

**FACTORS AFFECTING THE PERCEIVED TEAM
EFFECTIVENESS OF OFFSHORE SOFTWARE
DEVELOPMENT PROJECT TEAMS IN
SRI LANKA**



By
T.R.A.L Panangalage
University of Moratuwa, Sri Lanka.
Electronic Theses & Dissertations
www.lib.mrt.ac.lk

The dissertation was submitted to the Department of Computer Science and Engineering of the University of Moratuwa in partial fulfillment of the requirements for the Degree of MBA in Information Technology

Department of Computer Science and Engineering
University of Moratuwa
November 2008

DECLARATION

“I certify that this thesis does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any university to the best of my knowledge and belief it does not contain any material previously published, written or orally communicated by another person or myself except where due reference is made in the text. I also hereby give consent for my dissertation, if accepted, to be made available for photocopying and for interlibrary loans, and for the title and summary to be made available to outside organizations”

.....
Signature of the Candidate

.....
Date

To the best of my knowledge, the above particulars are correct.

.....
Supervisor



University of Moratuwa, Sri Lanka.
Electronic Theses & Dissertations
www.lib.mrt.ac.lk

ABSTRACT

The research work presented in this thesis focus on the perceived team effectiveness of offshore software development project teams and aims to addresses the issue of why some offshore software development teams are effective in their defined tasks while others are not.

The principle objectives of this research are to identify the demographic factors and cognitive factors which affect the perceived team effectiveness of offshore software development project teams in Sri Lanka; to establish the relationship between the demographic factors and cognitive factors with perceived team effectiveness; and to assess the relative contribution among demographic and cognitive factors to the overall team effectiveness.

The methodology for this research was partly based on literature surveys and interviews conducted with industry experts for the purpose of determining the relevant demographic factors and cognitive factors. Thereafter, a theoretical framework for the evaluation and analysis of the influence of these factors was formulated and seven hypotheses were proposed. The proposed hypotheses were; H1: There is a positive relationship between demographic factors and team effectiveness. H2: There is a positive relationship between cognitive factors and team effectiveness. H3: Cognitive factors have a more positive influence on team effectiveness than do demographic. H4: Team size moderates the relationship between cognitive factors and team effectiveness. H5: Team size moderates the relationship between demographic factors and team effectiveness. H6: Software methodology use by the team moderates the relationship between cognitive factors and team effectiveness. H7: Software methodology use by the team moderates the relationship between demographic factors and team effectiveness.

The research approach was based on a qualitative method of evaluation and a questionnaire was used to collect data from among a sample of software engineers in offshore software development companies in Sri Lanka.

The research study found that there is a significant relationship between cognitive factors and perceived team effectiveness but no significant relationship between demographic factors and perceived team effectiveness. Furthermore, the research results showed that team size and software methodology used by a team has no impact on perceived team effectiveness of an offshore software development team as applicable in the Sri Lankan context.

In summary, the research presented in this thesis leads to the recommendation that it is more valuable to pay a higher degree of attention to team members' cognitive similarities than demographic similarities when forming offshore software development project team in Sri Lanka.

Key Words: cognitive similarities • demographic similarities • team effectiveness • software engineering project teams•



University of Moratuwa, Sri Lanka.
Electronic Theses & Dissertations
www.lib.mrt.ac.lk

ACKNOWLEDGMENTS

First of all, I would like to thank Dr Ajantha Dharmasiri of the Postgraduate Institute of Management, my supervisor for this project, whose guidance and instructions paved the path for me to complete this research successfully.

I would also like to thank the coordinator of the MBA-IT batch, Dr Chandana Gamage, the staff of department of Computer Science and Engineering, and all my batch mates for the encouragement given.

My sincere thank to my employer Virtusa Corporation for releasing me from office work during the difficult time without hesitation.

Furthermore, I would like to thank all the personnel who participated in the survey for taking their precious time off their busy schedules.

Finally, I would like to thank my husband and my mother for the immense help given during dissertation writing.

T.R.A.L Panangalage



TABLE OF CONTENTS 1	INTRODUCTION
1	
1.1	BACKGROUND1
1.2	PROBLEM STATEMENT.....2
1.3	RESEARCH OBJECTIVES2
1.4	RESEARCH DESIGN2
1.5	SIGNIFICANCE OF STUDY3
1.6	CHAPTER OVERVIEW4
2	LITERATURE REVIEW.....5
2.1	TEAM.....5
	2.1.1 Software Development Teams6
	2.1.2 Offshore Software Development Teams6
	Importance of Team Effectiveness of Offshore Software Development Teams7
2.2	DEMOGRAPHIC FACTORS.....8
	2.2.1 Previous Research Findings8
	2.2.2 The Effects of Demographic Characteristics on Team Effectiveness9
2.3	COGNITIVE FACTORS.....11
	2.3.1 Introduction11
	2.3.2 Measuring Cognitive Factors12
	2.3.3 Mental Models.....12
2.4	TEAM EFFECTIVENESS16
	2.4.1 Factors Affecting Team Effectiveness18
	2.4.2 Measuring Team Effectiveness20
2.5	TEAM SIZE.....21
2.6	SOFTWARE METHODOLOGY21
3	RESEARCH METHODOLOGY AND DESIGN.....22
3.1	RESEARCH APPROACH.....22
3.2	THEORETICAL FRAMEWORK.....23
3.3	DEFINITION OF VARIABLES.....24
	3.3.1 Independent Variables24
	3.3.2 Dependent Variables25
	3.3.3 Moderating Variables26
3.4	HYPOTHESES26
3.5	RESEARCH INSTRUMENT.....27
	3.5.1 Development of Questionnaire.....27
	3.5.2 Measures Taken to Secure High Response Rate29
3.6	SAMPLE DESIGN29
	3.6.1 Population29
	3.6.2 Sampling30

