

Overview of the Contents

List of Figures and Tables	13
List of Abbreviations.....	16
1. Introduction	19
1.1 Research Problem	19
1.2 Research Scope and Objectives.....	27
1.3 Structure of the Thesis.....	29
2. A Priori Theoretical Framework: Knowledge Creation by International Project Teams	33
2.1 Organizational Knowledge Creation	33
2.2 International Project Teams as Key Knowledge Creating Units in Transnational Organizations	80
2.3 Framework: Transnational Knowledge Creation by Trust, Knowledge Sharing and Collective Project Learning.....	102
3. Research Methodology of the Study.....	107
3.1 Theory Construction through a Case Study	107
3.2 Research Process and Methods	111
3.3 Analyzing and Generalizing the Research Findings	124
3.4 Limitations of the Study	127
4. Product Development and International Project Teams in the Case Firm	129
4.1 The Case Organization	129
4.2 Pharmaceutical Market and R&D	130
4.3 International Project Teams (IPTs) in the Case Firm.....	135
4.4 Organizational Knowledge Goals	147
4.5 Individual and Team Motivation.....	157
5. Knowledge Creation by International Project Teams – Six IPT Case Studies	161
5.1 The Case Study IPTs	161

5.2 International Project Team A: Knowledge Transfer from the Japanese Company	162
5.3 International Project Team B: Geographical Distribution of Key Players	170
5.4 International Project Team C: Lessons Learned about Building a Real Team	174
5.5 International Project Team D: Role Conflicts.....	180
5.6 International Project Team E: Full Speed Needs Clear Rules	183
5.7 International Project Team F: Assuming Diversity and Frequent Contact	187
6. Trust and International Project Teams	193
6.1 Trust in the IPTs	193
6.2 Trust in the Transnational R&D Organization.....	206
7. Knowledge Sharing in Transnational Product Development	217
7.1 Possibilities of and Limitations to Socialization	218
7.2 Knowledge Sharing Apart and Together.....	224
7.3 Creating Strategic Dialogue for International Development Projects	231
8. Collective Project Learning in a Transnational R&D Organization	239
8.1 Barriers to Collective Project Learning.....	242
8.2 Strategies for Collective Project Learning	248
9. Enabling Conditions for Knowledge Creation by International Project Teams	261
9.1 Knowledge Creation in Cultural Diversity and at a Distance	261
9.2 Enabling Conditions of Diversity, Chaos and Tension.....	274
9.3 Enabling Conditions of Order, Consistency and Security	280
9.4 Team Processes for Transnational Knowledge Creation	291
9.5 Integrating and Connecting Roles in Transnational Knowledge Creation	295
10. Summary of Conclusions and Implications	303
10.1 Implications for Practice	309
10.2 Suggestions for Future Research.....	312
List of References	315

Contents

List of Figures and Tables	13
List of Abbreviations.....	16
1. Introduction	19
1.1 Research Problem	19
1.1.1 Practical Background of the Problem.....	19
1.1.1.1 Continuous Transnational Innovation.....	19
1.1.1.2 International Project Teams as Key Players in New Product Development.....	21
1.1.1.3 Conditions for Organizational Knowledge Creation	22
1.1.2 Theoretical Background of the Problem.....	24
1.1.2.1 Combination of Existing Theories	24
1.1.2.2 Collective, Tacit Knowledge and the Theory of the Firm	25
1.2 Research Scope and Objectives.....	27
1.3 Structure of the Thesis.....	29
2. A Priori Theoretical Framework: Knowledge Creation by International Project Teams	33
2.1 Organizational Knowledge Creation	33
2.1.1 Approaches to and Definitions of Knowledge	33
2.1.1.1 Individual Approach to Knowledge.....	33
2.1.1.2 Collective and Relational Approach to Knowledge	35
2.1.1.3 Tacit and Explicit Knowledge	38
2.1.1.4 Interaction and Expertise Knowledge.....	40
2.1.2 Knowledge Creating Units in Organizations.....	42
2.1.2.1 Teams	43
2.1.2.2 Communities-of-Practice	45
2.1.2.3 Organizations as Interlinked Activity Systems.....	48
2.1.3 Organizational Knowledge Creation and Continuous Innovation ...	49
2.1.3.1 Definition of Continuous Innovation	49
2.1.3.2 Knowledge Creation by Nonaka and Takeuchi	52
2.1.3.3 Knowledge Creation in a Transnational Firm.....	54
2.1.4 Knowledge Sharing	57

