8. General conclusions

8.1 Discussion: limitations and future research implications

8.1.1 Limitations of this dissertation

Taking proper advantage of MNTs requires a good understanding of the impact of various factors at the environmental, organizational, team and individual levels of analysis on their performance. The aim of this study is to identify categories of influence on MNTs in business organisations and to develop a conceptual framework connecting internal dynamics with contextual aspects of MNT functioning.

Research has been conducted in an Austrian, a German and an American company. In order to test the validity of the results derived from the data collection and analysis, a more systematic investigation of this phenomenon is needed and requires that MNTs in multiple organisations located in multiple cultural contexts and operating in different industries are included in the sample. Interviews should be conducted by researchers with different national backgrounds in order to avoid construct and interview bias. A shift in theoretical framing to a culturally general framework is necessary (Gibson et al., 2003). Time and manpower have limited the results of this dissertation and forty interviews have been conducted by one researcher in German, English and Bosnian. Foreign languages can have a negative impact on trust building, the current flow of the interview and on the content of the interview. Consequently, interviewers who are from the same culture as the interview partners achieve better results (Fink et al., 2004b). At this point, we would like to mention that this is a part of a more comprehensive empirical study on MNTs in business organisations in a cross-cultural context which has been conducted in Austria and the USA (see Repitz, 2006; Rubesch, in press). The study includes 190 qualitative interviews with team leaders and team members in different companies (e.g., VA TECH, Henkel CEE, K&M International, Siemens, IBM, Pöyry, OMV, Bombardier etc.) operating in the high-tech and consumer good industry. It has been conducted over a period of more than three years at the Vienna University of Economics and Business Administration.
8.1.2 Implications for future research

This dissertation makes an important contribution to the existing MNT research. It presents a model that includes reciprocal relationships between context and individuals and teams. It is necessary to be aware of the internal dynamics and external aspects of MNT functioning and their reciprocal relationships. Otherwise, we will continue to find relationships within identified set of variables that seem to be causal due to the existence of other variables that moderate the discovered relations and lead to contradictory results.

Our findings show that MNT norms in companies with a strong corporate culture (e.g., K&M International and Henkel CEE) are reflective of the organizational culture. Consequently, the corporate culture has a strong impact on teams and its members. MNTs at companies with a weak corporate culture develop their own unique cultures and deviate from the values and norms set by the organization (e.g., VA TECH). It would be interesting to investigate this issue in different organisations with different types of corporate culture.

In future, we may continue identifying core competences of effective MNT leadership. Yet, the type of team will matter. By distinguishing among types of teams we may find out that the personal capabilities, skills and abilities of MNT leaders will vary for different types of teams.

When assessing MNT performance, it is interesting to study the specifics of single cultures, in addition to the culture-general knowledge offered by etic frameworks. Cultures can be studies from a perspective that provides deeper specific understandings of cultural differences. For example cultural standards are more specific and they provide more specific knowledge about cultural differences than cultural dimensions (Fink et al., 2006). Our findings show that different norms of behaviour of team members from different cultures impact MNT effectiveness.

Different levels of gender egalitarianism of members from different cultures who work in MNTs may impact team effectiveness and cause critical incidents. Our findings show that team members from cultures characterised as low on gender egalitarianism may harm team effectiveness in case they do not adjust to the values and norms of behaviour of (female) members from cultures high on gender egalitarianism (see chapter: 6.6.1 Team composition at K&M International and occurrence of bilateral conflicts). It would be interesting to conduct additional studies that incorporate the potential impact of this cultural dimension on MNT effectiveness.
Future research may test the validity of the questionnaire items aimed at assessing the level of collectivism and individualism in CEE and India. Our data raise doubts about Central Eastern Europeans’ and Indians’ unequivocal nature of collectivism as reported in the GLOBE project. Contrary to GLOBE’s study, also Trompenaars’ (1993) findings show a surprising level of individualism in the respondents from CEE - those from Hungary, Czech, Poland, Bulgaria, Romania, and Russia all scoring in the top quartile for individualism. In the same vein, Smith et al. (1996) reported a preference for individual rather than shared responsibilities in the CEE cultures (Bakacsi et al., 2002).

8.2 Managerial implications

In the following section we will present important managerial implications:

Companies that pursue a global strategy should be aware of the importance and necessity to implement MNTs. Cultural diversity within project teams of companies with a global strategy will be positively related to a firm’s performance. MNT members will have the necessary pool of resource-net works and through the intensity of mutual interactions based on trust and respect they will secure vital tacit knowledge about different niche markets. By facilitating knowledge exploitation and knowledge exploration they will increase a company’s competitive advantage.

Firms that are involved in expansion and focus more on ‘business to consumer marketing’ will benefit from the implementation of MNTs. They will benefit from market-related advantages obtained from cultural diversity and this cultural diversity of the workforce will bring cultural sensitivity that is very important when the company enters new markets and tries to reach different market segments. MNTs will add a multicultural perspective to the strategy development of such companies and enable them to act as locally as necessary and as globally as possible.

MNTs play an important role in today’s global knowledge-based economy. MNTs consisting of HQ employees and host country representatives (inpatriates) will facilitate the exploitation and transfer of knowledge across geographically dispersed business units of the company.

In order to take proper advantage of MNTs, it is necessary to have a good understanding of the impact of such groups on an organisation including its culture. By employing inpatriates in MNTs on semi-permanent rotational assignments, companies will maintain their cultural consistency between geographically dispersed business units and create a strong corporate culture characterised by common
values and norms. MNTs will reduce the complexity of operations by transferring the appropriate dimensions of the HQ’s corporate culture to its subsidiaries.

Our findings show that the HRD contributes to MNT effectiveness. An effective HRD helps to quickly mobilize employees with diverse capabilities into well functioning teams in order to respond to new challenges and contribute to a company’s success. By delegating the right employees to projects were their skills are immediately needed and by developing their skills and knowledge and increasing their motivation HRD improves a company’s success and increases its MNT performance.

MNTs that consist of one core team whose members are involved in pursuing team goals from the beginning of a project until its end will easier develop team cohesiveness and members will identify with the team. A sense of collective team identification is critical for MNT performance. If team members are repeatedly being withdrawn from the team, they may not be able to develop this sense of collective team identification.

Our findings show that Indian team leaders integrate American managerial practices into their management culture. They change the way they lead teams in India by adapting certain parts of American leadership style. This way they are able to improve their personal leadership style. By integrating American local managerial cultural characteristics into their own they produce new hybrid cultures and become more successful.

At this point, we would like to mention once more that this study has been conducted in three different companies. In order to test the validity of the results derived from the data collection and analysis, a more systematic investigation of this phenomenon is needed. This represents the major limitation of the dissertation. Thus, it provides a value-added contribution to existing research and important implications for managers.
9. Bibliography


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