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New Idea Sharing in Inter-
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**Innovation Communication in Multicultural Networks:
Deficits in Inter-cultural Capability and Affect-based Trust as Barriers to
New Idea Sharing in Inter-Cultural Relationships**

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ABSTRACT

Innovative solutions to pressing global problems require effective inter-cultural communication. We propose that a barrier to the sharing of ideas pertinent to innovation in inter-cultural relationships is low affect-based trust, which arise from individuals' deficits in inter-cultural capability. Results from a study of sample of executives' professional networks indicate that individuals lower in inter-cultural capability are less likely to share new ideas in inter-cultural ties but not intra-cultural ties. This effect is mediated by tie-level affect-based trust but not cognition-based trust. Theoretical and practical implications of these findings are discussed.

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Several areas of psychology research have linked cultural diversity and creativity. Groups with cultural diversity can be innovative when given enough time to work through miscommunications and conflicts (Hackman, 1990; Swann, Kwan, Polzer, & Milton, 2003). At the individual level, performance on creativity tasks is higher for people with extended life experience in diverse cultures (Leung, Maddux, Galinsky, & Chiu, 2008; Leung & Chiu, in press). Using a different level of analysis, the current study investigates cultural diversity in the social networks of executives. Diverse networks can provide an innovation advantage as they enable the exchange of new ideas and insights (Chua, Morris, & Ingram, in press). Yet not all individuals are capable of engaging in this type of communication across cultures.

What makes sharing new ideas across cultural lines difficult? Given that disclosing new ideas makes one vulnerable to the other, innovation communication requires trust. The literature on workplace relationships distinguishes affect-based trust—feelings of socio-emotional bond with the other—and cognition-based trust—judgments of the other’s reliability and competence (McAllister, 1995). Although much research on intergroup relations has focused on judgments, such as the biases resulting from stereotypes, there is renewed recognition of affective processes that make or break inter-cultural trust (Mackie & Hamilton, 1993; Gelfand, Erez, & Aycan, 2007). Inter-cultural anxiety inhibits the development of effective working relationships (Stephan, Helms, & Haynes, 1995; Stephan & Stephan, 1985) and, specifically, the disclosure of one’s ideas to the other (Stephan, Stephan, Wenzel, & Cornelius, 1991). Recent organizational psychology research on capabilities needed to work across cultures has also identified affect-relevant strengths such as confidence and nonverbal communication (Early & Ang, 2003). We expect that individuals lower in inter-cultural capability would be less likely to engage in sharing new ideas specifically in their inter-cultural relationships and that this would follow from deficits

of affect-based trust rather than cognition-based trust. In the present research, we survey a sample of business executives with diverse professional networks, assessing their inter-cultural capability and measuring both kinds of trust as well as idea sharing in their working relationships.

BACKGROUND

Research on expatriate employees and international students has identified individual differences predictive of successful work across cultures. Specifically, inter-cultural adjustment had been linked to personality (Caligiuri, 2000), values (Kagan, & Cohen, 1990), self-efficacy (Palthe, 2004), and interpersonal skills (Hechanova, Beehr, & Christiansen, 2003). Earley and Ang (2003) integrated many of these ideas in the argument that inter-cultural capability (or “cultural intelligence”) requires self-awareness of one’s cultural assumptions, knowledge about other cultures, motivation to persist through inevitable frustrations, and behavioral flexibility. This, of course, is a broad list of strengths, so if the evidence shows that individuals with low inter-cultural capability are less likely to share new ideas in cross-cultural relationships than those with high inter-cultural capability, it raises the question of what specifically they do differently.

To address this question, we examine relationships between managers and their network members to specify the relational attributes that proximally determine whether or not new ideas are shared. We propose that managers with lower inter-cultural capability are less likely to share new ideas with others of different cultural backgrounds because they have lower levels of trust in these cross-cultural relationships.

Recent research suggests that individuals with low inter-cultural capability are less effective in cross-cultural interactions because they are less adept in adjusting their affect,

cognition, and behavior to suit their audience (Ang, Van Dyne, Koh, Ng, Templer, Tay, & Chandrasekar, 2007). Ineffective adjustment to a different culture also has been associated with psychological strain such as anxiety and stress during cross-cultural interactions (Takeuchi, Wang, & Marinova, 2005; Thomas, Bonieci, Vescio, Biernat, & Brown, 1996). The higher anxiety and stress that individuals with low inter-cultural capability experience would seem likely to precipitate less sharing of new ideas in cross-cultural relationships. On this account, the negative effect of low inter-cultural capability on new idea sharing should be restricted to cross-cultural interactions.

