# CROSS-BORDER KNOWLEDGE TRANSFER WITHIN MNCs: THE ROLE OF INTERNATIONAL EXECUTIVES IN MANAGING CULTURAL DIVERSITIES

Rossella Canestrino
Università degli Studi di Napoli "Parthenope"
rossella.canestrino@uniparthenope.it
Tel. +39 081 5474719
Fax. +39 081 5522313

Pierpaolo Magliocca
Università degli Studi di Foggia
p.magliocca@unifg.it
Tel. +39 0881 781710
Fax. +39 0881 568244

Gianfranco Nocilla
Global Project Manager – Credentialed Career Coach
gianfranconocillacoach@gmail.com
Tel. +39 333 9588051
Fax. +39 081 5522313

**Abstract**

This paper examines the role of culture on knowledge transfer within multinational corporations (MNCs), referring to the real-life case of a European multinational consumer goods company. GLOBE findings are used to better understand the difficulties faced in managing a raw materials harmonisation project. We explain how cultural diversities may limit cross-border knowledge transfer, as well as how international executives can manage multicultural teams in order to achieve the project goals.

**Key words:** Knowledge transfer, MNCs, GLOBE, cultural diversities

## 1. Transferring Knowledge within MNCs

The expansion of markets, both domestically and internationally, intensifies environmental turbulence, impelling firms to enhance flexibility and to improve the knowledge base they have.

In this context knowledge has became one of the most strategically-significant resources, and there is an increasing recognition that the ability to create, transfer, use and protect knowledge assets is a key issue both for firms, and multinationals' (MNCs) competitive advantage.

The interest for knowledge transfer within MNCs has been expanded in the last years.

MNCs may be considered as "international networks" of firms: after created, knowledge needs to be transferred from the "source" to the "receiver" (like, for example from headquarter to subsidiaries, or from one subsidiary to another one), in order to improve the whole corporate knowledge. Not surprising, transferring knowledge within MNCs is a difficult and often misunderstood process. It involves a wide range of different features, so that researches alternatively focused on different topics.

Hedlund (1986) and Bartlett and Ghoshal (1989), for example, investigated how MNCs structure may foster or limit knowledge flows within multinationals; Gupta and Govindarajan (2000) observed that intra-organizational knowledge transfer depends on the richness of transmission channels, as well as on the units motivation to acquire knowledge, and their capacity to absorb it; Szulanski (1996) emphasized that *"the movement of knowledge within the organization is a distinct experience, not a gradual process of dissemination"*(p. 28). In his view, knowledge transfer is an exchange process between the source and recipient units based on four steps: initiation, implementation, ramp-up and integration.

But MNCs knowledge transfer is affected by culture, too.

Culture impacts on knowledge creation and diffusion at different levels: at a context level, knowledge spreading is affected by national culture, which improves, or limits, not only individuals' propensity to cooperate one to each other, but also their capacity to transfer and absorb knowledge (Tiessen, 1997; Calvelli, 1998; Steensma et al., 2000). At organizational level, culture influences knowledge creation, and sharing by: a) shaping the assumptions about what knowledge is; b) defining the relationship between individual and organizational knowledge; c) creating the context for social interaction, and finally; d) defining which type of knowledge will be used in a particular situation (De Long and Fahey, 2000).

According to the above considerations, culture may considerably affect MNCs intra-organizational knowledge transfer, because of the cultural differences existing among the geographical dispersed units. If cultures significantly differ, managers may feel frustrated, thus undergoing uncertainty and *cultural shock*. As Black and Gregersen (1999) noted, *"cultural shock"* may arise every time managers feel stress in managing relationships with people coming from different cultures[1]. When a cultural shock arises, negative effects on work climate, as well as on knowledge transfer soon develops.

The larger the cultural distance among the partners is, the more evident are the effects of the *cultural shock* when it occurs. An important premise for knowledge transfer effectiveness is, therefore, partner's capacity to create a positive climate for discussion and knowledge sharing (Day, Dosa, Joergensen, 1995).

According to the above considerations, we support the idea that the effectiveness of corporate knowledge transfer depends on executives' ability to co-ordinate subsidiaries, overcoming cultural diversities. These kinds of international managers are open-minded and proactive; they perform as "equidistant managers", not influenced by home countries culture, neither by the host country values and beliefs, thus acting as "knowledge bridges" (from headquarter to subsidiaries and from subsidiaries to headquarter).

In our paper we present a real-life case study, showing:

a) How cultural diversities may obstacle cross-border knowledge transfer within MNCs;

b) How international executives may support an effective knowledge transfer process by acting as "knowledge bridges" among the parties.

The case study enables us to point out the similarities and the differences among the different national cultures involved in the case. In doing so, we provide some advices on how GLOBE model (House et al., 2004) may be used to understand cultural diversities, as well as to manage the intra-organizational knowledge transfer process. According to the analysed real experience, we finally offer few suggestions on how executives can better manager cross-border knowledge transfer within multinational corporations.

---

[1] *"Cultural shock"* may be, particularly, defined as an *"emotional and psychological reaction to the confusion, ambiguity, value conflicts, and hidden clashes that occur as results of fundamentally different way of perceiving the world and interacting socially between different cultures"* (Solomon, 1994, p.58).

## 2. The real firm's experience

### 2.1. The Company Structure

The case study related to the experiences of a European Fast Moving Consumer Goods Multinational Company[2].

The Company counts more than 170 thousands employees and is present in 190 Countries worldwide, where successfully produces and markets fast growing consumer goods. In 2009, the Company started a global project aiming at harmonising and reducing the number of some food raw materials placed in the production process.

Before the project start, the raw materials under discussion were scattered in five regional portfolios (Europe, North America, Latin America, Africa/Middle East, Asia), managed locally and characterised by a high level of redundancy. Due to this situation, many problems arose, because of the low level of cross-regional standardisation, and the high number of suppliers for small annual deliveries.

As a consequence, the Company experienced both a reduced bargaining power, and the impossibility to issue global raw materials and finished products specifications.

To solve these problems, it was agreed to create a global portfolio of that specific raw material by replacing existing similar grades with a unique global item, respecting all the possible legal, regulatory, quality and technical limitations.

In other words, each sub-cluster of interchangeable raw materials would have merged in a unique, global and standardised code.

### 2.2. The Harmonisation Project: genesis and goals

The R&D/Supply Chain project consisted in the global harmonisation and rationalisation of a key raw materials cluster in a food sector.

Specifically, the two main project objectives were:

1. to reduce the complexity in managing raw materials at global level. The project aimed at reducing the raw materials to a global portfolio;

2. to generate a cost saving, by having a unique supplier, as well as by guaranteeing the selected global supplier a three-year exclusivity contract.

