An Examination of Cross-Cultural Understanding in a Global Automotive Company

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Andrews University
School of Education

AN EXAMINATION OF CROSS-CULTURAL UNDERSTANDING
IN A GLOBAL AUTOMOTIVE COMPANY

A Dissertation
Presented in Partial Fulfillment
of the Requirements for the Degree
Doctor of Philosophy

by

A. Dale Phillips

December 2004
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ABSTRACT

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IN A GLOBAL AUTOMOTIVE COMPANY

by

A. Dale Phillips

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Title: AN EXAMINATION OF CROSS-CULTURAL UNDERSTANDING IN A GLOBAL AUTOMOTIVE COMPANY

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Date completed: December 2004

Purpose of the Study

Global Motors of the United States and Baumgart AG of Germany came together to produce an automobile that was marketable in both countries. Since this project involved people from two cultures, the purpose of this study was to examine perceived cultural markers at work during this joint vehicle development project by identifying these markers and investigating their effects on the overall success of the joint-venture project.

Methodology

I chose to use a qualitative methodology, specifically focus groups. All engineers who worked on the project team received an email inviting them to participate and
assuring them of anonymity. Twenty-seven percent of the project team chose to participate (a total of 30 participants).

Results

I found only 4 cultural markers that had both a major presence on this first joint venture project team and affected the success of the project. They were Social Exchange (motivated by facts vs. emotion), Formality (preference for structured work or unstructured work), Risk Response (aversion to risk vs. comfort with risk), and Operating Authority (deference to position authority or expertise authority). Two other cultural markers were found to have minor impact, Results Orientation (whether a person was more concerned with the results or the process used to obtain the results) and Adaptability (Those comments related to whether or not the person seemed to strive for consensus among parties). There was no evidence found relating to the cultural markers of Individualism or Use of Time as seen in the literature.

Conclusion

Cultural Markers were present on this joint-venture project team and affected the success of this project in the following ways:

“Success was impeded early-on.”

“Faulty assumptions were made.”

“Timing and performance targets were missed.”

“There were inappropriate responses to directions.”

“We assumed we had agreement, when there was no agreement.”

“Teamwork was non-existent at first.”
To my wife Jane, whose encouragement, incredible patience, and frequent proofreading made it possible for me to accomplish not just this goal, but all of my life goals.
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CHAPTER 1

INTRODUCTION

Until recently, the worldwide automotive industry existed as a multitude of independent car companies that were regionally or nationally focused. Examples include, but are not limited to, Volvo and Saab in Sweden, Rolls Royce, Range Rover and Vauxhall in England, and Adam Opel in Germany. These car companies designed, engineered, manufactured and sold vehicles for their specific national and regional markets. Manufacture of each car line required separate budgets and each car line was, therefore, expensive to bring to market. In order to dramatically reduce research and development expense, as well as other overhead and production expenses, today’s industry strategy is to jointly develop the next generation of automobiles. This involves consolidation of many car companies and autonomous automotive partnerships as possible into a few large companies, under the banner of "Global Car Companies" (Guilford, 2001).

Insiders predict that globally oriented vehicle development programs will eventually result in four global car companies—two that are U.S. based, one that is based in Germany, and one that is based in Japan (Chappell, 1996; Deans, Kroeger, & Zeisel, 2002).

Implementing a global business strategy holds three main advantages:

1. It greatly increases the number of potential customers.
2. It allows for more efficient use of resources that already exist.

3. It lowers the cost of developing new resources by looking at other global locations.

Despite these advantages, globalization represents serious challenges to the way the automotive industry has traditionally conducted its business (Rehfeld, 2001). Automotive partnerships were autonomous operations within a corporate umbrella and, as such, were free to develop vehicle products for their market. They had an organizational culture (defined as the deeper understanding of basic assumptions and beliefs that are shared by members of the organization) that was shaped by their country of origin or their nationality. This culture drove organizational structure and behavior. Joint development of a global vehicle product, which requires partnerships outside of their organization, removes that autonomy.

Global vehicle products involve partnerships between two or more of the formerly independent car companies. Each company allocates its share of the resources (financial, personnel, and facilities) required to support development of the new product. Since employees come from each company involved in the partnership, they may speak many different languages. In addition their ideas are imbedded in their own nationalistic and organizational cultures (Hickens, 1998). These ideas can result in cultural markers (defined as patterns of beliefs and values that are attributable to a specific group of people).

The idea of combining several entities to form a union is not a new concept. In the aftermath of World War II, a number of European leaders came to believe that the only way to avoid future wars was to unite the countries economically and politically, thus forming the European Union.
EUROPA (The European Union Online) provides a concise, year-by-year history of the evolution of the European Union (Europa, n.d.) In 1950, French Foreign Minister Robert Schuman proposed integrating the coal and steel industries of Western Europe. The European Coal and Steel Community (ECSC) was set up with six members: Belgium, West Germany, Luxembourg, France, Italy, and the Netherlands. The ECSC was such a success that, within a few years, these same six countries integrated other sectors of their economies. In 1957 they signed the Treaties of Rome, creating the European Atomic Energy Community (EURATOM) and the European Economic Community (EEC). The member states set about removing trade barriers between them and forming a common market.

In 1967, the three communities (ECSC, EURATOM, and EEC) merged. From this point on, there was a single Commission, a single Council Of Ministers and the European Parliament. Originally, the members of the European Parliament were chosen by national parliaments. In 1973, Denmark, Ireland, and the United Kingdom joined the European Union. In 1979, the first direct elections were held, allowing the citizens of the member states to vote for the candidate of their choice. Since then, direct elections are held or interests every 5 years.

In 1981, Greece joined the European Union. In 1986, Spain and Portugal joined. In 1992, The Treaty of Maastricht introduced new forms of co-operation between the member governments, such as in the area of defense, justice, and home affairs. The treaty further created the European Union. These countries make joint decisions on many matters, such as agricultural policy, consumer protection, environmental policy, energy policy and transportation and trade.
In 1992 the European Union (EU) decided to introduce a single European currency, managed by a European Central Bank. In 1995, Austria, Finland, and Sweden joined the European Union, with ten more countries (Estonia, Latvia, Lithuania, Slovenia, Slovakia, Czech Republic, Cyprus, Hungary, Malta) joining the European Union in May of 2004.

The Europe of the future will have a common currency (on January 1, 2002, the Euro notes and coins replaced the national currencies in most of the European Union countries). They plan to eventually have a common foreign and defense policy, and a common body of laws. Whereas it now looks like a confederacy of individual and sovereign states, it will look more like a federal system, starting to resemble a "United States of Europe" (Walker, 2000). Therefore, it can be expected that the European Union will evolve into the next formidable “superpower” on equal status with the United States.

The development of the European Union has involved the dismantling of barriers to the movement of goods, capital and labor within Europe. They are now evolving to include a sense of European citizenship (Parker, 1998). This European experiment has influenced people who once limited themselves to a nationality to talk about European Citizenship. In addition, the standardization of the Euro as currency has opened the door for businesses in various countries to form more joint partnerships with countries outside of the European Union.

**Statement of the Problem**

Global Motors North America and Baumgart AG of Germany (pseudonyms for actual car companies), each produce their own small car for their own market. The problem was that each car sells to a limited market. By developing one small car to meet the needs of both markets, the two companies can reduce their costs, consequently.
Plans were made to develop the small car in the United States and sell this vehicle in both markets. Engineers from Germany came to work with the U.S engineers on the development of that car. However, the project was not as efficient and cost effective as hoped. The main problems encountered were delays in creating vehicle designs and incorrectly interpreting work direction. Since the engineers were from various cultural backgrounds, organizers of the project wanted to know what cultural markers were prominent in this project, and if these markers affected the completion of the project.

**Purpose of the Study**

The purpose of this study was to examine perceived behaviors at work during the joint vehicle development project between Global Motors North America and Baumgart AG that were culturally based (cultural markers) and then investigate the effects of those behaviors on the overall success of the joint venture project.

**Research Questions**

1. What were the cultural markers that were prominent during this joint venture project, as perceived by the engineers who worked on the project?

2. How did these cultural markers affect the overall success of the project, as perceived by the engineers who worked on the project?

**The Setting**

**Global Motors**

Multinational corporations, such as Global Motors, have recognized that the world is fast becoming a global economy. They recognize that the speed that knowledge can now travel and a reduction in trade barriers have removed restrictions that once impeded
international competition. To compete in the worldwide marketplace, multinational
corporations must gain in efficiencies to offset the loss of artificial economic supports
(such as the removal or reduction of trade barriers). Global Motors believes that there are
economies of scale available (an economic theory stating that there will be a decrease in
the marginal cost of production as the number of items produced increases), not only from
the manufacturing environment, but from the engineering environment as well. Under this
strategy, Global Motors North America and Baumgart AG of Germany embarked on a
vehicle development project to jointly develop a class of vehicles to be built from one
basic design. The intent was to market one basic vehicle worldwide at a reduced cost per
vehicle. This first project was not as successful as hoped. Deadlines were missed and cost
targets were not achieved. The company wanted to study the causes of less than desired
results.

Baumgart AG

During the prosperous times of the automobile boom at the beginning of the 20th
century, Baumgart AG (automotive group) of Germany existed as its own company,
producing cars for the Eastern Europe market. In the 1930s Global Motors obtained
controlling interest, but allowed the company continued to manage its own business,
recognizing the German customer. After World War II, Global Motors began to gradually
become more involved in day to day operations.