Related to this notion of strain, the literature on workplace innovation suggests that the level of trust in a working relationship is a critical for sharing new ideas. Research shows that when two individuals trust each other, they are more willing to share information or knowledge with the other party (Butler & Cantrell, 1994; Twyman, Harvey, & Harries, 2008). However, research increasingly distinguishes different types of trust. To provide a more nuanced account as to *why* managers might be more likely to share new ideas with trusted others, we draw on the distinction between affect- and cognition-based trust (Lewis & Weigert, 1985; McAllister, 1995). Affect-based trust involves feelings of emotional closeness and security with the other person, whereas cognition-based trust refers to expectations of the other party's task-related competence and reliability.

Is the effect of inter-cultural capability on new ideas sharing explained by affect-based trust or cognition-based trust? Based on the notion that low inter-cultural capability induces psychological strain during cross-cultural interactions, we predict that one crucial characteristic of the cross-cultural ties of individuals with low inter-cultural capability is decreased affect-based trust. These individuals are less likely to develop affective bonds with people of other

cultures, compared to those with higher inter-cultural capability. In a relationship with lower affect-based trust, one is less likely to perceive the other as having one's interests and welfare at heart and thus less willing to share new ideas with him or her.

An alternative account centers on cognition-based trust. That is, individuals with low inter-cultural capability may rely more on pejorative stereotypes about cultural out-groups and thus hold negative expectations about the other's competence and reliability (cognition-based trust). Such expectations are part of what is meant by transactive memory in teams research, where evidence suggests that problem solving performance is fostered by group task training, which instill expectations about others' competencies, and not by team-building training, which instills affective bonds (Moreland, Argote, & Krishnan, 1996; Moreland & Myaskovsky, 2000). More generally, negative expectations of competence and reliability in culturally different others would reduce their attractiveness as exchange partners or "sounding boards" for new ideas. In sum, it is worth testing the alternative account that cognition-based trust is the mechanism for the effect of inter-cultural capability on new idea sharing.

METHOD

We collected egocentric network data from 60 executives attending Executive-MBA courses in the U.S. (77% males, mean age 35). 66% of these were European-Americans, 19% East/South Asians, and the rest were of other cultural backgrounds (e.g., African-American, European, Middle-Eastern, etc). All had substantial careers as professionals, most as executives in private sector companies. In describing our methodology, we adopt the social network research convention of referring to a focal manager as "ego" and his or her network members as "alters."

Participants (egos) completed a network survey which allowed them to list up to 24

contacts (alters) considered as important members of their professional networks. For each alter listed, the participants provided details regarding their relationship (e.g., frequency of interaction and duration known). Also, they indicated whether the basic content of their tie included emotional, economic, task advice, and career advice exchange, standard categories in the study of professional networks. The key criterion variable of sharing new idea was measured after these relationship questions were completed. Participants finally indicate whether or not the listed contacts are themselves connected.

Key Measures

Inter- versus intra-cultural relationships. We asked participants to indicate the cultural background of each listed contact. The categories, designed to fit the population, were European-, African-, and Asian-American, as well as European, Asian, Middle-Eastern, Latino, and other. We then matched the cultural background of the participants with each indicated response to derive a dummy variable (“1” if there is cultural difference, “0” otherwise).

Sharing of new ideas. After the networks questions, a final query focused on the exchange of *new* ideas and information with each contact. We measured the likelihood that participants discuss new ideas at work with each alter through the item: “How likely are you to share new insights or information with this person?” Responses were taken on a five-point scale: 1 (not at all) to 5 (to a great extent). We used a single item measure to minimize tedium in completing the survey because participants have to answer the same questions as many times as there are listed contact. Single item measures are commonly used in network research for this reason (Marsden, 1990).