The harmonisation need was identified by the MNC in the early 2009 and soon formally submitted to the key suppliers of those peculiar raw materials.

A global project team was established to manage the project at global level and to transfer from headquarter to the subsidiaries all the information related to the raw materials harmonisation and rationalisation. The global team interfaced with regional teams, the last ones being responsible for the implementation of the global project at regional level.

The global team was a multicultural team in its own core with every member having made significant experiences abroad. Thanks to their own international experiences, team managers were used to manage cultural diversities, by acting as mediators between headquarter and the geographical dispersed subsidiaries. Giving the Global Manager (or Executive) multicultural mindset, we do not consider the way His own cultural values and beliefs could affect cross-border knowledge transfer.

---

[2] The company prefers to be anonymous and not be cited in the paper. Nevertheless, the information and the obstacles discussed in this paper were personally experienced by the Global Manager (Executive) Gianfranco Nocilla.

The global team coordinated different regional teams (one European team and 4 non European). The last ones were composed by regional members of the all company functions; each regional team was moreover led by a regional R&D project manager who communicated directly with the global team.

Each regional manager belonged to a different nationality.

1. US nationality for North American manager;

2. Brazilian nationality for Latin American Countries (LATAM);

3. Turkish nationality for Africa and Middle East (AMET);

4. Thai nationality for Asia

From a cultural perspective, the regional teams significantly differ one from each other, thus affecting the way they interact, communicate and transfer knowledge. Since the Global Manager was held accountable of the global project output, he had to manage cultural diversities to make the local teams understand project goals, apply the required changes, and respect project timing and agreed way of working.

Referring to the Project goals, different kinds of knowledge may be identified:

*1. Technical knowledge (or declarative knowledge)[3].*

It mainly refers to the characteristics of the raw materials to harmonise: types, functionality and legislation. Because of its inner characteristic this kind of knowledge belongs to the declarative one.

*2. Non Technical knowledge*

It mainly refers to the information and know-how connected to the global project: project milestones, timing, quality standards, and so on. Because of its inner nature, also this kind of knowledge belongs to the declarative one.

*3. Procedural Knowledge[4]*

It mainly deals with information about how the global project had to be developed and performed. It refers also to the way the Global Executive interfaced with regional management, to the procedures requested to implement and validate the results, and to the way of working related to the project management.

According to the empirical evidence, the Global Executive acted as a *sender* of both declarative (told to the *receivers* what to do), and procedural knowledge (told to the *receivers* how to perform activities). In doing that, remote meetings, lessons and periodical telephone calls with other regional teams were used. "Face-to-face" meetings with non-European teams were never suggested by the MNC, thus affecting the way people could related and transferred knowledge.

*2.3. Cultural obstacles to the project's goals*

In the first phase of the project, the global team met several times in different European locations to agree the way of working and set up procedures and quality standards. In these occasions, it was also possible to develop an appropriate level of team building, mutual trust and focus.

---

[3] Declarative Knowledge refers to "Knowing What" (facts and concepts) (Kogut and Zander 1993; Simonin 1999; Gupta and Govindarajan 2000). It deals with information about a situation, including predictions about the most appropriate actions to take in order to achieve defined goals (Turner, 1994).
[4] Procedural Knowledge refers to the "Know How", describing how to perform a given task or activity (Kogut and Zander 1993; Simonin 1999; Gupta and Govindarajan 2000). It is based on distinct systems and derives from past planning of action sequences that were successful. It can also derive from experience (Turner 1994).

Although a clear support from the stakeholders and the company promotion of a strong global mindset, the four non-European regional teams showed deep differences in terms of attitudes, reactivity, reliability and communication. Already at the project start, many of these differences had been foreseen – and treated as "risks" – by the global team. Nevertheless, the cultural differences strongly influenced the projects results, due to the so different cultural backgrounds. MNC reducing cost policy made the cross-border knowledge transfer even more difficult: because of the travel budgets cuts, the Global Executive could never organised "face-to-face" meetings, which took place only by telephone.

The difficulties that the Global Executive had to face varied from region to region, according to the local manager's capacity to receive information, understand (make sense of) and translate it into practice (project implementation). Many differences were particularly experienced about the subsidiaries' orientation to achieve the project aims, as well as to respect the given timetables.

Here below a summary of the different non European regional projects with reference to the main difficulties faced by the Global Executive.

*1. North American project*

The North American project was delivered without major issues of quality and timing, in spite of the cultural diversities and the fact that no face-to-face meetings were ever organised. There was no need to involve the stakeholders to re-align or focus the regional team and to remind the agreed procedures.

The only issue was linked to high level of competition created by the North American team versus the Global one: the Global Project Leader had to dedicate several meetings to generate a climate of real trust and cooperation between the two teams. After a first period, the North American local manager stopped to be reticent in the communication of the technical results, having understood that the global success would have been recognised to all the project participants, even if regional.

*2. Latin American project*

The main issues related to the Latin American project were linked to the initial low reactivity of the regional team.

Anyway, after a first period, the periodical telephone conferences began to work well and replaced effectively "physical" team meetings; also the team performances improved, mainly in the direction of an increased attention to the project timing and to the delivery quality. The Latin American manager – unlike the North American one – was characterised by a remarkable level of cooperation and an extremely friendly communication style.

As for North America, also in this case there was no need to involve the stakeholders to re-align or focus the regional team.

*3. African and Middle-Eastern project (AMET)*

The main problems with the AMET team were linked to the respect of the project timetable. The regional manager (Turkish nationality) never considered the global project as a subsidiary's priority and more than once he planned actions, which were then completely ignored till the meeting after. Consequently, the Global Executive often had to remind him the respect of the agreed timing in order to not limit the success of the global project delivery. In this way, he reduced the level of delegation, increasing the frequency of checks and also compromising in fact the climate inside the team.

On top of this, the Project Leader experienced the frustration of being unable to issue a Regional contingency plan: despite of the efforts and the availability to guide a risk

assessment/contingency plan session, the AMET manager always answered that this measure was redundant and that the risk would have been managed only if it had revealed.

*4. Asian project*

The major problems were faced in managing the Asian project.

According to the Executive Manager, the local manager (Thai nationality) had low level of both technical and project management competences, but the very problems derived from the cultural distance among the parties, and by the way cultural values and beliefs affected the receiver's absorbing capacity. It must be underlined that the local manager was quite new in her role and had no previous experiences in multi-regional projects.

It frequently happened that, even if it seemed that the Thai manager had understood all the meeting topics, the targets to be reached and the way to achieve them, after some days – through a mail or some question during the next meeting – the Executive Manager realised that it was not the case. The real issues were not clearly understood, both the project goals and the procedures needed to be explained again; new *ad hoc* meetings had to be organised between the global manager and the Thai one.