In 2002, Global Motors began implementing the plan to become a global company.
The Baumgart AG factory in Baumgart Germany was selected the first to produce the first
joint-venture cars. The vehicle will eventually be built in Germany, the United Kingdom,
Australia, and the United States. Each country will have its own distinctive body style but
will share the same mechanical systems. Vehicles will look different visually but be extremely similar in their mechanical components.

**Significance of the Study**

Joint vehicle development is a strategy of the Global Motors business plan. Understanding the effects or non-effects of cultural markers within this enterprise will help remove systematic weaknesses in the process of designing a vehicle. If cultural markers are a significant factor in the financial success of a vehicle program, remedies can be designed and implemented to reduce this problem in the future. Reducing misunderstandings that can cause mistakes should increase the success of the next joint project.

**Limitations of the Study**

Data came from only those engineers who volunteered to participate in the focus group sessions limited this study.

**Delimitations of the Study**

Global Motors has numerous plants and partnerships in many countries around the world. This study was limited to the partnership between Global Motors, located in the United States, and Baumgart AG of West Germany, located in West Germany, and only to engineers assigned to this particular joint vehicle specific project. One hundred and ten engineers received invitations to participate in this volunteer study, from which a group of 30 engineers accepted. No attempt was made to evaluate reasons for non-participation of the remaining members of the group.
This study focused on cultural markers. They were developed from the studies of Edward Hall, who looked at culture as communication, Fons Trompenaars and Charles Hampden-Turner, who thought of culture as the way people solve problems, and Geert Hofstede, who evaluated culture as how people adapt themselves within a society.

**Edward T. Hall**

Edward T. Hall (1973) envision a culture model best represented by an "onion", the outer layer being only the 10% of culture that is visible. The remainder of the onion was a system for creating, sending, storing, and processing information. He believes that two forms of information guide humans, the first of these is Manifest Culture. In Manifest Culture, communication is either verbal or written. Both words and numbers are used in the process. Hall says that this form of interaction represents only about 10% of all communication that occurs. Words and sentences have different meanings depending on the context in which they are embedded. The rules vary from culture to culture. A low context message assumes that the other person or group has a limited level of knowledge about the subject discussed and requires explicit communication. An example might be an instance where a highly qualified college English instructor is asked to manage a college bookstore. They would probably need explicit instruction in inventory management and financial reporting.

A high context message assumes that the other person or group has a high level of knowledge about the subject discussed and requires only implicit communication. An example could be where an automotive electronic engineer had previously been responsible for the automotive entertainment systems (such as radios, CD players, stereo
speakers) and is now assigned to engine electronics. The person instructing could assume that the engineer understood broad electronic principles and would now only need specific instruction in the unique parts of the system that manages the running of the engine.

The second form is Tacit-acquired Culture, where communication is based on practices and solutions to problems from past experiences of everyday life. This type of communication is highly situational and operates according to rules where an individual is not aware of the process. An example would be where a person grew up from childhood in an environment where people were not trustworthy. As an adult, that person is not aware that they use non-verbal behaviors that say that communicates a lack of trust. Non-verbal communication is responsible for the greatest distortions in understanding between people. Hall believes that this interaction represents about 90% of all communication that occurs but is largely overlooked in the world of business.

The term proxemics was introduced by Hall (1992) when he investigated people's use of personal space. He used four categories: Intimate distance, for embracing or whispering; personal distance, for conversations among friends; social distance, for conversations among acquaintances and public distance, used for public speaking. He found that Germans and Americans conflict over personal space.

Edward Hall (1973) also considers time as a kind of language or communication. He says that time is not universal, that different time systems exist around the world. He defines two basic time systems:

1. Monochronic time means paying attention to and doing only one thing at a time. Time is therefore linear and time is divided into segments. Hall calls this M-Time.

2. Polychronic time means being involved with many things at once. Hall calls
This P-Time.

Both M-Time and P-Time systems have their strengths and weaknesses. M-Time stresses adherence to a schedule. It dominates the official worlds of government and big business and creates big, centralized bureaucracies. P-Time stresses the involvement of people and completion of transactions rather than adherence to a schedule. Their successes are highly situational.

This study uses Hall’s theories of Manifest culture, Tacit-acquired culture, Proxemics and time as communication as a basis for analyzing focus group data output.

Fons Trompenaars and Charles Hampden-Turner

Fons Trompenaars and Charles Hampden-Turner (2001) look at culture from the aspect of how "problem solving" occurs. They define culture as "the way a group of people solve problems and reconcile dilemmas."

Trompenaars and Hampden-Turner contend that culture goes back to the very beginning of human existence. They say that early humans had to adapt to their environment or parish. Individual human beings eventually realized that by banding together in “tribes” of people, they could more thoroughly manage their environment. Because different groups were located in different regions of the globe, their environments called for different solutions for survival.

In today’s world, Trompenaars and Hampden-Turner apply the same principles to modern society. Whereas survival was once the target, success is now the common goal. They believe that problem solving achieves that success.

Today, they contend that the nature of “tribes” has changed. Ancient man was constrained by geography. Groups with common goals or interests are now the “tribes” of
modern man and they exist in a hierarchy. At the top of this hierarchy is national interests, followed by regional interests, organizational interests, professional interests, and personal values.

Trompenaars and Hampden-Turner define seven value dimensions that shape how a culture approaches problem solving. (They expect Americans and Germans to be in conflict over numbers 1 & 3.)

1. Universalism versus Particularism: Universalism stresses standardization and rules. Particularism stresses adaptability to circumstances. (Germans would be expected to use a universalism approach in their problem solving.)

2. Communitarianism versus Individualism: Do people consider themselves as individuals or part of a group?

3. Neutral versus Emotional: Do people contain their emotions or express them freely? (Germans would be expected to be Neutral or at least stoic in their problem solving.

4. Defuse versus Specific: Do people see their life as segments, each unique unto itself, or do they see their life segments as parts of a whole?

5. Achievement versus Ascription: Do people value social position or do they value performance?

6. Human-time relationship: Do people value short-term or long-term success?

7. Human-nature relationship: Do people view themselves as part of nature or as masters of nature?

**Geert Hofstede**

Geert Hofstede formulated national culture theory over 20 years ago, using the responses of IBM middle managers in 53 countries to generate a cultural profile for each
country. Hofstede (1980) found differences existed in four dimensions that were typical for each country. These dimensions are:

1. Power distance, which he defines as the extent to which the less powerful accept power distributed unequally

2. Individualism, which can be interpreted as whether the society values the good of the few or the good of the many

3. Masculinity, which is identified as the extent to which social gender roles are distinct within a society

4. Uncertainty avoidance, which he defines as the extent to which a society feels threatened by the unknown.

Hofstede (1980) cautions that one cannot predict individual behavior using his research. The unit of analysis is the countrywide level, and thus predictions can only be made at that level. He feels that researchers run the risk of making two types of errors when referring to his findings, using data collected countrywide to predict individual behavior and using research correlated at the individual level to explain countrywide data.

Of particular interest to this study is the cultural profiles developed by Hofstede for the countries of Germany and the United States, and the organizations that exist within them. This study analyses focus group output to address the relationship it has to these profiles.

Hofstede’s (1980) analysis for Germany shows their emphasis on individualism, masculinity, and uncertainty avoidance. Power distance and long-term orientation are both ranked considerably lower than the others. This illustrates Germany’s belief in equality and opportunity for each citizen, as well as its ability to change and adapt rapidly. Most likely
Germans are uncomfortable with uncertainty, and they are individualistic. Germans like to set rules and stick with them. They do not feel comfortable if they do not have fully control over the situation. Privacy is very important to Germans. Most German managers have their own office and the door is always closed. In general, Germans are very straightforward and they pride themselves on speaking their mind. Punctuality is highly valued; schedules and meeting agendas are strictly followed.

Hofstede’s (1980) analysis for the United States is very similar to other world countries that have their heritage founded in Europe with strong ties to the British Isles. Individualism ranks highest and is a significant factor in the life of U.S. Americans. The low ranking of Long-term Orientation reflects a freedom in the culture from long-term traditional commitments, which allows greater flexibility and the freedom to react quickly to new opportunities.

**Definition of Terms**

The following is a list of terms used for this study and their definitions:

**Car (or Vehicle) Platform:** The basic chassis used as a base to create different vehicles for different customers.

**Cross-cultural:** Any activity that must involve people of more than one culture.

**Culture:** Organizational researchers generally agree that culture refers to patterns of beliefs and values that are manifested in practices, behaviors, and various artifacts shared by members of an organization or a nation.

**a. Production Culture:** Arises when the production process is routine and the work is standardized. The consumer product is easily identified as the output. The focus is on the number of items successfully produced.
b. **Professional Culture**: Arises when the task is very non-routine and difficult, and highly specialized personnel do the work. This culture sets the norms themselves and is process oriented, not product oriented.

c. **Traditional Culture**: Within an organization, it describes an assimilation of cultures that have continued since the days of the organization’s founding.

d. **Bureaucratic culture**: Within an organization, the tasks include routine elements and the process by which inputs are converted into outputs becomes obscure. Often, a bureaucratic culture is found when job elements include documentation that reports actions taken and results obtained.

