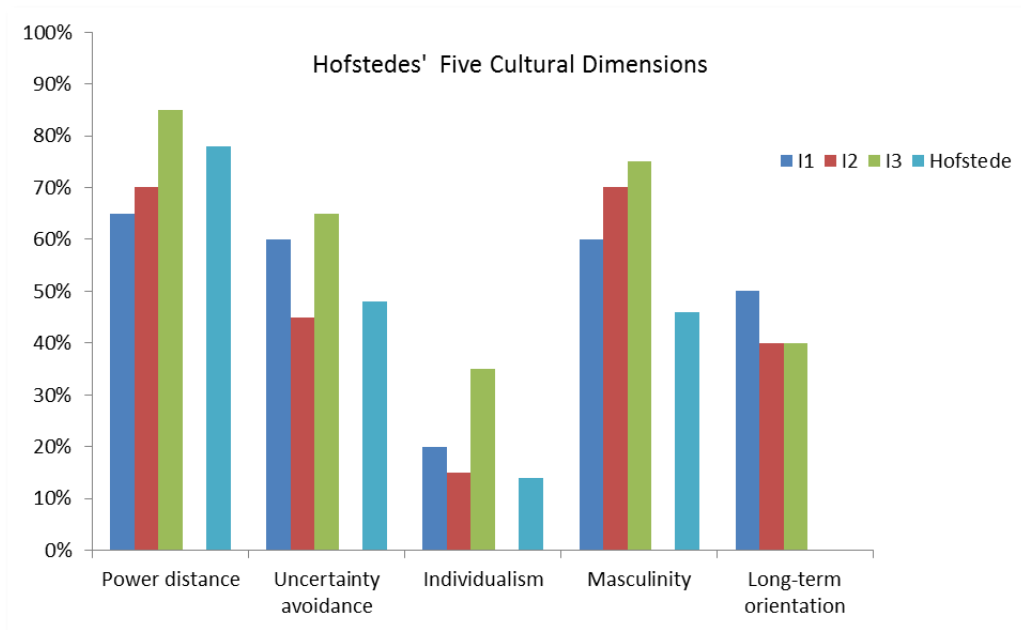


Figure 0-1 The cultural dimensions based on the experience of the interviewees in Indonesia compared to Geert Hofstede's research in 1984. (The fifth Long-term orientation was not yet defined when Geert Hofstede published the dimensions for Indonesia).