Understandably, the timing had to be reviewed and the costs increased until a solution was found to overcome communication obstacles and misunderstandings: the creation of a "multicultural bridge" in loco. The Global Project Leader agreed with an English Director working in Thailand that he would have participated to all telephone conferences, assuring that all the project targets and details would have been clearly and really understood by the local manager and that the actions would have been completed in time, in full. The Thai manager accepted with enthusiasm this proposal and, since then, the Asian project quality improved, even if some issues especially in planning activities and in communication remained.

According to the above considerations, recent finding of the GLOBE project may be applied to better understand both the differences and the similarities among the national cultures involved into our Company project.

The next section shows a comparison of GLOBE cultural dimensions with reference to the cultural clusters involved into the project. Not all GLOBE dimensions have been used to interpret our real case study. According to the Global Manager experience, both Gender Egalitarianism and Human Orientation had a weak impact on the transfer of both declarative and procedural knowledge from headquarter to subsidiaries.

### 3. Understanding cultural diversities: lesson from the GLOBE

GLOBE (Global Leadership and Organizational Behaviour Effectiveness) is a research project involving 62 societies around the world.

According to House et al. (2004), cultural contexts can be studied through nine dimensions (power distance, uncertainty avoidance, institutional collectivism, in-group collectivism, gender egalitarianism, performance orientation, future orientation, human orientation, assertiveness), which explain the different perception and acceptance of leadership within each context.

Each cultural dimension has been studied at two levels, the "*as is scores*," and the "*should be scores*", in order to understand both practices and values prevailing within society.

Practices (as is) show us the cultural perception of each culture, while the values (should be) reveals the wish a culture has for changing.

Not surprisingly, cultures may be different referring to their practices and values, with numerous practical implications for the effectiveness of cross-border knowledge transfer.

The examined cultures belong to different bands. The band represents a group of society that do not significantly differ one from each other; but cultures that belong to different bands, significantly differ one from each other.

### *Performance Orientation (PO)*

Performance Orientation refers to the extent to which an organization (or society) fosters performance improvement and excellence.

PO shapes the way a given society defines success, as well as manages relationship with outside world. Societies that score higher on PO emphasize results more than people, value assertiveness, competitiveness, and materialism, and desire to dominate rather than be dominated. The wish to be better than others and to defeat the rivals is driven by self confidence and ambition. A high PO links also to a monochromic approach to time. As a consequence, societies tend to have a sense of urgency in making decisions and in facing challenges. By the contrast, the societies that score lower on this dimension have a polychromic approach to time and do not feel much urgency in getting things done. In this sense, GLOBE PO seems to re-call the Time dimension, as it was defined into the Cultural Orientation Model (COM)[5].

Accounting for all 61 societies the average score for PO practices is 4.10 on the 1-to-7 scale, while the average for performance orientation values is substantially higher: 5.94.

*The higher score is the greater performance orientation exists.*

GLOBE results show a significant difference between "as is" and "should be" score. The higher PO values means that societies would be more performance oriented than they are: people from all over the world are seeking a society that strongly encourages innovation, challenging goals, and improvement.

Referring to our case studies, the following tables show us both the "as is" and the "should be" scores for all the five examined cultural clusters.

**Table 1.a) - PERFORMANCE ORIENTATION (AS IS)**

|  |  | COUNTRY | SCORE | BAND |
|---|---|---|---|---|
|  |  | USA | 4.49 | A |
| **MEAN** |  | **4.10** |  |  |
|  |  | BRAZIL | 4.04 | B |
|  |  | THAILAND | 3.93 | B |
|  |  | TURKEY | 3.83 | B |

*Source: The Globe project, 2004*

**Table 1.b) - PERFORMANCE ORIENTATION (SHOULD BE)**

|  |  | COUNTRY | SCORE | BAND |
|---|---|---|---|---|
|  |  | USA | 6.14 | B |
|  |  | BRAZIL | 6.13 | B |
| **MEAN** |  | **5.94** |  |  |
|  |  | THAILAND | 5.74 | C |

---

[5] The COM was developed by TMC to understand how the cultural diversities shape individuals' behaviours and the way they interact. The model has became the central framework for consulting firms, coaches and practitioners. According to COM, people from Western world consider time fixed in its own nature (fixed-time cultures). In such cultures, meetings are expected to begin on time, and deadlines and schedules are taken seriously. In societies characterised by a fixed orientation time, the last one is often associates to money and "wasting time" is considered unethical (Walker D.M., Walker T., Schmitz, 2003)

| | | TURKEY | 5.39 | D |
|---|---|---|---|---|

*Source: The Globe project, 2004*

According to GLOBE findings, all the selected countries characterised for an "as is" PO lower than the mean, with the only exception for the USA. The USA is more performance oriented, than all the other societies involved into the Harmonisation Project: this is coherent with the empirical evidence. The North American project was delivered without major issues of quality and timing, thanks to the local manager's "can attitude". Not surprisingly, the USA regional manager undertook a lot of efforts to reach the given targets, like it was a personal achievement (different from the corporate one). Because of his monochromic sense of time, the North American regional manager felt always the urgency of his own tasks, implementing in time all the issues of the harmonisation project.

As the Global Manager underlines, both Thai and Turkish managers didn't consider the project as a priority among their own activities, thus often requesting for new deadlines in the execution of their own tasks. The underlined behaviour comes from the polychromic approach of time and the low sense of urgency that characterise the societies lower on PO.

Interesting observations arise from the comparison of Brazil "as is" and "should be" PO scores.

Brazil "Should be" PO is not only higher than the mean (5.94), but also very close to the USA scores. This means that Brazil society would be more performance oriented than it is, thus supporting empirical evidence.

With reference to Brazilian experience, the Company Global Executive asserts "*After a first step ...no communication problems arose...and the regional manager were able to reach in time every given target*".


### *Future Orientation (FO)*

Future Orientation (FO) refers to the extent to which an organization or a society engages in future-oriented behaviours, such us planning, investing in the future, and delaying gratification. Societies characterized by a high FO show a high propensity to save now for the future; emphasize working for long-term success, tend to be flexible and adaptive, and consider material success and spiritual fulfilment as an integrated whole. By the contrast, cultures with a low FO are able to enjoy the moment and to be spontaneous; they are free from both past worries and future anxiety; at same time they are not able to plan a sequence to realize their own goals. Additionally, societies characterized by low levels for FO may not evaluate the negative consequences of the current actions over the future goals, thus mining the success of their own projects (Keoguh et al., 1999).

Based on the above, GLOBE FO may be considered the extent to which the members of a society, or of an organization, believe that their current actions will influence their future, focus on investment in their future and look forward for assessing the effects of their current actions.

As the Performance Orientation, also the Future Orientation links to COM Time dimension, mainly referring to the Past/present/future orientation[6].