**Cultural Marker**: Validated patterns of beliefs and values that are attributable to a specific group of people.

**Cultural Pluralism**: A society in which members of diverse ethnic, racial, religious and social groups maintain participation in and development of their traditions and special interests while cooperatively working toward the interdependence needed for a nation’s unity.

**Discussion Guide**: A critical first step for the planning of focus groups. It is the “script” that the facilitator will follow during the sessions in order to ensure that attention is placed on the topics he or she must explore.

**Economies of Scale**: An economic theory stating that there will be a decrease in the marginal cost of production as the number of items produced increases.

**Facilitator/Moderator**: Interchangeable terms that identify the person who is assigned the role of keeping a discussion on track for the purpose of reaching a successful conclusion.
**Globalization:** The present worldwide drive toward an economic system dominated by supranational corporate trade and banking institutions that are not accountable to democratic processes or national governments.

**Next Generation of Automobile:** The next new vehicles that will encompass new technology, new engineering theory and new design.

**Organizational Culture:** The deeper understanding of basic assumptions and beliefs that are shared by members of the organization.

**Plant Capacity:** Defined by the U.S. Census Bureau as the maximum or optimum level of production or output.

**Quality Function Deployment:** An assessment tool used by industry to develop a disciplined approach for product and process planning.

**Triangulation:** A validity procedure where researchers search for convergence among multiple and different sources of information to form themes or categories in a study. The term comes from military navigation at sea where sailors triangulated among different distant points to determine their ship's bearing.

**Organization of the Study**

Chapter 1 consists of the background of the current study, a statement of the problem, the purpose of the study, definitions of terms, limitations and delimitations of the study, conceptual framework, and a description of the organization of the study.

Chapter 2 consists of a review of the literature. Information will be provided on organizational culture, cross cultural issues and cultural markers.

Chapter 3 addresses the methodology of the study, the role of the researcher, data analysis procedure and the study procedure employed.
Chapter 4 presents the findings of the study, data analysis procedure, method of verification, and foundation for themes developed.

Chapter 5 consists of the summary, conclusions, recommendations and implication for future research.
CHAPTER 2

REVIEW OF RELEVANT LITERATURE

Literature reviewed for this study covers three major areas: organizational culture (including organizational culture and global companies), cross-cultural issues, and cultural markers.

Organizational Culture

The organizational culture perspective represents a conflict within organizational theory that challenges the traditional structural and systems perspectives about how decisions are made and how organizations respond to the environment. Organizational culture can be defined as the deeper understanding of basic assumptions and beliefs that are shared by members of the organization.

Schein (1996) describes three levels of culture that exist in all organizational relationships: artifacts; shared values; and shared basic assumptions.

1. Artifacts are visible, audible, tactile manifestations of underlying cultural assumptions, such as behavior patterns, rituals, physical environment, dress codes, stories, and myths. They are relatively easy to understand. For example, many firms have dress codes, such as uniforms or proper business attire, indicative of some underlying culture.
2. Shared values, also quite easily understood, are the espoused reasons why things should be as they are, such as norms, codes of ethics, company value statements, and so on. For example, many firms have goal or mission statements in their reception areas for all to see, informing both their customers and their employees what the firm stands for, and saying something about the espoused culture as well. Similarly, some firms have codes of ethics, which are often related to the professional norms of their employees.

3. Basic assumptions are somewhat more difficult to define and examine. They comprise the invisible but identifiable reasons why group members perceive, think, and feel the way they do about external survival and internal operational issues, such as a mission, means of problem solving, relationships, time, and space.

Of considerable importance, in Schein's (1991) view, is the need for senior management to focus on this third level of culture. Artifacts can be replaced; new values can be articulated. But unless the basic assumptions are addressed, the firm's culture will likely remain the same or change only slightly.

A strong organizational culture increases consistency of behavior across individuals in a firm. In this sense, it becomes a social control mechanism (O'Reilly, 1989). At the same time, organizational cultures frame people's basic assumptions about organizational processes and their interpretations of organizational events. Schein (1991) emphasizes that organizational cultures provide group members with a way of giving meaning to their daily lives, setting guidelines and rules for how to behave.

Viability of a firm's performance depends not only on the ability to maintain consistency in internal processes but also on the firm's ability to adapt to change in the
environment. The relationship between culture strength and reliability of performance is
directly related to how strong-culture firms learn from their own experiences and from
changes in the environment (Gordon & DiTomaso, 1992). Despite different definitions of
culture, organizational researchers generally agree that culture refers to patterns of beliefs
and values that are manifested in practices, behaviors, and various artifacts shared by
members of an organization or a nation (Hofstede, 1980).

In relatively stable environments, firms with strong organizational culture have
less variable performance than firms with weak corporate culture. In a volatile work
environment, incremental adjustments are probably not sufficient. Strong-culture firms
have often met great difficulties in responding to change (Tushman & O’Reilly, 1997).

Organizational cultures and organizational learning are closely related. In fact,
several authors (Casmir, 1999; Fox, 1997; Kim, 1991) have conceptualized
organizational cultures as the product of histories of organizational learning. Schein
(1991) suggests that culture ultimately reflects the group's effort to cope and learn and is
the residue of learning processes. Schein (1991) further argues that organizational
cultures are strongly influenced by shared experiences in the firm's early history and that,
onece established and taken for granted, the firm's basic assumptions are difficult to
change. Freeman and Hannan (1984) suggest that organizational cultures reflect the
imprinting of a firm's early environmental conditions and that, therefore, they are subject
to pressures to not change.

The significance of organizational culture to the strategic change process is well
recognized. Culture has been shown to influence the ability of the organization to control
and cope with strategic change. Consequently, only if one appreciates the basic culture
and values that influence the key strategic elements can organizational strategy be understood, implemented, and changed.

Gordon and DiTomaso (1992) have shown that widespread agreement about organizational culture (basic assumptions and values) in the firm increases behavioral consistency and thereby enhances organizational performance. The impact of consistency on execution is important, since firms with excellent strategies may perform poorly if they fail to execute well, and firms that execute their routines extremely well may compensate for less than perfect strategies.

Levinthal (1991) argues that firms with strong organizational culture should generally be better at avoiding internal threats to reliable performance, or breakdowns in coordination and control. Employees are more likely to take actions consistent with a firm's goals if they understand those goals and agree with them. Cremer (1993) says that where employees lack a clear understanding of the organization's goals, coordination will also be more difficult. They are more likely to take actions that conflict with what is happening in other parts of the organization. If employees differ in their understandings, they will either spend more time debating alternatives or behave inconsistently and, therefore, be more likely to carry out routine tasks poorly.

In simulations, March (1991) found that organizations that are good at learning from their members have the most accurate understanding of a changing environmental reality. Strong-culture organizations exhibit the opposite characteristics. Strong-culture organizations may be less likely to reap the benefits of any exploration that does occur. Martin and Siehl (1983) show that innovation and change in organizational routines can be fostered by viable countercultures, but countercultures may be less likely to emerge.
and persist in strong-culture firms. Moreover, even when countercultures can be
sustained in strong-culture firms, the transfer of new ideas and knowledge to the
dominant culture is fraught with difficulty.

Organizational policies, procedures, and organizational structure are often seen as
independent of social reality. In this day of globalization, the fallacy of this line of
thought is evident. People come to organizations with whole systems of meaning and
understandings, defined by their respective nationalistic and regional cultures.

Organizational Culture and Global Companies

In today’s economy, companies who once were regionally based now must learn
to compete in the global market. Where regionally based organizational culture once
sufficed, they must now develop and adapt to a globally based organizational culture.
One model useful in categorizing global corporate organizational culture emphasizes the
extent to which firms have evolved as global companies (Heenan & Perlmutter, 1979).
The model asserts that corporations can be classified as nationally (or home country)
oriented, where they operate independently and autonomously and focus on local
objectives. They can be regionally oriented, where they operate interdependently within a
limited area and focus on regional issues, or they can be globally oriented—operating
interdependently worldwide, with worldwide objectives and extensive multicultural
heterogeneity.

Trompenaars and Hampden-Turner (2001) talk about three types of international
companies, which are distinguishable by the following organizational characteristics:
1. Global Companies: They tend to have local branches of their company ruled by strategies and methods dictated by a corporate home office. Little or no local autonomy is allowed.

2. Multi-Local Companies: They tend to consist of self-sustaining and fairly autonomous business units throughout the world. Their connection to corporate headquarters consists of financial ties only.

3. Transnational Companies: They reconcile differences and similarities between the values of corporate headquarters and overseas operations and apply certain strategies universally. They find a way to adopt local values when those are understood to be the best way of achieving business goals.

No matter how global companies are classified, significant cross-cultural problems exist within the international context. Management must maintain compatibility of practices and policies among its subsidiaries. It must also maintain a delicate balance of authority, bureaucracy, validity, and accountability.

Organizational culture differences differentiate partners based on their management practices, which are deemed essential for the functioning of their respective organizations. Differences in practices represent conflicting expectations and incompatible organizational processes. Partners with dissimilar organizational cultures may expend time and energy to establish managerial practices and routines to facilitate interaction, and may incur higher costs and more mistrust than culturally similar partners (Park & Ungson, 1997). Research on organizational climate similarity and performance also indicates that firms selecting a partner that has a similar organizational climate will have superior performance (Fey & Beamish, 2000). They hypothesize that differences in
organizational culture would adversely influence joint venture performance. Global ventures take a variety of forms, including joint ventures, mergers, acquisitions and global product programs. Corporate decision-makers in many firms have tended to pay more attention to “strategic fit” than to organizational-integration issues.