2.1.4.1 Socialization	58
2.1.4.2 Externalization and Combination	58
2.1.5 Collective Learning	63
2.1.5.1 Definition of Learning	64
2.1.5.2 Public Reflection of Lessons Learned in Within-Team Learning	65
2.1.5.3 Learning Across Teams as Organizational Learning.....	67
2.1.6 Managing Organizational Knowledge Assets	70
2.1.6.1 Collective Network Assets.....	70
2.1.6.2 Knowledge 'Management' Strategies.....	74
2.1.7 Enabling Conditions for Knowledge Creation	77
2.2 International Project Teams as Key Knowledge Creating Units in Transnational Organizations	80
2.2.1 Project Teams in a Matrix Organization	80
2.2.1.1 Project Management	80
2.2.1.2 Cross-Functional Teams	83
2.2.2 Cultural Diversity in International Project Teams	86
2.2.2.1 National Cultural Diversity	86
2.2.2.2 Multiple Layers of Cultural Diversity and Different Working Practices	88
2.2.2.3 Synergetic Management of Cultural Diversity	89
2.2.3 Geographical Distance in International Project Teams.....	94
2.2.4 Trust as the Basis for Knowledge Creation through International Project Teams.....	96
2.2.4.1 Stages of Trust	97
2.2.4.2 Developing and Maintaining Trust	100
2.3 Framework: Transnational Knowledge Creation by Trust, Knowledge Sharing and Collective Project Learning	102
3. Research Methodology of the Study.....	107
3.1 Theory Construction through a Case Study	107
3.1.1 Explorative Case Study	107
3.1.2 Hermeneutical Theory Construction by Qualitative Methods	108
3.2 Research Process and Methods	111
3.2.1 Access to the Case Organization	111
3.2.2 Understanding the Research Context	113

3.2.3 The International Project Team (IPT) Case Studies.....	116
3.2.4 Line Function Management Interviews and a Group Discussion ..	121
3.2.5 IPT Effectiveness Survey	122
3.3 Analyzing and Generalizing the Research Findings	124
3.4 Limitations of the Study	127
4. Product Development and International Project Teams in the Case Firm	129
4.1 The Case Organization	129
4.2 Pharmaceutical Market and R&D	130
4.2.1 Global Market and Customers.....	130
4.2.2 Key Characteristics of Pharmaceutical R&D	132
4.2.3 Pharmaceutical R&D Process.....	134
4.3 International Project Teams (IPTs) in the Case Firm.....	135
4.3.1 R&D Organization.....	135
4.3.2 Functional Representation in International Project Teams	137
4.3.3 IPT Tasks and Responsibilities	141
4.3.3.1 Role of Cultural Diversity.....	143
4.3.3.2 Role of Geographical Distance	146
4.4 Organizational Knowledge Goals	147
4.4.1 Challenges of Pharmaceutical R&D and their Impact on the Case Firm	147
4.4.2 Role of Tacit and Interaction Knowledge	150
4.5 Individual and Team Motivation.....	157
5. Knowledge Creation by International Project Teams – Six IPT Case Studies	161
5.1 The Case Study IPTs	161
5.2 International Project Team A: Knowledge Transfer from the Japanese Company	162
5.2.1 Project Description	162
5.2.2 Trust, Knowledge Sharing and Collective Project Learning.....	165
5.3 International Project Team B: Geographical Distribution of Key Players.....	170
5.3.1 Project Description	170
5.3.2 Trust, Knowledge Sharing and Collective Project Learning.....	172