The average score for FO *practices* is 3.85 on the 1-to-7 scale.

*The higher score is, the more future oriented a society is.*

---

[6] The underlined orientations differentiate cultures: past oriented cultures value the historical continuity, thus feeling distrust and suspicion every time they meet change (the unknown). At organisational level plans for change need to fit with firms' past experience, and the leader is expected to carry the vision of the past into the future. Present Oriented cultures aim for quick results and stress here and now. At organisational level short-time plans are often developed and resources are coordinated on the basis of the present demand. Finally, Future oriented culture show a long-term vision; organisations coordinate resources in order to achieve longer-range goals, and future need prevails over the present ones (Walker D.M., Walker T., Schmitz, 2003).

The average for future orientation *values* is a much higher 5.48. This means that societies would be more future oriented than they are.

Societal score on the FO are negatively correlated with FO practices scores. The negative correlation means that the lower the practices score is, the higher the value score for FO is.

Referring to the examined cultural groups, therefore, Thailand, Turkey, and Brazil show higher FO values than US, in contrast with their FO "as is" scores: the societies which report weaker practices of FO, have stronger aspiration for Future Orientation. Thailand, Turkey and Brazil suffer most from the uncertainty and unpredictably of not addressing the long-term issues. Therefore, they are most conscious of the need for moving toward a more strategic perspective.

**Table 2 a) - FUTURE ORIENTATION (AS IS)**

|  |  | COUNTRY | SCORE | BAND |
|---|---|---|---|---|
|  |  | US | 4.15 | B |
| **MEAN** |  | **3.85** | | |
|  |  | BRAZIL | 3.81 | B |
|  |  | TURKEY | 3.74 | C |
|  |  | THAILAND | 3.43 | C |

*Source: The Globe project, 2004*

**Table 2 b) - FUTURE ORIENTATION (SHOULD BE)**

|  |  | COUNTRY | SCORE | BAND |
|---|---|---|---|---|
|  |  | THAILAND | 6.20 | A |
|  |  | TURKEY | 5.83 | A |
|  |  | BRAZIL | 5.69 | A |
| **MEAN** |  | **5.48** | | |
|  |  | US | 5.31 | B |

*Source: The Globe project, 2004*

Referring to the GLOBE results, all the FO scores for the selected countries lie above the mean, with the only exception for US.

GLOBE results seem to contrast with Hofstede's studies about Confucian Dynamism and term-orientation[7]. It is not our aim to review the literary debate about the validity of Confucian Dynamism Index. We only underline that, contrary to Hofstede's prediction, there is no evidence that Asian societies are more long-term oriented than the Anglo societies: it is not appropriate to characterize Anglo societies as short term, since one does not expect that organizations maximize short-term profits at the cost of long terms benefits, even under efficient markets (Davis & Steil, 2001).

The underlined findings support empirical evidences, with reference to both the North American Future Orientation and to the more difficulties that the Global Manager had in managing AMET and Asian projects, than the others.

The Global Manager faced a lot of challenges in achieving the Harmonization project goals, mainly referring to the lack of both Asian and African's strategic perspective. The Company Global manager had to envision the future in his followers, by adopting always a charismatic leadership, as

---

[7] Hofstede's interest for future orientation derived from the rise of Japanese competitiveness in the global competitive arena, as well as by the fast economic growth of several East Asian nations (Hong Kong, Singapore, South Korea, and Taiwan). Hofstede and Bond (1988) developed a measure of Confucian Dynamism and showed that their measure was positively related with the economic growth rate nations. Predictably East Asian and Japanese societies scores high on the Confucian Dynamism Index, whereas Anglo societies scored low. Since the linkage between Confucian Dynamism and long-term orientation, the Anglo societies would be less Future Oriented than the Asian ones.

well as by organizing non-regular and informal sub-meetings, in order to better explain both the aims and the procedures already planned at corporate level.

### *Assertiveness*

Assertiveness is the extent to which both individuals and organizations or societies are assertive and aggressive in social relationship.

High Assertiveness Societies tend to value dominant behaviour, success, and progress. At same time, they foster competition and performance achieving, emphasizing results over relationship. Assertive societies value what one do, more than what one is, and build trust on the basis of capabilities and calculation.

On the contrary, societies that score lower level on Assertiveness value modesty and tenderness, as well as tradition, seniority, and experience. No assertive societies foster solidarity, loyalty, and cooperative behaviour. They give importance to who one is, more than who one does, and build trust on the basis of predictability. They speak indirectly and emphasize the "face saving".

The average score for Assertiveness *practices* is 4.14 on the 1-to-7 scale, while the average for Assertiveness *values* is a noticeably lower 3.82.

Since higher score for the dimension shows a greater Assertiveness, the difference between "As is" and "should be" means that societies should be less assertive or aggressive than they actually are. This tendency is also supported by the negative correlation between Assertiveness practices and values. For instance, Turkey is in the highest practices, but in the lowest values band. In other words, societies with high levels of "as is" Assertiveness want to be less, while societies scoring low on practices want to be more Assertive, than they are[8].

From a knowledge perspective, Assertiveness plays a very important role by shaping the context of communication among the parties. In many assertive societies (like in many Western countries), communication is direct and non ambiguous, thus people tend to use the so-called low-context language. By the contrast, less assertive cultures tend to use high –context language, which is less direct, more ambiguous, and more subtle (Hall, 1959; Schneider & Barsoux, 1997). In high context cultures, a message meaning relies heavily on the group's understanding of voice tone, body language, face expressions, and use of silence. The tendency to high context communication is the reason why people coming from Asia, Middle East or Latin America, "yes" can mean "yes", "maybe", "I don't know" or even "I have said this unenthusiastically enough for you to understand that I mean no". In high context cultures, a message meaning depends more on the context, than on the words (Walker D.M., Walker T., Schmitz, 2003).

**Table 3.a) - ASSERTIVENESS (AS IS)**

|  |  | COUNTRY | MEAN | BAND |
|---|---|---|---|---|
|  |  | US | 4.55 | A |
|  |  | TURKEY | 4.53 | A |
|  |  | BRAZIL | 4.20 | A |
| MEAN |  | 4.14 |  |  |
|  |  | THAILAND | 3.64 | B |

*Source: The Globe project, 2004*

---

[8] An explanation for the examined negative correlation is that too much competition, dominance, and aggression often shape unsafe and frustrating environment. As a consequence, people ask for cooperation in order to complete the tasks. Similarly, too little Assertiveness should be felt as weakness, thus people wish more Assertiveness than they have.

