Abstract

The role of social capital in global multi-cultural team (MCT) effectiveness:
Implications for HRD

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In response to globalization and the need to establish an international presence,

organizations are turning to new forms of organizational structure such as the formation

of global teams. Individuals with different professional, national and cultural

backgrounds are often required to work together on global MCTs working from different

locations (Jarvenpaa & Ives, 1994). Global MCTs rely heavily on telecommunications

and information technology to interact and accomplish their tasks (Cascio, 1999; Opper

& Fersko-Weiss, 1992). There are scholars who argue that online interaction increases

emotional closeness and trust among team members (Hinds & Kiesler, 1995; Maznevski

& Chudoba, 2000; Robey, Khoo & Powers, 2000; Lin & Huang, 2008). This interaction

is aided by increasingly advanced information technology that provides multiple and rich

media platforms, resulting in improved online social ties (Suh & Shin, 2010). On the

other hand, some scholars suggest that online social ties may act as barriers to teams'

effectiveness (Kanawattanachai & Yoo, 2007). Therefore, findings on the role of online

social ties in organizations are still inconsistent.

This suggests that research into this new way of organizing human resources and

organization structure is an important area of HRD scholarship. One of the theoretical

approaches that could provide insights into the role of social ties in global MCTs is the

social capital theory. Striukova and Rayna (2008) maintained that due to the virtuality of

global teams, social capital may be more important for global MCTs compared to

traditional teams. Previous studies have underscored the importance of trust in global

MCT settings (Robey, Khoo & Powers, 2000; Jarvenpaa, et al., 1998). Correspondingly,

building trust is an important outcome addressed in the social capital literature. It is proposed that social capital has a role and may contribute to the development of effective global MCTs.

This working paper, therefore, seeks to identify major issues in global MCTs and the use of social capital theory lens to understand how to improve global MCT effectiveness. There are three questions guiding this study: (a) what are the main challenges of global MCTs? (b) what elements of social capital may assist global MCT effectiveness? and (c) how would HRD facilitate the creation of social capital in a virtual environment such as the global MCTs? This paper is based on a selected rather than a comprehensive literature review. The aim of the review is to identify recurring themes in global MCT studies and studies linking social capital to global MCTs.

A preliminary scoping of the literature suggests the impact of three factors, namely, trust, distance and communication on the effectiveness of global MCTs. Trust is important in order to get individuals, teams and organization partners to work together in an effective manner. Global MCTs lack face-to-face interaction due to being physically distributed. All social interactions are provided through IT infrastructure. Therefore, this situation may lead to less shared context and less trust among team members.

Social capital is an emerging research area. Among other things, studies on social capital suggest that it has potential to improve interactions among organizational members and lead to successful team outcomes (Leana & van Buren, 1999). Nahapiet and Ghoshal (1998) defined social capital as "the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships, possessed by an individual or social unit" (p.243). For Lin (2001), social

capital is "the resources embedded in social networks accessed and used by actors for actions … can also be envisioned as investment by individuals in interpersonal relationships useful in the markets" (p.25). Regardless of the variations in definition, it is acknowledged that individual investment in social networks are important.

A study by Nahapiet and Ghoshal (1998) identified three dimensions of social capital: social structure, social relations, and cognitive dimensions. Social structure is comprised of network ties and network configurations (Nakamura & Yorks, 2011). The second dimension is social relations, emphasizing connection and relationship development among individuals (Lin, 2001). The third is cognitive dimension, which is development of a "shared context" such as similar values and vision (Striukova & Rayna, 2008).

The main argument in this paper is that knowledge of social capital and its elements would benefit HRD practitioners to better understand social networks and relationships among employees in virtual and multi-cultural settings. Since global MCTs are becoming the norm in many organizations, it is critical for HRD to explore how it can contribute to global MCT effectiveness by examining structural, socio-emotional, cultural and technological aspects of global MCTs.

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