Further, it was also found that within international and domestic mergers and acquisitions, national and organizational cultures are separate constructs. They have variable attitudinal and behavioral correlates. As such, it is also widely accepted that organizational culture is nested in national culture. Newman and Nollen (1996) reported that work units perform better when their management practices are compatible with the national culture. They advocate that management practices should be adapted to national culture for high performance.

Lane and Beamish (1990) state that the problems in International Joint Ventures (IJV) often stem from the influence of national culture on behavior and management systems. For example, cooperation-generating mechanisms vary between individualist and collectivist cultures because of the differences in their motives (Chen, Chen, & Meindl, 1998). In the context of IJVs, diversity along each cultural characteristic can be instrumental in erecting significant barriers to effective cooperation (Parkhe, 1993).

Organizational cultural differences make it costly to negotiate and transfer management practices and firm-specific technologies. Since national culture is perceived to be the fundamental differential factor in an IJV, even superficial differences might result in the partners choosing national culture as a primary form of identity (Salk & Brannen, 2000). A salient social identity leads to accentuation of similarities and differences between partners, perhaps causing individual differences to be associated
with nationality (Salk & Brannen, 2000). Accordingly, IJV partners from different national cultures experience greater difficulty in their interactions (Lane & Beamish, 1990) that would adversely influence joint venture performance.

Culture clashes can occur between the policies of parent headquarters and the norms and values of employees in foreign subsidiaries, or between U.S. managers and their foreign counterparts. Trompenaars and Hampden-Turner (2001) define the next frontier of international business as reconciliation, whereby a company uses the tensions that exist between cultural values to create dynamic solutions. They do not accept the differences and try to tiptoe around them; they use them to synthesize approaches and energize the organization to achieve common goals. They reconcile their differences between their corporate cultures and indigenous national cultures and focus on what they have in common. Culture clashes between U.S. companies and their local affiliates usually result from the need to standardize systems and procedures.

Trompenaars and Hampden-Turner (2001) say that in every culture in the world, authority, bureaucracy, validation, and accountability are experienced in different ways. The problem is that words can take on different meanings as they move from culture to culture. The managers of global organizations must maintain a delicate balance between the need for standardization in organizational design and procedures, and local characteristics of the market, legislation, and the socio-political-cultural system. The silent forces of culture can operate a destructive process against centrally developed methods that do not fit locally.

Because organizations are, in many ways, embedded in the larger society, research on cultural differences of cross-national businesses should examine both
national and organizational cultures. But with few exceptions (Hofstede, Neuijen, Ohayv, Sanders, 1990; Newman & Nollen, 1996), past studies have not been concerned with culture distance at both levels. These studies found that, whereas organizations from different nations differ in fundamental values, organizations from the same nation differ only in organizational practices. The studies further concluded that when both national and organizational cultures are examined, the former should be examined in terms of values, and the latter in terms of core organizational practices.

Hofstede et al. (1990) suggest six core organizational practices that differentiate organizations in their management orientation:

1. Process vs. result: Is the organization first concerned that the prescribed work process be followed or that results be accomplished?

2. Employee vs. job: Does the organization place equal importance on the employee’s needs along with the job to be done?

3. Parochial vs. professional: Does the organization exclude knowledge that comes from outside of the organization or is it receptive?

4. Open vs. closed system: Does the organization include all levels of employees or does it exclude other internal groups?

5. Loose vs. tight control: Does every decision require approval?

6. Normative vs. pragmatic: Are employees allowed to adapt their behavior when they feel it is called for?
Organizational Subcultures

Under the umbrella of organizational culture, “subcultures” develop. Subcultures arise when groups of people have a specific responsibility. Jones (1983) identified distinct subcultures within an organizational structure:

1. Production culture arises when the production process is routine and the work is standardized. The consumer product is easily identified as the output.

2. Bureaucratic culture arises when the task includes routine elements and the process by which inputs are converted into outputs becomes obscure. The supporting paperwork or information is the output.

3. Professional culture arises when the task is very nonroutine and difficult, and highly specialized personnel do the work. This culture sets the norms and is process oriented, not product oriented. The output is not so much the consumer product as it is the process by which the idea for the consumer product is created. See Figure 1.

All of the above-mentioned organizational subcultures interact with one another and are sources of potential cultural conflict. The production culture feels that there is too much paperwork required to get the job done. The bureaucratic culture wants the engineer (professional) to make up their mind and supply information on time. The professional engineers think their designs are perfect, the production culture does not know how to build things, and so on. All three subcultures are driven by their own sets of internal beliefs and values. The process by which they interact and resolve issues defines their local organizational culture.
Interaction of Organizational Cultures

Figure 2 shows how national culture drives regional culture, which in turn is the primary driver of organizational culture. Within organizational culture, subcultures develop around whether a group is product, professional or bureaucratically focused. I call this the organization’s “cultural tree.”

Figure 1. Organizational cultural tree.
When local organizations interact with other organizations within a specific geographic area, they begin to develop a regional organizational culture. A national organizational culture evolves when the regional cultures within a country (or alliances of countries) learn to work together for the common good. When different nationally focused cultures interact with one another, we have the beginnings of a Globally Focussed Organizational Culture.

When there is a joining of two organizations for any reason, each organization brings with it their own “cultural tree”. Each organization must interact with the other at each level. The arrows in Figure 2 represent this interaction and potential conflict of cultural markers.

Figure 2. The interaction of organizational cultures and cultural markers.
Managing Organizational Change

In the past, an organization existed in a local or regional area, supplying goods or services to that area. As such, it operated in a world where values and norms remained relatively culturally consistent.

Today, the rapid growth of technology and the speed of communication have widened our awareness. Organizations, who once set the standard for performance, now face much stiffer competition. Some other organization can provide the service quicker or make the product less expensive. In order to remain viable organizations, they must develop a culture that will embrace change.

According to Schein (1991), senior management can use six organizational processes to either maintain or modify an existing culture. All must fit together in such a way that they are mutually reinforcing:

1. Strategy formulation is the way a firm defines itself and its overall direction. There are two broad schools of thought on how the process works: the coalitionists and the top-down theorists. The coalitionists believe that a firm's strategy should be the end result of a series of struggles among competing groups within the corporation. The result is an "amalgamated strategy," which is the sum total of all the individual coalition strategies. The top-down theorists argue that strategy formulation should follow a three-step process, generally referred to as a SWOT (strengths, weaknesses, opportunities, and threats) analysis. In this process, senior management (a) examines the environment and assesses the financial, programmatic, and other signals, positive and negative, (b) compares these environmental signals with the firm's strengths and weaknesses and incorporates the firm's values into the analysis, and (c) selects a strategic direction.
In the top-down approach, Schein (1991) says that a basic assumption is that strategic choices are made centrally, and the various organizational units contribute to the chosen strategic direction.

In the coalition approach, a basic assumption is that many strategic decisions are made by the coalitions without significant input from corporate headquarters.

2. Authority and influence (A&I) can flow in a variety of ways in an organization, ranging from hierarchical to collegial. The former is exemplified by the military; the latter by many universities. Although an organization chart can identify the formal authority arrangements, it frequently excludes many key decision-makers. Schein (1991) further adds that all must fit together in such a way that they are mutually reinforcing. For a unified culture, the flow of authority and influence must reinforce senior-management decisions concerning the strategy formulation process. If senior management decides to formulate strategy without the involvement of middle managers and others, it will have a difficult time espousing a collegial flow of A&I.

3. According to Schein (1991), when considering the motivation process, senior managers must focus on a fit among employee personalities and the firm's external environment, including customers, competitors, regulators, lenders, and shareholders.

The motivation process can reinforce the A&I process. Motivation for workers on an assembly line might be tied to work standards, with supplemental compensation linked to increased productivity. By contrast, motivation for scientists engaged in exploratory research might be related to collaboration and the sharing of ideas, with recognition and peer approval seen as more important than financial rewards. In either case, the
motivation process constitutes an important lever for affecting the culture. Others provide non-financial bonuses, such as sabbatical leaves.

The design of the motivation process depends to a great extent on the kind of culture senior management seeks. As with other levers, it will affect employees' understanding of what is desirable and undesirable behavior.

4. Schein (1991) recognizes that the management control process consists of four activities: programming (planning), budgeting, measuring, and reporting.

In many firms, decision making about new programs and large capital expenditures tries to ensure that programs (or product lines) are consistent with strategy. Program or product line managers must understand the linkages between their activities and the firm's overall strategic direction.

In short, the way management establishes the constraints on and the approaches to programming can have a profound impact on the firm's culture. Centralizing revenue and establishing expense centers, for example, are consistent with a hierarchical culture, whereas the use of profit centers is more consistent with a collegial, coalition-based culture.

5. Senior management's response to a situation of ongoing conflict, according to Schein (1991), could be to (a) take part in resolving it, (b) appoint a committee to deal with it, or (c) assign an integrator. All three approaches can be effective, but each suggests a different culture and a different sense of what is acceptable and unacceptable behavior. Similarly, the membership of both permanent committees and ad hoc task forces sends important cultural signals. If senior management were to combine an equal number of middle managers and assembly line workers on a reengineering task force, it
would send a signal to the company about both the importance of line workers' opinions and the value it attached to middle managers' time. More generally, the approaches taken by senior management to deal with the several kinds of conflict constitute highly visible intra-organizational signals of the kind of culture it desires.