	3.6.3 Sample.....	31
	3.6.4 Procedure and Pretest.....	31
4	DATA ANALYSIS AND DISCUSSION	32
4.1	RELIABILITY OF SURVEY ITEMS.....	32
4.2	ANALYSIS OF DATA DISTRIBUTION	32
4.3	DEMOGRAPHIC INFORMATION	33
	4.3.1 Gender Distribution of the Sample.....	33
	4.3.2 Age Distribution of the Sample.....	34
	4.3.3 Tenure Distribution of the Sample	34
	4.3.4 Job Designations of the Sample	35
	4.3.5 Education Level Distribution of the Sample	36
4.4	ANALYSIS OF HYPOTHESIS	37
	4.4.1 Analysis of Hypothesis 1:.....	38
	4.4.2 Analysis of Hypothesis 2:.....	38
	4.4.3 Analysis of Hypothesis 3:.....	40
	4.4.4 Analysis of Hypothesis 4:.....	46
	4.4.5 Analysis of Hypothesis 5:.....	48
	4.4.6 Analysis of Hypothesis 6.....	49
	4.4.7 Analysis of Hypothesis 7.....	51
4.5	KEY FINDINGS OF THE RESEARCH	54
4.6	DISCUSSION	61
5	CONCLUSIONS AND RECOMMENDATIONS	63
5.1	RECOMMENDATIONS	63
5.2	FUTURE RESEARCH	63
5.3	LIMITATIONS	64
5.4	CONCLUSIONS	64
4.	REFERENCES.....	65
	APPENDIX 1: SURVEY QUESTIONNAIRE.....	69



University of Moratuwa, Sri Lanka.
 Electronic Theses & Dissertations
www.lib.mrt.ac.lk

LIST OF FIGURES

Figure 3-1 : Theoretical framework.....	23
Figure 4-1 : Gender distribution of the sample	33
Figure 4-2 : Age distribution of the sample	34
Figure 4-3 : Tenure distribution of the sample.....	35
Figure 4-4 : Job designation of the sample	36
Figure 4-5 : Educational level distribution of the sample.....	36
Figure 4-6 Scatter plot of team SMM with team performance	55
Figure 4-7 : Scatter plot of team SMM with team commitment	56
Figure 4-8 : Scatter plot of task SMM with team commitment	57
Figure 4-9 : Scatter plot of task SMM with team performance	58
Figure 4-10 : Software methodology used by teams	59



University of Moratuwa, Sri Lanka.
Electronic Theses & Dissertations
www.lib.mrt.ac.lk

LIST OF TABLES

Table 4-1 : Reliability statistics.....	32
Table 4-2: Correlation coefficients for demographic factors.....	37
Table 4-3 : Correlation coefficients for cognitive factors.....	38
Table 4-4 : Descriptive statistics of cognitive factors	39
Table 4-5 : Variables entered/removed for dependent variable – team commitment ..	41
Table 4-6 : Model summary for dependent variable – team commitment.....	41
Table 4-7 : ANOVA table for dependent variable – team commitment.....	41
Table 4-8 : Coefficient for dependent variable – team commitment.....	42
Table 4-9 : Variables entered/removed for dependent variable – team performance ..	43
Table 4-10 : Model summary team performance	44
Table 4-11 : ANOVA table for dependent variable – team performance.....	44
Table 4-12 : Coefficient for dependent variable – team performance.....	45
Table 4-13: Descriptive statistics when team size as a moderating variable	46
Table 4-14: Partial correlation between the cognitive factors and team effectiveness	47
Table 4-15 : Partial correlation between the demographic factors and team effectiveness.....	49
Table 4-16: Descriptive statistics when Software methodology used as a moderating variable.....	50
Table 4-17 : Partial correlation between the cognitive factors and team effectiveness	51
Table 4-18 : Descriptive statistics when Software methodology used as a moderating variable.....	51
Table 4-19: Partial correlation between the demographic factors and team effectiveness.....	53
Table 4-20: Benefits from team working.....	60
Table 4-21: Challengers in team working.....	61

LIST OF ABBREVIATIONS

SMM	-	Shared Mental Model
SPSS	-	Statistical Package for the Social Sciences
EDA	-	Exploratory Data Analysis
ICTA	-	Information and Communication Technology Agency
IT	-	Information Technology
R&D	-	Research and Development
SEA	-	Software Exporters Association
SLASI	-	Sri Lanka Association for Software Industry



University of Moratuwa, Sri Lanka.
Electronic Theses & Dissertations
www.lib.mrt.ac.lk