In the present research, we queried participants’ *prospective* willingness to share new ideas, as opposed to their *retrospective* recall of sharing new ideas. This approach avoids some

problems related to memory biases. Research on memory for relationships suggests that people can accurately recall tendencies (e.g., how often on average one talks to someone per week) but not specific interactions (Stafford, Burggraf, & Sharkey, 1987). In particular, the sharing of an idea that was new at the time might not be remembered as so upon retrospection, when the idea has become so familiar it seems obvious. Our approach of measuring idea sharing as a prospective intention skirts these problems.

Inter-cultural capability. We used Ang et al's (2007) 20-item *Cultural Intelligence Scale* to measure inter-cultural capability. This scale contains cognitive, motivational, and behavioral sub-dimensions, capturing both cognitive and affective aspects of inter-cultural capability. We administered the scale separately from the network survey. Sample items include "I know the cultural values and religious beliefs of other cultures," and "I enjoy interacting with people from different cultures." Cronbach's alpha is 0.91 in our sample.

Trust. Measures of affect- and cognition-based trust were adapted from high factor loading items (above 0.80) in McAllister's (1995) study. For affect-based trust, participants indicated on a five-point scale (1=not at all, 5=to a great extent) the extent to which they felt comfortable going to each listed alter to share (a) their personal problems and difficulties and (b) their hopes and dreams. These items capture the extent to which participants are willing to make themselves vulnerable to their network alters through disclosing personal information. For cognition-based trust, participants indicated on the same five-point scale the extent to which they could *rely* on each listed alter to (a) complete a task that alter has agreed to do and (b) have the knowledge and competence for getting tasks done. The correlation for the two affect-based trust items is 0.81, whereas that for the two cognition-based trust items is 0.65.

Control variables. Ego's tendency to share new ideas with alter may be influenced by the extent of exposure to people of different cultures. To control for cultural diversity in ego's professional network, we measured the degree of cultural diversity in participants' networks using Blau's (1977) heterogeneity index. A high score on this index indicates variability in the cultural backgrounds among network members. We also controlled for other attributes that could influence trust and new idea sharing. Examples include the size of ego's network, the degree to which alters are embedded (how connected is an alter to the other alters in ego's network), and the content of the relationship between ego and alter (e.g. friendship, economic exchange).

RESULTS

Table 1 reports the results from hierarchical linear model analyses of ego's network. Model 1 contains the control variables and key predictors. Model 2 adds the interaction effect between ego-alter cultural difference and inter-cultural capability. We found a significant interaction effect ($b = 0.25, p < 0.01$) such that ego's inter-cultural capability predicts new idea sharing with alters of different cultural background ($b = 0.42, p < 0.01$) but not with alters of the same cultural background ($b = 0.15, n.s.$). This interaction is illustrated in Figure 1. Model 3 and 4 show results for affect-based trust. We observed the same pattern of results as that for sharing new insights. In model 3, inter-cultural capability and ego-alter cultural difference did not have any significant direct effect on affect-based trust. In model 4, the interaction involving these two variables is significant ($b = 0.23, p < 0.01$) such that ego's inter-cultural capability predicts his or her affect-based trust in alters of different cultural background ($b = 0.43, p < 0.01$) but not in alters of the same cultural background ($b = 0.16, n.s.$). This interaction is illustrated in Figure 2. Model 5 and 6 show results for cognition-based trust. The key predictors and their interaction exert no significant effect on this type of trust.

Next, we examine the role of trust as mediators. Because the effect of inter-cultural capability on new idea sharing occurs only when alters are culturally different from ego, we focus on this subset of alters in our analyses. Following Baron and Kenny's (1986) procedures of mediation analyses, Figure 3 presents the results. The *Sobel test* for the affect-based trust as mediator model is significant ($z = 2.67, p < 0.01$) but that for cognition-based trust is not ($z = 1.10, p = 0.27$). These results suggest that with low inter-cultural capability, ego's reduced likelihood to share new ideas is mediated by affect-based trust but not cognition-based trust.

DISCUSSION

This study demonstrated that a diverse network is not sufficient for cultural idea exchange and cross-pollination; individuals with low inter-cultural capabilities did not share new ideas across inter-cultural ties due to deficits of affect-based trust but not cognition-based trust.