6. Schein (1991) says that customer management includes activities that take place within the firm as well as those designed to attract customers to the firm. These activities combine both operations management and marketing, and include product design and manufacturing, service provision and scheduling, price setting, facility siting, and the delivery of after-sale services. All these activities have a heavy cultural overlay.

Schein (1991) believes that artifacts can be replaced; new values can be articulated. But unless the basic assumptions are addressed, the firm's culture will likely remain the same or change only slightly.

Any change in the business environment can create problems by increasing the likelihood of failures in communication, coordination, and control. Change can render existing organizational routines inadequate or inappropriate. Such environmental shifts demand learning and modifications in organizational routines that take the new conditions into account. Heenan and Perlmutter (1979) believe that unless the organization discovers such solutions rapidly, it will perform poorly.

Organizational Innovation

Comparatively little research has examined innovation across cultures/nations. This research stream has focused primarily on the diffusion rate of innovations across borders (Ghoshal & Bartlett, 1988) or differences in innovative activity (Carlsson &
Hansen, 1982). Few studies have examined cultural differences in innovation processes within organizations.

Culture in international management research has been largely defined using personality-centered research. Innovation processes may differ among cultures because cultural values are associated with different strategic management activities (Hegarty & Hoffman, 1990) and different concepts of organization (Hofstede, 1980). These differences are explained below, but before examining the cross-cultural differences, the relationship between strategic management activities/characteristics and innovation influence is described in the following section.

Examining innovation processes at the individual level of analysis, Meyer and Goes (1988) found that managerial or leadership variables were strong predictors of innovation processes. Strategic management research conducted at the top management level of analysis reveals that managers obtain influence because of certain characteristics they possess or activities they perform in developing strategy (Hoffman & Hegarty, 1993).

Environmental and organizational variables, especially industry and firm size, affect organizational innovations (Kimberly & Evanisko, 1981). Industry differences in innovation processes have been observed previously (Utterback et al., 1976). Firm size has been found to be a predictor of both organization structure (Khandwalla, 1977) as well as organizational innovations (Kimberly & Evanisko, 1981).

The innovation influence process will vary somewhat for each type of organizational innovation. Innovations represent change; change is usually resisted, especially by those most affected by the change (Huber & Glick, 1992). Those most
affected by structural innovations are likely to influence the innovation/change to minimize its adverse impacts on them (Hoffman & Hegarty, 1993). Structural innovations often change activities performed, such as environmental scanning (Lenz & Engledow, 1986), or change the way traditional functions are performed.

As indicated earlier, the purpose of examining culture in the context of innovation processes is to determine whether such processes vary across cultures. Culture is, therefore, considered to be primarily a moderator variable, which affects the relationships among other variables. Hegarty and Hoffman (1990) have demonstrated that culture moderates innovation influence processes of top managers. The degree to which executive characteristics determine top management influence on innovations in Western industrial cultures was examined. For the study, 361 senior managers from 97 manufacturing operations in nine Western nations were asked by Hegarty and Hoffman to answer a questionnaire. Results showed that, after controlling organization-environment contextual variables, executive characteristics explain innovation influences. Moreover, functional expertise, such as access to resources, scanning and planning, is pinpointed as having more effect on innovations than other executive characteristics (Hamel, 2002). Findings also revealed that culture does not moderate the relationship between access to resources and innovations. This investigation examined the moderating effect of culture on the following relationship: influence on organizational innovations, strategic management activities, and functional specialty.

**Communication and Culture**

Communication underlies the effectiveness of coordinating exchange activities by developing strong relationships, which results in improved performance (Kim, 1991).
Without effective inter-organizational communications, learning among partners is diminished and the long-run effectiveness of the relationship may be damaged. Communication presupposes that there is a particular cultural framework that allows "translation" of the meaning embedded within communication by the recipient to maintain the true intent of the communication (Kim, 1991). When business partners emanate from different cultures (national and organizational), the underlying cultural inconsistencies in communication patterns create hurdles to the development of effective global business relationships (Kim, 1991; Mohr & Nevin, 1990). Today, managers continue to struggle with communication barriers in their international relationships. The lack of a process to address communication issues presents a gap in the literature.

Instrumental in producing successful international joint ventures (IJV) is the interaction and coordination of organizational elements. When inconsistencies exist, underlying differences in operating components create barriers to operations, hindering effectiveness (Fey & Beamish, 2000; Doty, Glick, & Huber, 1993). Communication effectiveness in an international relationship can be influenced by the fit between national and organizational cultures (Fox, 1997; Li, 1999), as well as by the breadth (i.e., the cultural diversity of members) and ownership structure of the relationship.

National culture provides an implicit theory relating to behavioral expectations in a variety of situations, including communication (Hofstede & Bond, 1988; Moon, 1996). When business partners that come from very different national cultural orientations interact, cultural inconsistencies in communication strategies may result in communication obstacles, hampering performance. National culture encompasses the values, beliefs, and assumptions that define a distinct way of life of a group of people and...
is based on the fundamental concepts imparted in early individual development (Hofstede, 1980). National culture not only is deeply embedded in everyday life but also shapes how reality is interpreted in a society, such as the distribution and use of power (Hofstede, 1980), relationship definition (Trompenaars & Hampden-Turner, 2001), and the appropriate roles and obligations of individuals to individuals and individuals to organizations.

Culture also has a direct effect on international business communication effectiveness. Culture is the pattern of shared behaviors, values, and beliefs that provide a foundation of understanding of the organizational functioning processes and norms directing employee behavior (Schein, 1985). Organizational culture is an amalgamation of the national culture and the backgrounds of individuals assembled in the organizational setting (Schein, 1996). Differences in organizational cultures can lead to miscommunications and the deterioration of joint efforts (Veiga, Lubatkin, Calori, & Very, 2000).

Hofstede and Bond (1988) have shown that the interaction of national and organizational cultures can either facilitate or hinder communication effectiveness, making these elements critical to consider when assessing communication in international business relationships. Firms establish multiple international relationships with partners spanning a diverse set of cultures and consisting of different ownership structures. As the breadth of a firm's relationships increases, the cultural diversity of its partners can also increase, thus increasing the cultural inconsistencies the firm must overcome. The difficulty in communicating in jointly owned operations is that the organizational culture becomes a hybrid of those of the partner organizations. To effectively operate, firms must
understand the elements influencing the communication patterns between partners, adapting to those differences when necessary.

Communication competence is a set of abilities and knowledge related to communication that enables an individual to engage in appropriate/meaningful communications with international partners (Cui, Vandenberg, & Jiang, 1998; Kim, 1991). Communication competence may vary by cultural distance, frequency, and effectiveness of past interactions, the level of global experience of a manager, as well as the learning environment of the organization (Kim, 1991). One looks to a manager's competencies to assess his/her flexibility and adaptation in communication encounters, such as his/her ability to adjust, integrate, and establish new manners of communicating with culturally diverse partners. Communication competencies encompass three broad, inter-related dimensions: cognitive, affective, and operational (Kim, 1991).

Cognitive competence refers to an individual's ability to ascertain meaning from verbal and nonverbal language (Applegate & Sypher, 1988; Kim, 1988, 1991). Cognitive competencies relate the psychological concepts embedded in an individual's values that influence their ability to accurately decode a partner's message (Kim, 1988, 1991). An individual's cognitive competencies allow him/her to adjust effectively to communication differences in highly diverse environments.

Affective competence relates to an individual's emotional tendencies in relation to communications (Applegate & Sypher, 1988; Kim, 1991). An individual's affective competencies are derived from his/her motivational and attitudinal predisposition to experiences, such as ambiguity tolerance, adaptive motivation, empathic motivation, etc.
An individual's adherence to mental models influences his/her attitudinal response to culturally diverse communications.

Behavioral competence refers to an individual's flexibility and resourcefulness in reacting to communication encounters (Kim, 1991). The domain of behavioral competencies encompasses behavioral flexibility, communication authenticity, message, and behavioral complexity, interaction management, etc. (Applegate & Sypher, 1988; Fox, 1997; Kim, 1991). A manager's behavioral competencies enable him/her to engage in meaningful interactions with those of many cultures. Lack of behavioral competencies restricts a manager's flexibility and adaptability to communication encounters that result in hindering effective relationship development and management. Managers interviewed consistently indicated that those managers possessing higher levels of behavioral competency were able to generate new communication and cultural contexts that facilitated effective communication.

As no two cultures are identical, inherent differences necessitate a negotiation of communication and cultural protocols for the development of a common communication environment (Kim, 1991). Through implicit adaptations, a new communication environment that is unique to the firms in the relationship is established. Casmir (1999) indicates that communication protocols, appropriateness of strategies, monitoring, and communication feedback mechanisms are all dynamically adjusted for successful communication to occur, thus suggesting not only communication interaction, but also cultural interaction.

Communication interaction refers to the hybridization of communication protocols within a relationship and, thus, the development of a new set of communication
patterns for transacting (Casmir, 1999). The interaction of each firm's unique communication protocol is integrated to establish a set of hybrid norms for communication within the relationship (Casmir, 1999).