**Table 3.b) - ASSERTIVENESS (SHOULD BE)**

|  |  | COUNTRY | SCORE | BAND |
|---|---|---|---|---|
|  |  | US | 4.32 | B |
| MEAN |  | 3.82 | | |
|  |  | THAILAND | 3.48 | B |
|  |  | BRAZIL | 2.91 | C |
|  |  | TURKEY | 2.66 | C |

*Source: The Globe project, 2004*

Referring to our selected countries, US, Turkey, and Brazil scores for Assertiveness "as is" lie upper the mean. Thailand scores the lowest level for Assertiveness practices. But Thailand, Brazil and Turkey, should be less assertive than they are, thus their values fill above the mean. US show the highest level for Assertiveness, both for practices, and for values.

Depending on the underlined results, US, Turkey, and Brazil tend to be dominant and to use direct communication. All the collected information found support in empirical evidence, because of the difficulties the Global Executive faced in managing his international team. The major difficulties arose in managing the relationship with US local manager, as well as in overcoming communication misunderstanding with the Thai local manager.

As the Global Executive experienced, even if US, Brazil, and Turkey show high level of Assertiveness (ex.: similar communication style), US local manager was more competitive and dominant than the others, thus engaging competition with the global team itself. The US local manager's behaviour inspired to an "eat or be eaten" or "try to be winner" mind-set, according to which people need to win to survive and prosper. This extreme obsession with destroying competitors could have negative consequences, mining the success of project at corporate level, so the Global Project Leader had to spend a lot of time to establish real trust among the parties, as well as to foster cooperation between the two teams, in order to ensure the achieving of corporate results.

Communication problems also emerged between the Global Executive and Thai local manager. Since the low level of assertiveness, Thai manager often used a less direct, more ambiguous, and more subtle language: as *transfer* of knowledge, the Thai manager expected that the receiver was able to "read between the lines"; as *receiver* of knowledge, the Thai manager emphasized the "face saving". Even when it seemed that the Thai manager had understood all the meeting topics, the targets to be reached and the way to achieve them, the Global Manager realised that it was not the case. The lack of "face-to-face" meeting made communication misunderstanding even more difficult to solve, impelling the Global Manager to ask for a regional "multicultural bridge", as we already noted above (p. 6).

### Individualism and Collectivism

Individualism and collectivism concern with the nature of relationship between the individual and the group, showing the extent to which people feel themselves autonomous individuals or embedded in their own group (Hofstede, 1980; Markus & Kitama, 1991, Schwartz, 1994; Triandis, 1989). At organizational level individualism and collectivism affect the way people consider themselves as largely independent (or interdependent) from the organisation. In individualistic cultures, members expect that the organisation offers them what they need; on the contrary, they leave it, especially when their goals may be reached elsewhere. By the contrast, in collectivistic cultures, people consider themselves as highly interdependent with the organization, the last becoming part of members' self-identity. As a consequence, employees in collectivistic cultures expect that the organization support them even in hard economic times. This is the case of Japan. In this context employees stay in the same company from the recruitment to retirement; family-like

practices, such as morning exercises, singing of company songs on special occasions, and assistance in helping employees find spouses, are usually adopted. Employees, on their own, are happy to make sacrifice for the company, by putting in service overtime job hours (Kashima & Callan, 1994).

According to Eby and Dobbins (1997), team collectivism links to team cooperation, which was related to knowledge transfer and to team performance, at least[9].

As clearly emerged from the previous considerations, Individualism and Collectivism are multidimensional in their nature. According to the multidimensional nature of the dimensions, GLOBE project examines In-group Collectivism and Institutional Collectivism with reference to both practices and values.

Institutional Collectivism is the degree to which institutions and institutional practices foster collective actions, as well as the collective distribution of resources. More specifically, Institutional Collectivism shows whether economic system emphasizes individual or collective interests, whether being accepted by other group members is important, whether individualism or group cohesion is valued more in the society.

In-group Collectivism shows the extent to which individuals are loyal or cohesive within their own family, organization, as well as within other social groups.

Institutional Collectivism means is 4.25 for practices and 4.72 for values.

*Higher score for the dimension means greater Institutional Collectivism.*

**Table 4 a) – INSTITUTIONAL COLLECTIVISM (AS IS)**

|  |  | COUNTRY | SCORE | BAND |
|---|---|---|---|---|
| MEAN |  | 4.25 | | |
|  | US | 4.20 | B |
|  | THAILAND | 4.03 | B |
|  | TURKEY | 4.03 | B |
|  | BRAZIL | 3.83 | C |

*Source: The Globe project, 2004*

**Table 4 b) - INSTITUTIONAL COLLECTIVISM (SHOULD BE)**

|  |  | COUNTRY | SCORE | BAND |
|---|---|---|---|---|
|  | BRAZIL | 5.62 | A |
|  | TURKEY | 5.26 | A |
|  | THAILAND | 5.10 | A |
| MEAN |  | 4.72 | | |
|  | US | 4.17 | C |

*Source: The Globe project, 2004*

Referring to our selected countries, all of them lie below the mean (for As is score), even in different bands. More specifically, US, Thailand and Turkey belong to B band, while Brazil to C band. The first three groups show similar level of Institutional Collectivism, with the US on the top, but the situation changes for the "should be" scores. Referring to values, US lie down in the scale,

---

[9] Individualism and collectivism affect trust between employees and organisation, too. In collectivistic culture, people feel themselves as a part of the organization, thus trust takes the form of a deep interdependence between employees and their own firm. In such situation individuals may experience a terrible dissonance if trust would be betrayed. In individualistic culture, in many cases, employees simply leave the organization when their trust is betrayed.
If people deeply trust in the organization, they may look for a solution in order to remain in the organization (Sheppard & Sherman, 1998).

and Brazil on the top, because of the negative correlation between the societal practices and values version of the Institutional Collectivism: the more a society emphasized collective goals and interests, the more it values societal collectivism.

Interestingly, Institutional Collectivism practices scale is not correlated with In-group Collectivism practices or values scale, thus Institutional Collectivism is very different from the In-group Collectivism.

In- group Collectivism mean is 5.13 for practices and 5.66 for values.

*Higher score indicates more In-group Collectivism.*

**Table 4 c) – IN GROUP COLLECTIVISM (AS IS)**

| | | COUNTRY | SCORE | BAND |
|---|---|---|---|---|
| | | TURKEY | 5.88 | A |
| | | THAILAND | 5.70 | A |
| | | BRAZIL | 5.18 | B |
| MEAN | | 5.13 | | |
| | | US | 4.25 | C |

*Source: The Globe project, 2004*

**Table 4 d) – IN GROUP COLLECTIVISM (SHOULD BE)**

| | | COUNTRY | SCORE | BAND |
|---|---|---|---|---|
| | | US | 5.77 | B |
| | | TURKEY | 5.77 | B |
| | | THAILAND | 5.76 | B |
| MEAN | | 5.66 | | |
| | | BRAZIL | 5.15 | C |

*Source: The Globe project, 2004*

Referring to our selected countries, interesting observations arise from the "as is" scores. Turkey, Thailand, and Brazil show high level of in-group Collectivism, and they are all more collective, than US.