There are two key theoretical implications. First, low inter-cultural capability appears to inhibit the development of affect-based trust but not cognition-based trust. Why not also cognition-based trust? Most likely for professionals in a field, expectations of competence and reliability hinge not just on one's own experiences and interactions with another person but on more objective indicators such as the other's professional track record. Put differently, managers with low inter-cultural capability may have just as much cognition-based trust in their cross-cultural ties as do managers with high inter-cultural capability, but they lack the affect-based trust that arises out of the first-hand experience of comfort, self-disclosure, and rapport with these others. In other words, at an intellectual level they *know* they should trust their professional acquaintances from other cultures but they do not *feel* as much trust as they do for same-culture others. This finding suggests that inter-cultural capability may be particularly predictive of

affect-loaded interactions and relationships, such as mentoring an employee or inspiring an audience, rather than more intellectual tasks, such as evaluating performance.

Second, our finding joins emerging psychological research (Cheng, Sanchez-Burks, & Lee, in press) in highlighting the role of individual differences in harnessing the power of multiculturalism for creativity. Cheng and colleagues found that only bicultural individuals with integrated cultural identities tend to be creative on tasks calling for knowledge that draws on both identities; we show that individuals who are inept at cross-cultural interactions are less likely to share new ideas in cross-cultural relationships. Hence, having access to multiple cultural knowledge sources seems insufficient for creativity and its related processes to flourish. Only individuals with the attributes needed for bringing two pools of cultural knowledge together gain an innovation advantage.

Finally, our findings have practical implications for promoting knowledge sharing and innovation in multicultural teams and organizations. Research on teams and groups has been generally critical of training activities focused on socio-emotional connections rather than on task-specific strategies (Moreland, et al, 1996). However, our findings accord with recent research suggesting that coaching designed to cultivate more personal connections may be particularly valuable early in a team's work together (Hackman & Wageman, 2005). Establishing affect-based trust increases the likelihood that new ideas will be shared, without which a team has little chance of leveraging its diversity for innovation.

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TABLE 1: HIERARCHICAL LINEAR MODEL REGRESSION

	Dependent Variables					
	Likelihood to Share New Insights		Affect-based Trust		Cognition-based Trust	
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Key Predictors						
Ego's inter-cultural capability	0.15 (0.13)	0.05 (0.13)	0.16 (0.12)	0.07 (0.12)	0.11 (0.10)	0.11 (0.10)
Alter is of different culture than Ego	- 0.10 (0.07)	- 1.31** (0.40)	-0.05 (0.06)	-1.20** (0.39)	0.00 (0.05)	0.08 (0.32)
Ego's inter-cultural capability X Alter-Ego of different culture interaction	-	0.25** (0.08)	-	0.23** (0.08)	-	-0.02 (0.07)
Control Variables						
Cognition-based trust	-	-	0.32** (0.04)	0.32** (0.04)	-	-
Affect-based trust	-	-	-	-	0.22** (0.02)	0.22** (0.02)
Structural Attributes						
Ego's network size	0.06** (0.02)	0.06** (0.02)	0.02 (0.02)	0.02 (0.02)	0.03* (0.01)	0.03* (0.02)
Cultural diversity in Ego's network	0.72 (0.54)	0.72 (0.55)	0.02 (0.50)	0.01 (0.50)	-0.16 (0.43)	-0.15 (0.43)
Alter's embeddedness	0.22 (0.17)	0.22 (0.17)	0.29+ (0.16)	0.28+ (0.16)	-0.23+ (0.14)	-0.22+ (0.14)
Relationship Attributes						
Economic-resource tie	0.05 (0.07)	0.06 (0.07)	-0.05 (0.07)	-0.05 (0.07)	0.11* (0.05)	0.11* (0.05)
Career-guidance tie	0.40** (0.06)	0.39** (0.06)	0.27** (0.06)	0.27** (0.06)	0.15** (0.05)	0.15** (0.05)
Task-advice tie	0.34** (0.06)	0.33** (0.06)	0.17** (0.06)	0.17** (0.06)	0.14** (0.05)	0.14** (0.05)
Friendship tie	0.63** (0.07)	0.62** (0.07)	0.89** (0.07)	0.89** (0.07)	0.07 (0.06)	0.07 (0.06)
Frequency of interaction	0.37**	0.37**	0.23**	0.23**	0.08**	0.08**