5.4 International Project Team C: Lessons Learned about	
Building a Real Team	174
5.4.1 Project Description	174
5.4.2 Trust, Knowledge Sharing and Collective Project Learning.....	177
5.5 International Project Team D: Role Conflicts.....	180
5.5.1 Project Description	180
5.5.2 Trust, Knowledge Sharing and Collective Project Learning.....	181
5.6 International Project Team E: Full Speed Needs Clear Rules	183
5.6.1 Project Description	183
5.6.2 Trust, Knowledge Sharing and Collective Project Learning.....	184
5.7 International Project Team F: Assuming Diversity and	
Frequent Contact.....	187
5.7.1 Project Description	187
5.7.2 Trust, Knowledge Sharing and Collective Project Learning.....	189
6. Trust and International Project Teams	193
6.1 Trust in the IPTs	193
6.1.1 Shared Project Goals and Strategies.....	197
6.1.1.1 Project Goals	197
6.1.1.2 Organizational Goals.....	199
6.1.2 Impact of Membership Changes.....	200
6.1.3 Face-to-Face Meetings and Frequent Contact with Social Components	201
6.1.4 Building up Collective Identity	203
6.2 Trust in the Transnational R&D Organization.....	206
6.2.1 Knowledge, Autonomy, Accountability and Trust	206
6.2.2 Questioning, Challenging and Positive Feedback.....	212
6.2.3 'No Surprises' and Lenience in Judgment	214
7. Knowledge Sharing in Transnational Product Development	217
7.1 Possibilities of and Limitations to Socialization.....	218
7.1.1 Knowledge Sharing with the Newcomers in Teams	219
7.1.2 Job Rotation as a Socialization Tool	220
7.1.3 Socialization with Subteams and the Management.....	221
7.2 Knowledge Sharing Apart and Together.....	224
7.2.1 Knowledge Sharing by E-Mails	224

7.2.2 Knowledge Sharing in Video- and Teleconferences.....	226
7.2.3 Problem-, People-, and Process-Oriented Face-to-Face Meetings.	229
7.3 Creating Strategic Dialogue for International Development Projects	231
7.3.1 Language and the Meanings of Words.....	232
7.3.2 Domination in Teams	233
7.3.3 Organization as a ‘Data Eating Monster’	234
7.3.3.1 Role of Project Documentation.....	234
7.3.3.2 Honne and Tatemaie	236
8. Collective Project Learning in a Transnational R&D Organization	239
8.1 Barriers to Collective Project Learning.....	242
8.1.1. Continuity and Change	242
8.1.2 Responsibility and Risk-Taking	243
8.1.3 Lack of Learning Structures	245
8.2 Strategies for Collective Project Learning	248
8.2.1 Sources of Valuable Knowledge	248
8.2.2 Continuous Reflection and Feedback.....	250
8.2.3 Transnational Communities-of-Practice.....	252
8.2.4 Developing Knowledge Creation Expertise for the Future	255
9. Enabling Conditions for Knowledge Creation by International Project Teams.....	261
9.1 Knowledge Creation in Cultural Diversity and at a Distance	261
9.1.1 Critical Issues	261
9.1.2 Enabling Conditions from the Perspective of Cultural Diversity and Geographical Distance	266
9.2 Enabling Conditions of Diversity, Chaos and Tension.....	274
9.2.1 Requisite Variety through Diversity and Distance.....	274
9.2.2 High Performance Goals and Knowledge Vision	275
9.2.3 Strategic Discussions and Dialogue	277
9.2.4 Autonomy for Knowledge Creation	279
9.3 Enabling Conditions of Order, Consistency and Security	280
9.3.1 Collaborative Team Structures	280
9.3.2 Continuity and Stability	282
9.3.3 Redundancy of Knowledge and Information	283
9.3.4 Collective Care	285

9.3.4.1 Care for Collective Learning	286
9.3.4.2 Care for Individual and Collective Recognition.....	288
9.4 Team Processes for Transnational Knowledge Creation	291
9.4.1 Creating Stages	293
9.4.2 Sustaining Stages	294
9.5 Integrating and Connecting Roles in Transnational Knowledge Creation	295
9.5.1 Role of Senior and Middle Management	295
9.5.2 Role of Transnational Human Resources Management	298
10. Summary of Conclusions and Implications.....	303
10.1 Implications for Practice	309
10.2 Suggestions for Future Research.....	312
List of References	315
Appendices	343
Appendix A. IPT Interview Questions	343
Appendix B. IPT Observation Form	346
Appendix C. Line Function Management Interview - Results	347
Appendix D. E-Mail to the IPTs about the IPT Effectiveness Survey	348
Appendix E. IPT Effectiveness Survey – Questions and Results	349
Appendix F. Team Operating Guidelines	354