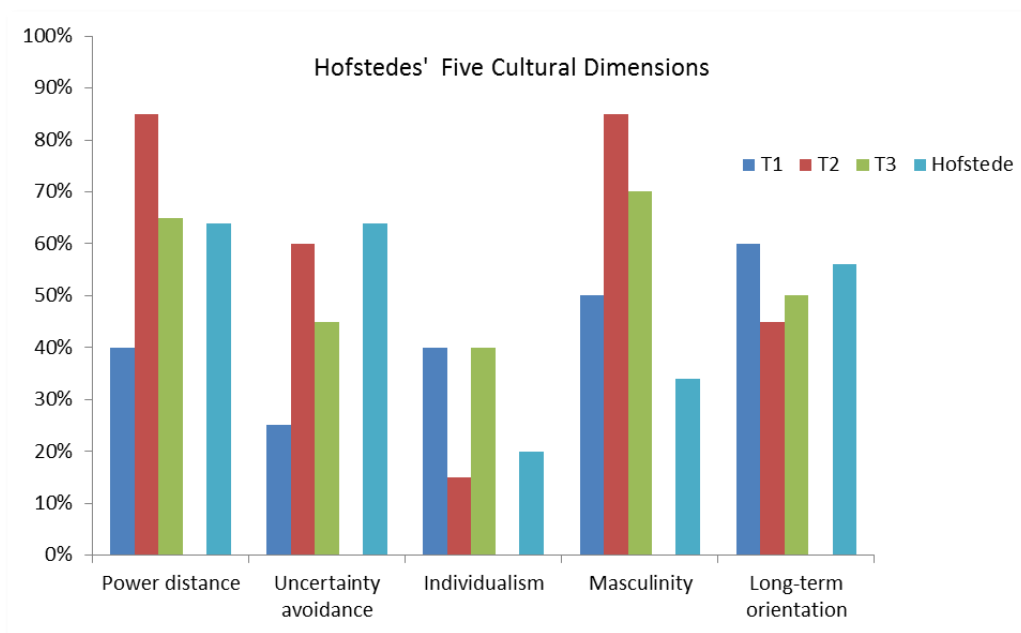


Figure 0-2 The cultural dimensions based on the experience of the interviewees in Thailand compared to Geert Hofstede's research in 1984.

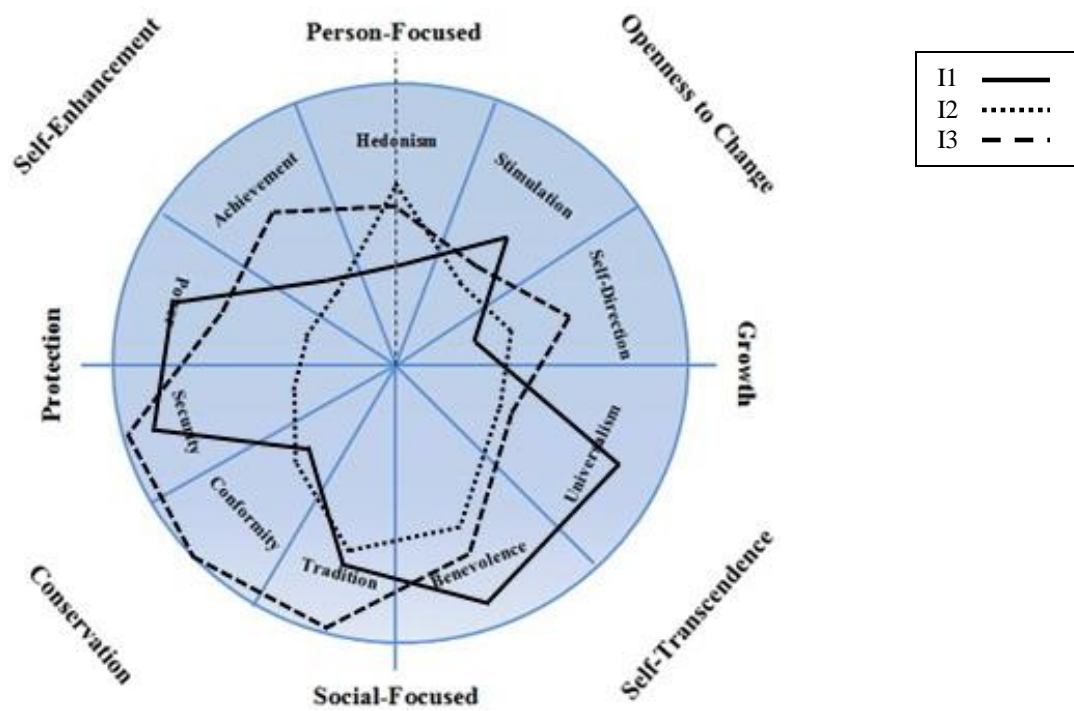


Figure 0-3 The Indonesian individuals continuum of Shalom Schwartz (1992) driving core values, based on the experience of the interviewees in Indonesia