	Dependent Variables					
	Likelihood to Share New Insights		Affect-based Trust		Cognition-based Trust	
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Duration known	0.01** (0.00)	0.01** (0.00)	0.04** (0.00)	0.04** (0.00)	-0.01* (0.00)	-0.01* (0.00)
<u>Alter's Attributes</u>						
Alter is not in Ego's organization	0.16* (0.08)	0.15+ (0.08)	0.45** (0.08)	0.44** (0.08)	-0.03 (0.06)	-0.03 (0.06)
Alter is in Ego's work unit	-0.18* (0.09)	-0.19* (0.09)	-0.19* (0.09)	-0.19* (0.09)	0.10 (0.07)	0.10 (0.07)
Alter is of higher rank	-0.03 (0.07)	-0.02 (0.07)	-0.14* (0.06)	-0.14* (0.06)	0.12* (0.05)	0.12* (0.05)
Alter is of lower rank	-0.01 (0.08)	-0.01 (0.08)	0.09 (0.08)	0.09 (0.07)	0.05 (0.06)	0.05 (0.06)
Alter is of different gender	-0.07 (0.07)	-0.07 (0.07)	0.03 (0.06)	0.03 (0.06)	-0.03 (0.05)	-0.03 (0.05)
Intercept	-0.06 (0.92)	0.43 (0.95)	-1.22 (0.86)	-0.74 (0.88)	2.16 (0.72)	2.13 (0.75)
Number of dyadic observations	1100	1100	1079	1079	1079	1079
Overall R-square	0.341	0.345	0.484	0.490	0.268	0.267
Chi-square change ^a	454.81**	12.06**	871.42**	14.81**	231.22**	-1.27

^a Chi-square change for models 1, 3, and 5 are with respect to a constant only model. Chi-square change for models 2, 4, and 6 are with respect to the previous model.

Notes:

1. Above analyses also control for Ego's industry and job function. These variables are not presented due to space constraints (there are seven dummy indicators for each variable).
2. Numbers in brackets are standard errors
3. ** $p < 0.01$ * $p < 0.05$ + $p < 0.10$

FIGURE 1:
INTERACTION EFFECT BETWEEN INTER-CULTURAL CAPABILITY AND EGO-ALTER
CULTURAL DIFFERENCE ON EGO'S TENDENCY TO SHARE NEW INSIGHTS AND
INFORMATION WITH ALTER