One would expect that both Turkish and Thai local managers try to maximise social aspect of the job, as well as cooperation in order to achieve group results and corporate success at least. But it didn't seem the case.

At same time, the lower US in-group collectivism would suggest a local manager individualistic behaviour, according to which the emphasis will likely be on knowledge transfer efforts that promote the subsidiary self interest. But the Global Manager didn't face problems related to the individualistic behaviour of the US local manager. How may we interpret this gap?

According to GLOBE findings, US score the highest Institutional Collectivism (As is), even if it is the least for the in-group collectivism. Similarly, Turkey and Thailand score higher than US for In-group collectivism, but lower than it, with reference to Institutional Collectivism. The underlined differences explain why the Global Manager faced more difficulties in managing Turkey and Thai team than the US one.

From a knowledge perspective, Institutional and In-group collectivism have opposite effects upon knowledge transfer process: managers from a high institutional collectivistic culture tend to support corporate knowledge transfer, by fostering communication and collaboration; managers belonging to high in-group collectivistic cultures are used to work closely with the members of the in-group, but are less concerned with knowledge transfer to those outside their own group.

A deeper analysis of the Harmonisation Project topics is also important to better understand the issue.

The Harmonisation Project aimed at transfer both technical and non technical knowledge to regional units, in order to achieve the corporate results. But in doing so, physical meetings were never organised, and cooperation was limited too. Collectivistic cultural group fell frustrated by the lack of personal contacts among the parties, as well as by the absence of longer and more intimate interactions: individuals are not able to integrate into strong cohesive groups, and both organizational commitment and job satisfaction are limited too.

We have also to keep in mind that the more the in group-collectivism practices is, the less Future Orientation practices is. Turkey, Thailand, and Brazil score more than US for Future Orientation, but they show lower level for FO than it. Since FO refers to the extent to which a society is able to plan for the future, on the basis of its present, the two cultural dimensions cannot be interpreted separately. Even if Collectivism fosters cooperative attitude and the interdependence between employees and the organisation, it doesn't necessary mean that people are able to plan a sequence to realise the desired goals.

### Power Distance (PD)

PD is defined as the degree to which members of an organization or society agree with the unequal distribution of power, power differences, and status privileges, since it is traditional related to the perception of social inequality[10].

In high PD societies, social groups differentiated into classes on several criteria, and power is considered a source for social order, relational harmony, and role stability; social mobility is limited (upward) and information is located, and not diffused. According to Lucas (2006) PD affects decision making process in MNCs. Small PD supports a participative approach to decision making, since one's will allowing for the free exchange of ideas. On the contrary, large PD supports an autocratic approach to decision making, according to which people with power do not consider as their equal those without power.

From a knowledge perspective, PD seems to be deeply connected to the effectiveness of both knowledge creation and transfer. Low levels of PD favours knowledge- intensive organizations, based on team-based systems, and empowerment. At same time, reducing PD in the organization is the preferential way to enhance growth and productivity (Huselid, 1995; Nadler, 1989), thanks to the satisfaction and self-control that employees enjoy. Not surprisingly, in Japan, technology has often been applied with creative techniques, such as *Kaban*[11], and job rotation, in order to foster both learning and corrective actions. In summary low levels of PD may enhance flexibility, as well

---

[10] Social inequality arises every time resources, such as wealth or education, allow some people to get more social power than the others. An unequal distribution of resources does not mean "power distance" in itself; power is used to get special ranks or advantages. Many values and beliefs are deeply rooted into religion, and that of PD is the case, since religions provide a foundation for our acceptance or rejection of high PD. The respect for tradition and experience in the Confucian and Hindu Societies, and the importance of spiritual leader in Islamic and Roman Catholic societies lead to the acceptance of a strong Power Distance. By the contrast, the relevance of personal initiative in achieving ones' own goals, typical of Protestantism, lead to a low acceptance of PD at societal level. Also Buddhism is expected to endorse low levels of PD, because of its emphasis on community spirit. PD is relevant for both Eastern and Western societies: within the high power distance societies of the East, power had to bring order to society, and to allow a clear and rigid allocation of resources. By the contrast, within Western cultures, a flexible distribution of power is expected to foster innovation, to allow a broader participation in education, and to limit the abuse of power and corruption. There are, however, a lot of diversities in practices and preference for PD in both Western and Easter societies, because of the different historical influences the countries had (House et al., 2004).

[11] Kaban is a manufacturing strategy according to which supplies and production demand are operationally linked (Huselid, 1995; Nadler, 1989).

as organization's competence building and learning. When subsidiaries are not similarly located on PD dimension, new ways to balance autocracy with compromise need to be found.

The mean for Power Distance is 5.17 (*practices*). The mean for society value is 2.75.

*The higher Power Distance is, the more society agrees with an unequal distribution of power within society.*

Of all 9 dimensions of societal culture practices, PD practice has the greater mean, while PD value has the least mean: Power Distance is reported to be the least desirable, but the most prominent, feature of social practices in countries around the world.

**Table 5.a) - POWER DISTANCE (AS IS)**

|  |  | COUNTRY | SCORE | BAND |
|---|---|---|---|---|
|  |  | THAILAND | 5.63 | A |
|  |  | TURKEY | 5.57 | A |
|  |  | BRAZIL | 5.33 | A |
| MEAN |  | 5.17 | | |
|  |  | USA | 4.88 | B |

*Source: The Globe project, 2004*

**Table 5.b) – POWER DISTANCE (SHOULD BE)**

|  |  | COUNTRY | SCORE | BAND |
|---|---|---|---|---|
|  |  | THAILAND | 2.86 | C |
|  |  | USA | 2.85 | C |
| MEAN |  | 2.75 | | |
|  |  | TURKEY | 2.41 | D |
|  |  | BRAZIL | 2.35 | D |

*Source: The Globe project, 2004*

Referring to our selected countries, Thailand, Turkey, and Brazil fall in the same band (A), for PD practices. Thailand' PD score is at the top, followed by Turkey. Only US scores below the mean, the underlined result confirms the influence that Protestantism had on the acceptance of an unequal distribution of power at societal level.

The data found support into the empirical evidence and to the difficulties that the Global Manager had in transferring information and managing knowledge with Thai and Turkish local managers. Both Thailand and Turkish managers accepted authority more than the US manager, but it is not the best solution, mainly from a knowledge perspective. When a high PD distance exists, hierarchy is recognised at organizational level, thus local managers don't contrast with global decisions (some conflict rose in the relationship with US local manager). The underlined situation allows control, but limits knowledge transfer and sharing, too.