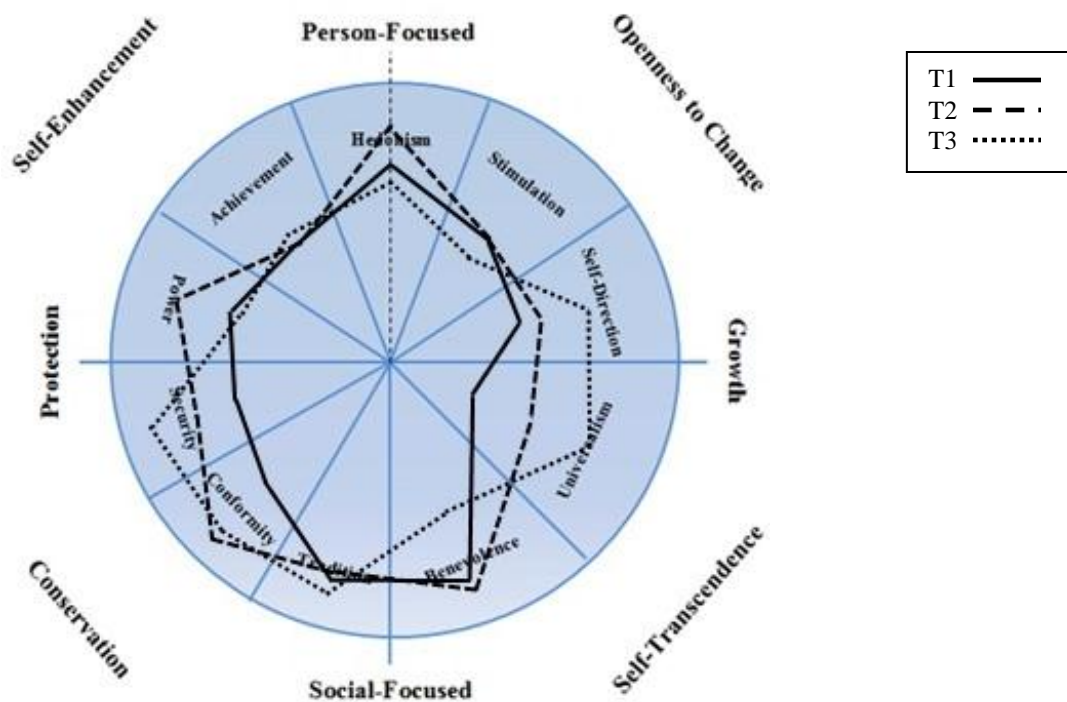


Figure 0-4 The Thai individuals continuum of Shalom Schwartz (1992) driving core values, based on the experience of the interviewees in Thailand

## **APPENDIX IV Country Facts.**

### **Indonesia**

Indonesia has diversity in its cultural influences in history (Andrews 2002). Indonesia's cultural origins lie first in the Malay kingdom of Srivijaya, which from the 7<sup>th</sup> to the 12<sup>th</sup> centuries spanned the Malay Peninsula, Sumatra and the western part of Java. Hinduism and Buddhism influenced the Srivijaya kingdom and the Majaphahit kingdom, which took power in Java at the end of the 13<sup>th</sup> century. Islam arrived from India in the 13<sup>th</sup> century. Over the next two centuries the faith spread throughout the archipelago, except for Bali, which remained Hindu.

### **Thailand**

Thai culture prefers consensus to conflict, harmony to argument (Andrews 2002). In consequence, Thais have a keen sense of social hierarchy: the king is at the apex of a pyramid whose steps are defined by myriad nuances of language and gesture. Although Chinese blood runs in the veins of probably a third of the population, the Thais regard themselves as an ethnically homogeneous society. Some 95% are Buddhist, some 4% Muslim.

| Countries        | Indonesia                                  | Thailand                          |
|------------------|--|-----------------------------------|
| Population       | 245 mil                                    | 70 mil                            |
| Religion         | Islam<br>Christianity<br>Hindu<br>Buddhism | Buddhism<br>Islam                 |
| History          | Independence 1945                          | Land of the Free, never colonized |
| Language         | Bahasa Indonesia                           | Thai                              |
| GDP/pers. (US\$) | 3,465 (2009 estimate)                      | 5,174 (2009 estimate)             |