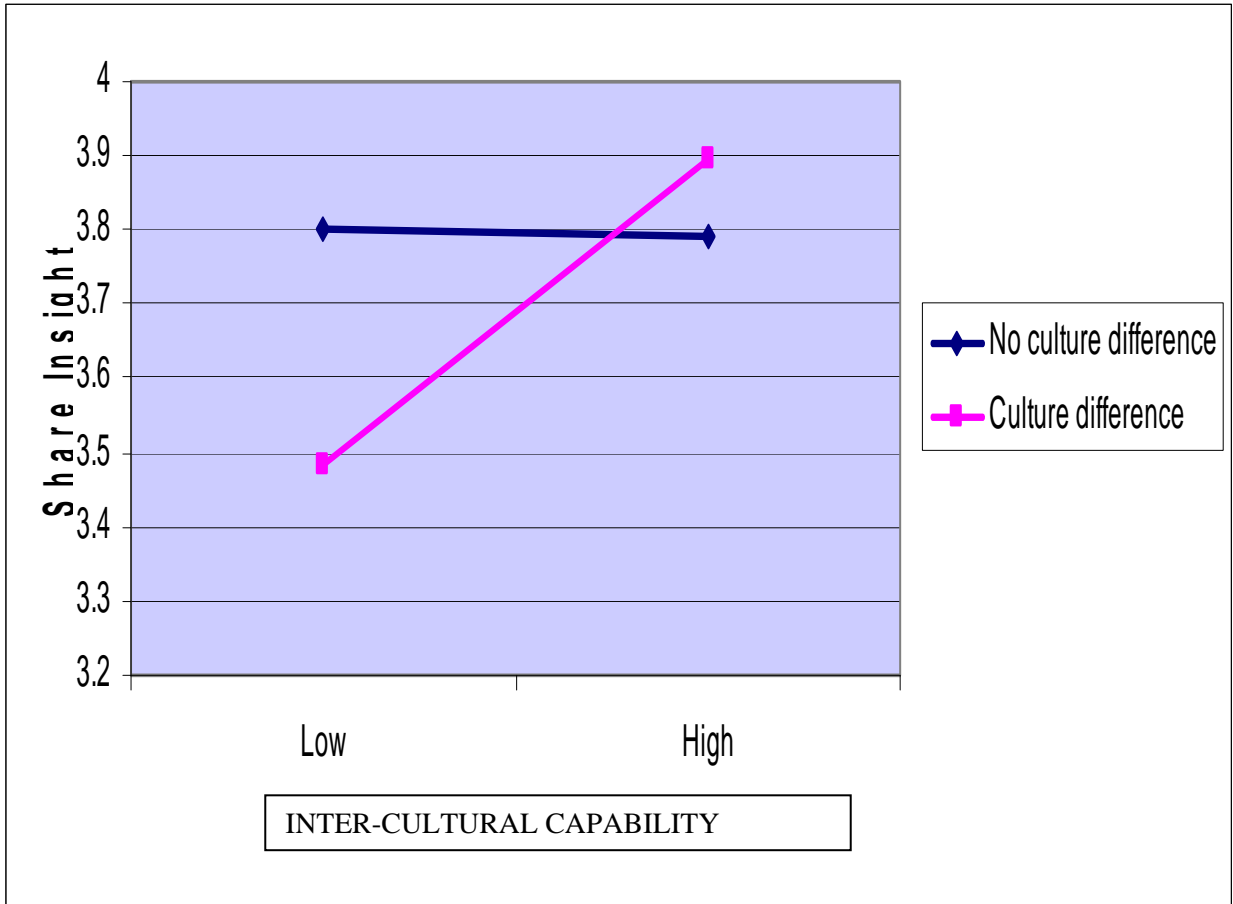


FIGURE 2:

INTERACTION EFFECT BETWEEN INTER-CULTURAL CAPABILITY AND EGO-ALTER CULTURAL DIFFERENCE ON EGO'S AFFECT-BASED TRUST IN ALTER