Relational quality refers to the strength of the relationship and the potential for the relationship to continue the process of relationship development. Relational quality is a critical goal for firms as it facilitates performance effectiveness. The development of strong inter-organizational relationships allows firms to capitalize on reductions in direct transaction costs associated with the exchange process while at the same time increasing the volume of exchange (Gundlach, Achrol, & Mentzer, 1995; Williamson, 1991). Further, relational quality stimulates stronger, more intimate partnerships, building trust, commitment, and satisfaction that increases the effectiveness of the relationship, thereby differentiating it from less coordinated competitors (Barney, 1991; Henderson & Cockburn, 1994).

Communication interaction involves the hybridization of communication strategies within a relationship and thus the development of a new communication culture. Casmir (1999) refers to this new communication environment created through hybridization of cultural communication strategies as a "third-culture." The third-culture created through communication interaction has two primary dimensions: norms and delivery:

First, the interaction of two separate communication cultures is integrated to establish a set of hybrid norms for communication within the relationship (Casmir, 1999). Modifications to communication partners' norm sets for communication protocols are adapted to the new relationship. Casmir (1999) indicates that communication protocols,
appropriateness of strategies, monitoring, and communication feedback mechanisms are all dynamically adjusted for successful intercultural communication to occur, thus suggesting not only communication interaction but also cultural interaction.

Second, delivery aspects of communication are influenced by the intercultural communication encounter. Delivery aspects include elements of medium, frequency, appropriate time between communications, and appropriate timing of responses to initial communications between partners (Mohr & Nevin, 1990). Such patterns as courtesy, respect, and tolerance for ambiguity both influence and are influenced by cultural interaction.

Effective communication is the central lifeline of any organization. It is the vehicle for driving change, shaping expectations and rallying workers around a core purpose and common message. When managing a geographically diverse workforce, one that spans the world and crosses cultures, a strategic communication program can strengthen the organization and support its success; the lack of one can be the linchpin of organizational demise. "Communication is the life blood of any organization today," says Lee Hornick (as cited in Solomon, 1994, p. 1), president of New York City-based Business Communications Worldwide and program director of corporate communications conference planning for The Conference Board, also in New York City. "Today, you have to develop a proactive relationship. The 'de-layering' of the organization means that fewer employees are responsible for more things. They need to know more, whether they're out in the field or in a plant, employees need to know more to do their jobs."

In addition, many people can be working on the same project from different
locations—you can have a team in London, one in New York and another in Tokyo. You also have employees working at home. "Today's organization is one without walls," says Hornick (as cited in Solomon, 1994, p. 1). "Communication is even more important when you're at different locations. Everyone must have the same organizational and project goals." HR and communications experts must be aware of the role that culture plays in communications. In other words, given all these interwoven elements, you must ensure that the messages employees receive are interpreted as intended. Myths and misunderstood tales threaten to take your organization off course—a path that is especially dangerous for global organizations because cultural differences and technology can distort the process. Careful planning and effective cross-cultural awareness are crucial to the bottom line. And at a time when rampant change happens quickly—and can affect different parts of a global business in different ways—you have to begin with a strategy.

The success of business relationships over the long run are contingent on each partner's investment in each network relationship as well as the partners' ability to communicate effectively throughout the duration of the relationship (Mohr & Nevin, 1990). Relationship development is based on two distinct relational outcomes. First, relationship efficiency focuses attention on reducing the direct transaction costs associated with the exchange process among organizations and at the same time increasing the volume of exchange. Second, stronger, more intimate relationships increase the effectiveness of the inter-organizational network, thereby differentiating it from less well-coordinated competitive networks.

To reap the benefits of strong relational networks in the global marketplace, effective inter-organizational communications need to be established among members of
the network. Without effective inter-organizational communications, learning among network partners will be diminished, and the long-term effectiveness of the network will be damaged. Communication presupposes that there is a particular cultural framework that allows "translation" of the message by the recipient to maintain the true meaning of the sender (Kim, 1991).

One recent example of how inconsistency of the cultural foundation can influence communication and relationship quality is Daimler-Benz's acquisition of Chrysler Inc. Because of the two partners' inability to communicate effectively after the acquisition, duplication of marketing and sales efforts and the lack of an integrated strategic plan led Daimler-Benz to announce in January 2001 a reduction of 25,000 workers from its U.S. labor force. Insiders attribute a great deal of the misunderstanding to the cultural differences in communicating goals and objectives between Daimler-Benz and Chrysler.

Difficulty arises as similarities and unique features among cultures influence communication among global business partners. This was illustrated in the recent joint venture among Asahi Glass of Japan, the Samsung Group of Korea, and Corning Glass International of the United States. Whereas Asahi Glass and Samsung stressed collectivism and harmony in their communications, Corning focused on formalities and the achievement of specific goals. The result was that the enhanced communication efficiencies between the two Asian companies facilitated their teaming together, to the exclusion of Corning, and thus ending the original joint venture.

The greater the diversity among organizational cultures, the more difficulty management will experience in communicating among these organizational units. Differences among organizational cultures within a network of organizations can create
conflict among member firms. This conflict will negatively affect communications and may stimulate higher levels of resistance to change. Furthermore, even when a firm operates within a similar national culture, the macro culture is subdivided into a myriad of subcultures. Subculture differences are potential communication barriers to effective network operations. Barriers to free and open communication with employees from different subcultures, classes, or castes is to be expected and therefore must be taken into consideration in the management of communications in host countries.

Cultural interaction refers to national and organizational cultural adjustments over time due to intercultural communication among network partners. The newly created cultural environment that evolves from ongoing intercultural communication can be significantly differentiated from established norms in each of the organizations (Casmir, 1999). The adaptation to communication strategies over time influences the processes, norms, and behavioral characteristics of the cultural environment of each partner in the global inter-organizational network. The new cultural environment assumes a degree of integration of the distinct national and organizational cultures at the dyad level and potentially a new cultural environment at the network level.

The cognitive, affective, and operational communication adjustments on the part of both members of the relationship ultimately affect the core elements of each organization's national and organizational culture. The greater the level, frequency, and importance of the intercultural communication, the higher is the probability of blending the cultures. Therefore, continuous communication patterns between partners have the potential to create more consistent communication environments. This increases communication effectiveness and efficiency, task interaction, cultural empathy, social
interaction, and mutually agreed-on adaptation to communication interactions. The relationship quality is therefore enhanced. The level and frequency of consistent cultural interaction between partners has a positive impact on relationship quality over time.

In her dissertation, Karen Thomas (1980) hypothesized that cross-cultural groups are successful when the group shares a commitment that is highly relevant to each member, encourages compromise on less important issues and clearly understands and accepts the rules and procedures of the organization. Others would add that the organizations’ mission and goals must be clear. Personal agendas could be at variance with the official mission, or mission statements could run the risk of not being in harmony with the cultures involved (Budd, 1993).

Although it can be a desired outcome of cross-cultural communication, transformational learning is not found to be determined by personality of the people involved, or their various learning styles (Kennedy, 1994). It is highly related to ego development. To understand cross-cultural communication in a group setting, Elisabeth Gilster (1996), in her dissertation, found that a researcher must first comprehend one-on-one interactions, including knowledge of verbal and non-verbal language choices, flexibility in timing, building rapport, and an understanding of what cultural clues might constitute an implied contract. Trust is a critical predictor of success however, knowledge of communication strategies and techniques are highly valued.

Need for closure (NFC) is a critical element in all interrelationships, and is especially significant in cross-cultural communication (Barak, 1997). Ambiguous and fast changing information are a potential source of misunderstanding. Need for resolution
of issues through immediate action can cloud accurate assessment of situations and those actions are commonly driven by the cultural frame of reference.

The critical elements that surfaced through analysis of Karen Thomas (1980) and Elisabeth Gilster (1996) are focusing on the desired outcomes of cross-cultural communication; assuring clarity of mission for the cross-cultural group; and recognizing the personal need for closure by the group members.

Contrary to what many theorists believe (Morrison, Conway, & Borden, 1994), it is shortsighted to believe that a "cook-book approach" to cross-cultural communication can be devised. Current, standard cross-cultural training tends to run the risk of subjecting the practitioner to committing unconscious stereotyping, when we really want to promote knowledge and understanding. Communication is acutely sensitive to context and situation. Trying to make one set of communication rules apply to all settings can be self-defeating.

A new emphasis is probably in order. Focusing on commonality of needs, rather than "one-size fits all" cultural rules, will respect all the research on cultural context, while addressing the need to communicate.

Cross-Cultural Issues

Cross-cultural issues arise in the business world at the managerial level, simply because companies with branches in different countries organize their daily business differently. Two of the major differences are (Hofstede, 1991):

1. Relative hierarchy of departments: The relative power of the various departments within a corporation is often a function of the country where the facility is located. For example, Richard Lewis (2001) says that manufacturing departments of
German-based companies, because of their judgement of their ability to make the product, have influence over marketing and sales. In the U.S. it is usually the opposite, because of their desire to satisfy a customer need.

2. Sharing of information: Lewis says that Departments within a German company are highly compartmentalized. Information flows downward. There is little sharing of information within a hierarchical level across departments (Lewis, 2001).

The broad cultural diversity represented by such widespread operations will no doubt hold implications for management and firm performance. Potential drawbacks to transnational cultural diversity include "conflict, a lack of cohesion, misunderstanding between diverse groups, parochialism, negative political activity, and poor organizational performance" (Glick, Miller, & Huber, 1993, p. 177).