Thai manager used what we may define as "yes behaviour": She said "yes" even if She didn't understand meeting topics, or procedures, to be implemented in the subsidiary; She said "yes" and often laugh, even if She disagreed with Global Manager decisions. Because of their high PD, Thais accepted wide differences in power in their organizations and subordinates will not influence their superior's ideas or decisions.

Face saving or the criticism avoidance plays also a very important role in Thai culture: Thais avoid conflict and criticism at all time because of the face saving value.

Thai behaviour may be deeply understood only by putting together Thai PD practices and Thai Assertiveness scores. Even if no significantly correlation, between PD and Assertiveness, has be

found, in GLOBE research, Thai "yes" attitudes may be better explained by considering also the low level of Assertiveness that characterises Thai culture.

### *Uncertainty Avoidance (UA)*

Uncertainty Avoidance (UA) refers to the extent to which a given society prefers rules and order, instead of uncertainty. More specifically, it describes the extent to which members of a society, or an organisation, avoid uncertainty by reliance on social norms, rituals, and bureaucratic practices, in order to reduce the risks of future events.

Societies higher on Uncertainty Avoidance have a tendency to formalize their interactions with others and to take moderate calculated risks. In business relationships, individuals coming from high uncertainty avoidance societies keep meticulous records, documenting conclusions drawn in meetings; they establish and follow rules, verify communication in writing and limit new product development.

UA has a strong impact over communication, both at social and at organisational level. It affects also firms' time orientation and planning[12].

If UA is strong, changes are felt as dangerous, and "what is already known" is preferred to changes. Within MNCs, subsidiaries make resistance to everything is "new", avoiding new techniques, even if these promise increased efficiency. On the contrary, subsidiaries in weak UA societies look for new way of doing things, thus enhancing flexibility and fostering learning process, as well (Lucas, 2006).

According to GLOBE findings, the mean is 4.16 for Uncertainty Avoidance practices, and 4.62 for Uncertainty Avoidance values.

*Higher scores indicate greater Uncertainty Avoidance.*

**Table 6 a) - UNCERTAINTY AVOIDANCE (AS IS)**

| | | COUNTRY | SCORE | BAND |
|---|---|---|---|---|
| MEAN | | **4.16** | | |
| | | US | 4.15 | B |
| | | THAILAND | 3.93 | C |
| | | TURKEY | 3.63 | C |
| | | BRAZIL | 3.60 | C |

*Source: The Globe project, 2004*

**Table 6.b) - UNCERTAINTY AVOIDANCE (SHOULD BE)**

| | | COUNTRY | SCORE | BAND |
|---|---|---|---|---|
| | | THAILAND | 5.61 | A |
| | | BRAZIL | 4.99 | B |
| | | TURKEY | 4.67 | B |
| MEAN | | **4.62** | | |
| | | US | 4.00 | C |

*Source: The Globe project, 2004*

---

[12] According to Gudykunst (1988, 1995) and Hofstede (2001), communication effectiveness depends on individuals' capacity to manage anxiety/uncertainty (Anxiety may be considered as the emotional equivalent of Uncertainty). When anxiety grows, individuals feel worry, uncomfortable and apprehensive (Gudykunst & Nishida, 2001), with negative consequence on their communication and on knowledge transfer, at least.

GLOBE findings also suggest that societies having a strong UA values, have a weaker UA practices, with only a few exceptions. In contrast, society that score less on their UA values, report strongly in their practices.

Referring to our selected countries, data report US has the highest score for the UA practices, with Thailand, Turkey and Brazil falling in another band.

GLOBE results about UA contrast with Hofstede's ranking for the same dimension, thus many difficulties arise in comparing them. An example is given by the comparison of UA score for Japan and US. GLOBE reports, for both practices and values, lower scores for Japan than for US, and it is quite contrary to Hofstede's rankings. When confronted with contrary results, much discussion usually follows as to why US was found to be a high Uncertainty Avoidance culture.

An exhaustive explanation for the underlined discrepancy links to the negative correlation between UA practices and values. The last suggests that societies reflect UA more in their values than in their practices. According to these considerations, US score for a lower UA (values) than Thailand, Turkey, and Brazil, thus confirming the Global Manager experience.

According to the Global Executive no significant problems related UA emerged in managing local teams and in transferring knowledge from headquarter to subsidiaries.

The Harmonization Project aimed at achieving higher level of standardization in the inputs, than it has been in the past, by transferring both declarative and procedural knowledge to the subsidiaries. In doing so, decision-making was made by high level management. This "upward" decision-making system feels comfortable with the high UA of Thailand, Turkey and Brazil (for should be") because of their tendency to avoid risk and uncertainty. Not surprisingly, Thais do not prefer to be involved in decision-making process and avoid confrontation, not only with their superiors, but also with other employees at same level.


## 4. Discussions and Conclusions

In our paper we have discussed the issue related to the cross-border knowledge transfer within MNCs, by examining the real-life case of a European multinational company.

GLOBE cultural dimensions have been used to interpret the obstacles that the international manager faced in managing all the regional teams, as well as in transferring knowledge from headquarter to subsidiaries. According to empirical evidence, some conclusions may be remarked.

Firstly not all cultural dimensions affect intra-organisational knowledge transfer with the same intensity. This is the reason why both Gender Egalitarianism and Human Orientation have been excluded by our analysis.

From a knowledge perspective, some variables seemed to be more connected to individuals' capacity to transfer or absorb knowledge, to their communication style, as well as to their propensity to cooperate to gain corporate results.

According to the empirical evidence, some dimensions – like for example Performance Orientation or Future Orientation – seem to mainly affect the receiver propensity to absorb knowledge, because of the tendency to foster performance improvement and excellence (in high PO societies), or to support future investments, emphasizing working for long-term success (in high FO societies). Similarly, other cultural dimensions – like Institutional Collectivism, In-group Collectivism, and Power Distance – deeply influence knowledge transfer by supporting or alternatively limiting individuals' propensity to cooperate for achieving corporate results. Finally, Assertiveness and Uncertainty Avoidance affect knowledge transfer by shaping communication, both at social and at organisational level, as well as by influencing firms' time orientation and planning.

Secondly, even if culture may considerably affect MNCs intra-organizational knowledge transfer, it does not impede it at all. Rather, it is the way that cultural diversities are recognized and managed that often limits intra-organizational knowledge transfer.