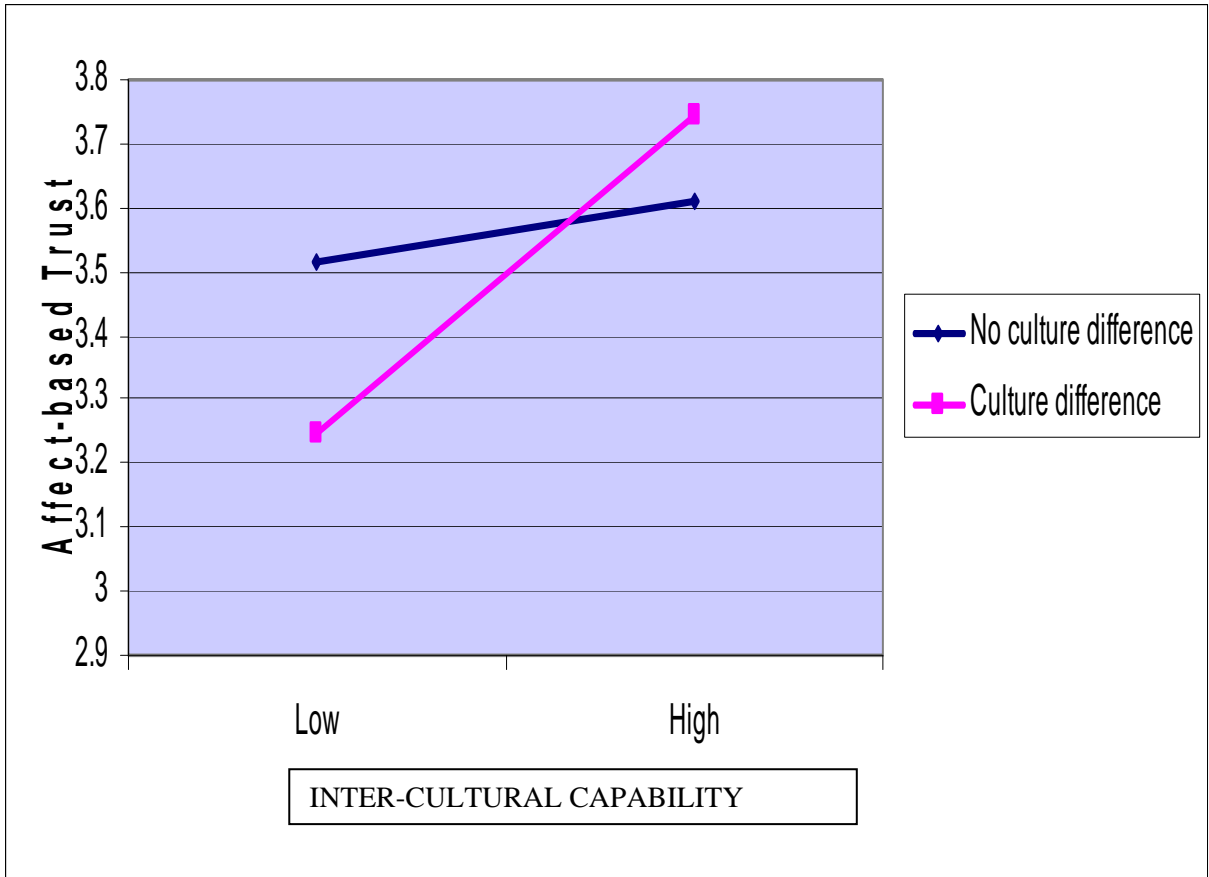
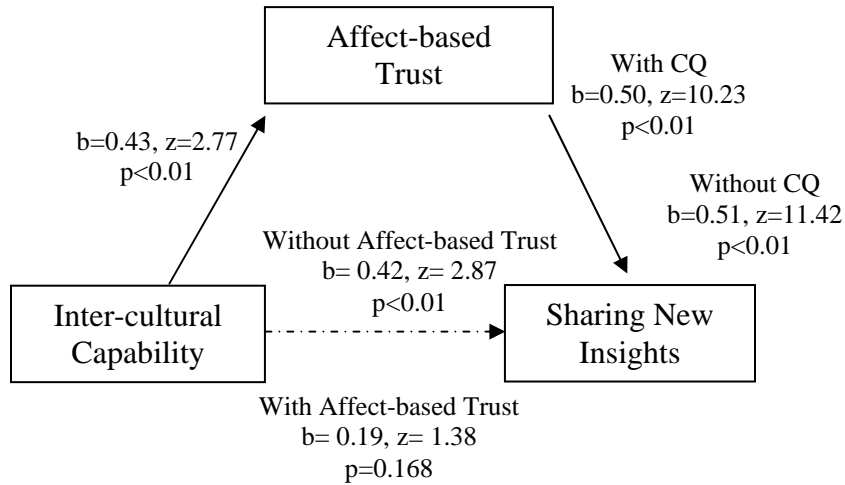


FIGURE 3:

MEDIATION ANALYSES

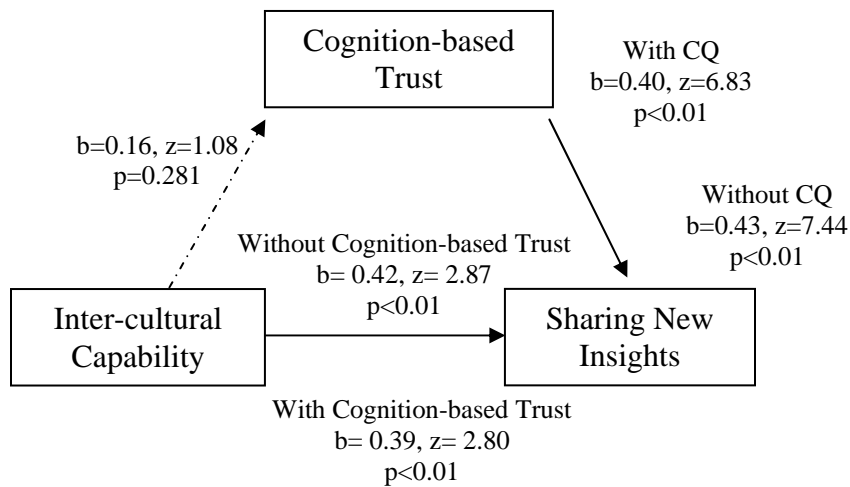
(EGO-ALTER ARE OF DIFFERENT CULTURAL BACKGROUNDS ONLY)

Affect-based Trust as Mediator



Sobel Test: z = 2.67, p < 0.01

Cognition-based Trust as Mediator



Sobel Test: z = 1.10, p = 0.27