Due to cultural conditioning, managers from distinct cultures simply perceive, interpret, and evaluate behaviors differently (Adler, 1997; Yasin, 1996), which creates friction in the multinational corporation (MNC). Though too little conflict can be just as dysfunctional as too much (Hambrick, 1995), culturally related firms can reduce the degree of this type of diversity to a manageable level. They are able to exploit management knowledge because of compatible thinking between international divisions, whereas culturally diverse firms cannot transfer expertise since it is either inappropriate to disparate markets or incompatible with host country management.

The strategy formulation process of culturally diverse global firms may suffer because the dominant logic of the various units is likely to be incongruent. Walsh and Ungson (1991) recognize that "culture embodies past experience that can be useful for dealing with the future" (p. 63). Culture thus serves as a "retention facility" for
organizational memory, which guides firm decision-making. This is likely to thwart effective communication and consensus among strategic decision-makers.

While firm strategy tends to be conditioned by culture, the implementation of that strategy is often similarly directed. Among other concerns, successful implementation hinges upon the appropriate design of an organization's structure (Dougherty & Corse, 1995; MacDuffie, 1999). The global firm may be tempted to design its international units to mirror the structure of the home division to maintain efficiency, but this is not expedient when cultures differ too much to support the transfer (Morrison, Ricks, & Roth, 1991). Snodgrass and Sekaran (1989) point out that the number of levels in the hierarchy should match the power distance of the culture. Low power-distance individuals, such as the United States, may reject a tall structure because they are too far removed from decision-making authority, while high power distance individuals, such as Germany, respond favorably to such an arrangement (Hofstede, 1980).

Cultural Markers

Richard D. Lewis, in his book *When Cultures Collide* (2001), defines cultural dimensions in a different way. He contends that the national and regional cultures of the world can be generally classified into three groups:

1. Linear-Active: Members of these cultures are task-oriented, highly organized planners. They are introverted, quiet, patient and like to mind their own business. Timetables and schedules rule their life. They rarely interrupt and dislike losing face. Some examples of linear-active cultures are Germans, Swiss, Austrians, Scandinavians, and Caucasian Americans.
2. Multi-Active: These cultures are people-oriented and are extroverted. Time has a low priority. They will tend to be late to and over-run meetings, both social and professional. They are apt to change plans abruptly. They tend to interrupt and confront emotionally. Some examples of multi-active cultures are Spanish, southern Italians and many Mediterranean cultures.

3. Reactive: These cultures are similar to the linear-active cultures, with some exceptions. They will take statements as promises and adapt to their partner's timetable. Where linear-active cultures are job-oriented, reactive cultures are people oriented. Some examples of reactive cultures are Japan, China, Turkey, and Finland.

Edward T. Hall (1976) thought of culture as a system for creating, sending, storing, and processing information. He believes that two forms of information guide humans:

In Manifest Culture, communication is either verbal or written. Both words and numbers are used in the process. Hall says that this form of interaction represents only about 10% of all communication that occurs. Words and sentences have different meanings depending on the context in which they are embedded. The rules vary from culture to culture. A low context message assumes that the other person or group has a limited level of knowledge about the subject discussed and requires explicit communication. An example might be an instance where a highly qualified college English instructor is asked to manage a college bookstore. They would probably need explicit instruction in inventory management and financial reporting.

A high context message assumes that the other person or group has a high level of knowledge about the subject discussed and requires only implicit communication. An
example could be where an automotive electronic engineer had previously been responsible for the automotive entertainment systems (such as radios, CD players, stereo speakers) and is now assigned to engine electronics. The person instructing could assume that the engineer understood broad electronic principles and would now only need specific instruction in the unique parts of the system that manages the running of the engine.

In Tacit-acquired culture, communication is based on practices and solutions to problems from past experiences of everyday life. This type of communication is highly situational and operates according to rules where an individual is not aware of the process. An example would be where a person grew up from childhood in an environment where people were not trustworthy. As an adult, that person isn’t aware that they use non-verbal behaviors that say that communicates a lack of trust. Non-verbal communication is responsible for the greatest distortions in understanding between people. Hall believes that this interaction represents about 90% of all communication that occurs but is largely over-looked in the world of business.

Edward Hall (1973) also considered time as a kind of language or communication. He says that time is not universal, that different time systems exist around the world. He defines two basic time systems:

1. Monochronic time means paying attention to and doing only one thing at a time. Time is therefore linear and time is divided into segments. Hall calls this M-Time.

2. Polychronic time means being involved with many things at once. Hall calls this P-Time.
Both M-Time and P-Time systems have their strengths and weaknesses. M-Time stresses adherence to a schedule. It dominates the official worlds of government and big business and creates big, centralized bureaucracies. P-Time stresses the involvement of people and completion of transactions rather than adherence to a schedule. Their successes are highly situational.

Fons Trompenaars and Charles Hampden-Turner (2001) look at culture from the aspect of how "problem solving" occurs. They define culture as "the way a group of people solve problems and reconcile dilemmas" (p. 32).

Trompenaars and Hampden-Turner contend that culture goes back to the very beginning of human existence. They say that early humans had to adapt to their environment or parish. Individual human beings eventually realized that by banding together in “tribes” of people, they could more thoroughly manage their environment. Because different groups were located in different regions of the globe, their environments called for different solutions for survival.

In today’s world, Trompenaars and Hampden-Turner (2001) apply the same principles to modern society. Whereas survival was once the target, success is now the common goal. They believe that problem solving achieves that success.

Today, they contend that the nature of “tribes” has changed. Ancient man was constrained by geography. Groups with common goals or interests are now the “tribes” of modern man and they exist in a hierarchy. At the top of this hierarchy are national interests, followed by regional interests, organizational interests, professional interests, and personal values.
Trompenaars and Hampden-Turner define seven value dimensions that shape how a culture approaches problem solving:


2. Communitarianism versus Individualism: Do people consider themselves as individuals or part of a group?

3. Neutral versus Emotional: Do people contain their emotions or express them freely?

4. Defuse versus Specific: Do people see their life as segments, each unique unto itself or do they see their life segments as parts of a whole?

5. Achievement versus Ascription: Do people value social position or do they value performance?

6. Human-time relationship: Do people value short-term or long-term success?

7. Human-nature relationship: Do people view themselves as part of nature or as masters of nature?

This study uses focus group output to understand first how problem solving occurs within the population of the study. Focus group data are then evaluated against value dimensions, in order to understand the cultural markers that drive these value dimensions.

Geert Hofstede developed national culture theory over 20 years ago, using the responses of IBM middle managers in 53 countries to generate a cultural profile for each country. Hofstede (1980) found differences existed in four dimensions that were typical for each country. These dimensions are:
1. Power distance, which he defines as the extent to which the less powerful accept power distributed unequally.

2. Individualism, which can be interpreted as whether the society values the good of the few or the good of the many

3. Masculinity, which is identified as the extent to which social gender roles are distinct within a society

4. Uncertainty avoidance, which he defines as the extent to which a society feels threatened by the unknown

Hofstede (1980) cautions that one cannot predict individual behavior using his research. The unit of analysis is the countrywide level, and thus predictions can only be made at that level. He feels that researchers run the risk of making two types of errors when referring to his findings, using data collected countrywide to predict individual behavior and using research correlated at the individual level to explain countrywide data.

**German and American Cultural Markers**

In German culture, work relationships are strongly influenced by the medieval guild system wherein the engineer and the Meister (often an engineer himself) fill hero roles (Hofstede, 1998). In such a system, the worker is a highly trained individual whose well-developed skill, based on training in the apprentice system, establishes his/her expertise and hierarchical position in the production process. German workers expect, however, the Meister to be the ultimate expert in resolving problems and to give orders when needed (Hofstede, 1998). In such an expert-worker environment, compliance is usually preferred over consensus, and employees show a strong deference to authority.
Consequently, teams are regarded only as loosely knit groups of individuals with strong expertise and clearly defined roles that are respected (Mole, 1992). German emphasis on craftsmanship and its unique and non-standardized approach to production meant that managers communicated very little with workers and did not interfere with work processes.

Power in the German organization is hidden behind a functionalistic corporate hierarchy that conforms conveniently to Germans' distaste for non-conformity and otherness. From these characteristics results a "professional bureaucracy" (Hofstede, 1997), an "oligarchic power structure" (Mole, 1992). Senior managers, for the most part, engage in planning with predominantly "top-down" decisions, information-sharing on a need-to-know-basis, and rather distant supervisor-subordinate relationships. Hofstede, moreover, found a rather high score on his uncertainty avoidance dimension but a higher score on Collectivism than in the U.S. (Hofstede, 1997, 2001). This reliance on uncertainty can be explained through the Meister system. The expert knows his boundaries, he does not take risks beyond what is reasonable and he is concerned with proper order. Security and esteem, therefore, are the supreme motivators in German organizations (Hofstede, 1997).