List of Figures and Tables

Figure 1. Market values and intangible assets of some high-tech companies ...	23
(cf. Sveiby 1997, 7).....	23
Table 2. Research questions	28
Figure 3. Structure of the thesis	32
Figure 4. Tacit and explicit knowledge.....	39
Table 5. Expertise knowledge and interaction knowledge	41
Table 6. Comparison of teams and working groups	44
Figure 7. Teams and communities-of-practice	45
Figure 8. An activity system	47
Figure 9. Continuous innovation as the creation of new products and organizational knowledge	51
Figure 10. Knowledge conversion modes based on the SECI model.....	52
Figure 11. Differences between Japanese and 'Western' ways of knowledge conversion	56
Figure 12. Knowledge sharing and collective learning	64
Figure 13. Team learning	66
Figure 14. Collective network assets in the knowledge capital dichotomy.....	72
Figure 15. Knowledge sharing, collective learning and collective network assets	74
Figure 16. Cross-functional teams in a matrix organization (LF = line function)	84
Figure 17. Comparison of national cultural differences of Japan, USA, and Switzerland.....	88
Figure 18. The mix of values and practices in culture	89
Table 19. Summary of synergistic management of cultural diversity	93
Figure 20. Criteria for geographically dispersed project teams	94
Figure 21. Stages of trust.....	99
Figure 22. Knowledge sharing, collective project learning and trust in creating organizational knowledge assets in a transnational firm	103
Table 23. Overview of the research process and key activities in the case study firm.....	112

Table 24. Observed department meetings, trainings and general events attended in the case firm	113
Table 25. Study-related formal and informal discussions in the case study firm (August 1997 - September 1999).....	115
Table 26. Selection criteria of the case study IPTs.....	116
Table 27a. Research activities in the case study IPTs.....	118
Table 27b. Research activities in the case study IPTs	119
Table 28. Interviewed Line Function Managers	122
Table 29. Survey response scale	123
Table 30. Personal 'lessons learned' from a group discussion with the Japanese.....	124
Figure 31. Dialogue between empirical and theoretical findings	127
Figure 32. Flow of materials, money and information between market partners	132
Figure 33. Drug development process, strategic decision points and International Project Teams	136
Figure 34. International Project Team (marked gray), subteams, and major knowledge and information flows to the project	140
Table 35. Key questions in pharmaceutical drug development	141
Figure 36. Key knowledge and skills in the pharmaceutical industry 1998-2005	152
Table 37. Organizations and knowledge types	153
Table 38. Overview of the case study project teams.....	161
Figure 39. Composition and locations of IPT A	163
Figure 40. Composition and locations of IPT B	171
Figure 41. Composition and locations of IPT C	175
Figure 42. IPT C's evaluation of the team performance in the project	175
Figure 43. Composition and locations of IPT D	180
Figure 44. Composition and locations of IPT E.....	184
Figure 45. Composition and locations of IPT F	188
(cooperation partners marked gray)	188
Figure 46 Trust and International Project Teams in the case organization based on the IPT Effectiveness Survey.....	194
Table 47. Supporting factors in the development of trust.....	195
Table 48. Hindering factors in the development of trust	195

Figure 49. Knowledge, autonomy, accountability, and trust	210
Table 50. Supporting factors of knowledge sharing	217
Table 51. Hindering factors of knowledge sharing.....	218
Figure 52. Domination in IPTs.....	234
Table 53. Supporting factors of collective project learning.....	241
Table 54. Hindering factors of collective project learning	241
Table 55. Lessons learned discussion	251
Figure 56. Mentorship program: the process	257
Figure 57. Enabling conditions for knowledge creation by international project teams	273
Figure 58. Creating and sustaining stages in global teamwork	292