According to the above considerations, GLOBE provides a useful tool to understand both the similarities and the differences among the worldwide societies. Managers' understanding of the subsidiaries cultural background is the first step to avoid "cultural shocks", as well as to identify the most appropriate way to transfer knowledge and to achieve corporate goals. From the underlined perspective, the effectiveness of corporate knowledge transfer depends on executives' ability to co-ordinate subsidiaries, overcoming cultural diversities. These kinds of international managers are open-minded and proactive; they perform as coaches or "equidistant managers", not influenced by home countries culture, neither by the host country values and beliefs, thus acting as "knowledge bridges" (from headquarter to subsidiaries and from subsidiaries to headquarter).

Lastly, but not least important, is the corporate disposition in supporting the intra-organizational knowledge transfer itself. As our real case showed, the corporate never allowed physical meetings among the parties; transmission channels across the organization became poor. In such a situation, the difficulties in transferring knowledge grew more and more, especially for those societies where personal contacts are the milestones for cooperation, trust establishment and knowledge sharing.

**REFERENCES**

Bartlett, C. and Ghoshal, S. (1989) *Managing Across Borders*, Harvard Business School Press: Boston.

Black, J.S e Gregersen, H.B (1999), The right way to manage expatriates, *Harvard Business Review*, March April, Vol. 77, I. 2, pp. 52-62.

Booream C.D., & Flowers J. V. (1978), *A procedural model for training of assertive behaviour.* In Whitely J.M. & Flowers J.V. (1978), Approaches to assertion training, Monterey, CA: Brooks/Cole, pp. 15-46

Calvelli, A.(1998), *Scelte d'impresa e mercati internazionali*, Giappichelli Editore, Torino.

Davis E P and Steil B (2001), *Institutional investors*, MIT Press

Day, Dosa M., Joergensen C.(1995), The transfer of Research information within and by Multicultural teams, *Information Processing & Management*, v31, n1, p. 89-100

De Long D.W., Fahey L. (2000), Diagnosing of cultural barriers to knowledge management, *Academy of Management Executive*, v 14, n4, p. 113-127.

Eby, L., & Dobbins, G. (1997). Collectivistic orientation in teams: An individual and group-level analysis. *Journal of Organizational Behaviour*, 18, 275-295.

Goldberg, L. R. (1990). An alternative Description of personality: The Big-Five factor structure. *Journal of Personality and Social Psychology*, 59, 1216-1229.

Gudykunst, W. B. (1988). *Culture and the development of interpersonal relationships*. In J. Anderson (Ed.), Communication yearbook, vol. 12, pp. 315– 354

Gudykunst, W. B. (1995). Anxiety/uncertainty management (AUM) theory: Current status. In Wiseman R.L. (Ed.), *Intercultural communication theory* (pp. 8-58). Thousand Oaks, CA: Sage.

Gudykunst, W. B. & Nishida T. (2001), Anxiety, Uncertainty and Perceived effectiveness of communication across relationships and cultures, *International Journal of Cultural Relations*, 25 (1), pp.55-71

Gupta, A. and Govindarajan, V. (2000), Knowledge flows within MNCs, *Strategic Management Journal* 21: 473–496.

Hall, E.T. (1959). *The silent language.* New York,  Doubleday

Hedlund , G . (1986), The hypermodern MNC - A heterarchy, *Human Resource Management* , vol . 25 1986, No .1, pp . 9-35

Hofstede, G. (1980), *Culture's Consequences: International Differences in Work Related Values*, Beverly Hills, Sage, CA.

Hofstede, G. and M. H. Bond (1988). The Confucius connection: From cultural roots to economic growth, *Organizational Dynamics* 16(4): 5-21.

House R. et al. (2004.), *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies,* Sage, Thousand Oaks, CA

Huselid MA. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal, 38*, 635–672.

Javindan M., Gunther K.S., Brodbeck F., and Wilderam C. P. M. (2005), Cross-border transfer of knowledge: cultural lesson from project GLOBE, *Academy of Management Executive*, vol. 19, n. 2, pp. 59-76

Kashima, Y., & Callan, V. J. (1994). The Japanese workgroup. In H. C. Triandis, M. D. Dunnette, & L. M. Hough (Eds.), *Handbook of industrial and organizational psychology* (Vol. 4, 2nd ed., pp. 606–649). Palo Alto, CA: Consulting Psychologists Press

Keough, K. et al. (1999). Who's smoking, drinking, and using drugs? Time perspective as a predictor of substance use. *Basic and Applied Social Psychology, 21*, 149–164.

Kogut, B. and Zander, U., (1993), Knowledge of the firm, combinative capability, and the replication of technology, *Organization Science*, 3, pp. 383-397.

Lucas L.M. (2006), The role of culture on knowledge transfer: the case of multinational corporation, *The Learning Organization*, vol.13, n.3, pp. 257-275

Markus, H.R., & Kitayama, S. (1991). Culture and the self: implications for cognition, emotion and motivation. *Psychological Review*, *98*, 224-253.

Nadler, D. A. (1989) 'The Effective Management Of Organisational Change'. pp 358-369 in J W Lorsch (ed) *Handbook of Organisational Behaviour Prentice* Hall.

Schneider, S.C. & Basoux, J.L. (1997). *Managing Across Cultures*, Paris, Prentice Hall.

Schwartz, S.H. (1994b). Beyond Individualism–Collectivism: New cultural dimensions of values. In U. Kim, H.C. Triandis, C. Kagitcibasi, S-C. Choi, & G. Yoon (Eds.), *Individualism and collectivism: Theory, method and applications* (pp.85–119). London: Sage.

Sheppard B.H., Sherman D.M. (1998), The Grammars of Trust: A Model and General Implications*, Academy of Management Review*, Vol. 23, July

Simonin, B.L. (1999), Transfer of marketing know-how in international strategic alliances: An empirical investigation of the role and antecedents of knowledge ambiguity, *Journal of International Business Studies* 30: 463-490.

Solomon, C.M. (1994). Success abroad depends on more than job skills. *Work Force* (*Personnel Journal*), vol. 73, I. 3, pp. 51-60.

Steensma H., et al. (2000), Attitudes toward cooperative strategies: a cross-cultural analysis of entrepreneurs, *Journal of International Business Studies*, 31 (4), 591–609

Szulanski, G. (1996) Exploring internal stickiness: impediments to the transfer of best practice within the firm*, Strategic Management Journal* 17: 27–43.

Tiessen J.H. (1997), Individualism, Collectivism, and Entrepreneurship: a Framework for International Comparative Research, *Journal of Business Venturing*, 12, pp. 367-384

Triandis, H.C. (1989), The self and social behavior in differing cultural contexts. *Psychological Review*. 96(3). 506-520.

Turner, R. M. (1994). *Adaptive Reasoning for Real-World Problems: A Schema-based Approach*. Lawrence Erlbaum Associates, Hillsdale, NJ.

Walker D.M., Walker T., Schmitz, (2003), *Doing Business Internationally*, McGraw-Hill, New York.