The majority of German automobile manufacturers follow a hybrid model originally developed by North American-Japanese transplants characterized as having Taylorized group work systems (Roth, 1997). Thus, German firms' production, and assembly systems achieve high levels of performance through workers groups. These workers groups have narrow, standardized, belt-dependent, and expert-led work patterns.
American culture can be described as a pro-active, and can do orientation with a certain explicitness, directness, and informality in superior-subordinate relationships. It rests, moreover, on individualism and achievement coupled with the belief that anything is possible (Stewart & Bennett, 1991). This results in a strong work ethic (rooted in the Protestant ethic) that sometimes ends in obsession with work (Hall & Hall, 1990) to the detriment of family issues. As a parallel to the individualist ethos, the pressure to be a team player is very tangible in U.S. organizations; yet, to be a team-player means that whole-hearted commitment to a course of action is expected, not consensus (Mole, 1992). Outsiders tend to observe that Americans usually do one thing at a time. This not only makes a good basis for Taylorized production systems, but also results in a "monochronistic calm" (Hall & Hall, 1990) that gives them the ability to "seek orders from the situation" (Hofstede, 1997) which makes them appear pragmatic and flexible.

The culture of pragmatism is goal-oriented rather than problem-focused, and is short-term in orientation with an elaborate division of labor (Bleicher, 1993). Getting things done, which can result in risk-taking, thus drives Americans, confirming Hofstede's findings of rather low uncertainty avoidance. Products and services are sometimes put in distribution, even if they are not yet fully thought out, as, for example, the German expert culture would demand.

Of particular interest to this study is the cultural profiles developed by Hofstede for the countries of Germany and the United States, and the organizations that exist within them. This study analyses focus group output to address the relationship it has to these profiles.
Hofstede's (1980) analysis for Germany shows their emphasis on individualism, masculinity, and uncertainty avoidance. Power distance and long-term orientation are both ranked considerably lower than the others. This illustrates Germany's belief in equality and opportunity for each citizen, as well as its ability to change and adapt rapidly. Most likely Germans are uncomfortable with uncertainty, and they are individualistic. Germans like to set rules and stick with them. They do not feel comfortable if they do not have fully control over the situation. Privacy is very important to Germans. Most German managers have their own office and the door is always closed. In general, Germans are very straightforward and they pride themselves on speaking their mind. Punctuality is highly valued; schedules and meeting agendas are strictly followed.

Hofstede's (1980) analysis for the United States is very similar to other World Countries that have their heritage founded in Europe with strong ties to the British Isles. Individualism ranks highest and is a significant factor in the life of U.S. Americans. The low ranking of Long-term Orientation reflects a freedom in the culture from long-term traditional commitments, which allows greater flexibility and the freedom to react quickly to new opportunities.

**Summary of Literature Review**

Organizational culture can be defined as the deeper understanding of basic assumptions and beliefs that are shared by members of the organization. Schein (1991) emphasizes that organizational cultures provide group members with a way of giving meaning to their daily lives and setting guidelines and rules for how to behave. He further suggests that culture ultimately reflects the group's effort to cope and learn and is the residue of learning processes. He argues that organizational cultures are strongly
influenced by shared experiences in the firm's early history and that, once established and taken for granted, the firm's basic assumptions are difficult to change.

The significance of organizational culture to the strategic change process is well recognized. Culture has been shown to influence the ability of the organization to control and cope with strategic change. Consequently, only if one appreciates the basic culture and values that influence the key strategic elements can organizational strategy be understood, implemented and changed.

March (1991) found that organizations that are good at learning from their members have the most accurate understanding of a changing environmental reality. Strong-culture organizations exhibit the opposite characteristics.

Significant cross-cultural problems exist within the international context. The degree of transferability of management practices is a function of not only the organizational culture, but of the culture of the host country. Partners with dissimilar organizational cultures may expend time and energy to establish managerial practices and routines to facilitate interaction, and may incur higher costs and more mistrust than culturally similar organizations Corporate decision-makers in many firms have tended to pay more attention to “strategic fit” than to organizational-integration issues.

Tropenaars and Hampden-Turner (2001) say that in every culture in the world, authority, bureaucracy, validation, and accountability are experienced in different ways. The problem is that words can take on different meanings as they move from culture to culture. The managers of global organizations must maintain a delicate balance between the need for standardization in organizational design and procedures, and local characteristics of the market, legislation, and the socio-political-cultural system. The
silent forces of culture can operate a destructive process against centrally developed methods that do not fit locally.

Because organizations are, in many ways, embedded in the larger society, research on cultural differences of cross-national businesses should examine both national and organizational cultures. Generally, past studies have not been concerned with culture distance at both levels. These studies found that, whereas organizations from different nations differ in fundamental values, organizations from the same nation differ only in organizational practices. The studies further concluded that when both national and organizational cultures are examined, the former should be examined in terms of values, and the latter in terms of core organizational practices.

It is also widely accepted that organizational culture is nested in national culture. Newman and Nollen (1996) reported that work units perform better when their management practices are compatible with the national culture. They advocate that management practices should be adapted to national culture for high performance.

Lane and Beamish (1990) state that the problems in IJVs often stem from the influence of national culture on behavior and management systems. For example, cooperation-generating mechanisms vary between individualist and collectivist cultures because of the differences in their motives (Chen et al., 1998). In the context of IJVs, diversity along each cultural characteristic can be instrumental in erecting significant barriers to effective cooperation (Parkhe, 1993).

Communication underlies the effectiveness of coordinating exchange activities by developing strong relationships, which results in improved performance (Kim, 1991). Without effective inter-organizational communications, learning among partners is
diminished and the long-run effectiveness of the relationship may be damaged.
Communication presupposes that there is a particular cultural framework that allows
"translation" of the meaning embedded within communication by the recipient to
maintain the true intent of the communication (Kim, 1991). When business partners
emanate from different cultures (national and organizational), the underlying cultural
inconsistencies in communication patterns create hurdles to the development of effective
global business relationships (Kim, 1991; Mohr & Nevin, 1990). Today, managers
continue to struggle with communication barriers in their international relationships. The
lack of a process to address communication issues presents a gap in the literature.

Hofstede and Bond (1988) have shown that the interaction of national and
organizational cultures can either facilitate or hinder communication effectiveness,
making these elements critical to consider when assessing communication in international
business relationships.

As no two national or organizational cultures are identical, inherent differences
necessitate a negotiation of communication and cultural protocols for the development of
a common communication environment (Kim, 1991). Through implicit adaptations, a
new communication environment that is unique to the firms in the relationship is
established. Casmir (1999) indicates that communication protocols, appropriateness of
strategies, monitoring, and communication feedback mechanisms are all dynamically
adjusted for successful communication to occur, thus suggesting not only communication
interaction, but also cultural interaction.

Effective communication is the central lifeline of any organization. It is the
vehicle for driving change, shaping expectations and rallying workers around a core
purpose and common message. When managing a geographically diverse workforce, one that spans the world and crosses cultures, a strategic communication program can strengthen the organization and support its success; the lack of one can be the linchpin of organizational demise.

The success of business relationships over the long run are contingent on each partner's investment in each network relationship as well as the partners' ability to communicate effectively throughout the duration of the relationship (Mohr & Nevin, 1990). Relationship development is based on two distinct relational outcomes. First, relationship efficiency focuses attention on reducing the direct transaction costs associated with the exchange process among organizations and at the same time increasing the volume of exchange. Second, stronger, more intimate relationships increase the effectiveness of the inter-organizational network, thereby differentiating it from less well-coordinated competitive networks.

National culture encompasses the values, beliefs, and assumptions that define a distinct way of life of a group of people and is based on the fundamental concepts imparted in early individual development (Hofstede, 1980, 1991). National culture not only is deeply embedded in everyday life but also shapes how reality is interpreted in a society, such as the distribution and use of power (Hofstede, 1980), relationship definition (Trompenaars & Hampden-Turner, 1994), and the appropriate roles and obligations of individuals to individuals and individuals to organizations.

The greater the diversity among organizational cultures, the more difficulty management will experience in communicating among these organizational units. Differences among organizational cultures within a network of organizations can create
conflict among member firms. This conflict will negatively affect communications and may stimulate higher levels of resistance to change. Furthermore, even when a firm operates within a similar national culture, the macroculture is subdivided into a myriad of subcultures. Subculture differences are potential communication barriers to effective network operations. Barriers to free and open communication with employees from different subcultures, classes, or castes is to be expected and therefore must be taken into consideration in the management of communications in host countries.

In her dissertation, Karen Thomas (1980) hypothesized that cross-cultural groups are successful when the group shares a commitment that is highly relevant to each member, encourages compromise on less important issues and clearly understands and accepts the rules and procedures of the organization. Others would add that the organizations' mission and goals must be clear. Personal agendas could be at variance with the official mission, or mission statements could run the risk of not being in harmony with the cultures involved (Budd, 1993).

Although it can be a desired outcome of cross-cultural communication, transformational learning is not found to be determined by personality of the people involved, or their various learning styles (Kennedy, 1994). It is highly related to ego development. To understand cross-cultural communication in a group setting, Elisabeth Gilster (1996), in her dissertation, found that a researcher must first comprehend one-on-one interactions, including knowledge of verbal and non-verbal language choices, flexibility in timing, building rapport, and an understanding of what cultural clues might constitute an implied contract. Trust is a critical predictor of success however, knowledge of communication strategies and techniques are highly valued.
The global firm may be tempted to design its international units to mirror the structure of the home division to maintain efficiency, but this is not expedient when cultures differ too much to support the transfer (Morrison et al., 1991). Snodgrass and Sekaran (1989) point out that the number of levels in the hierarchy should match the power distance of the culture. Low power-distance individuals, such as the United States, may reject a tall structure because they are too far removed from decision-making authority, while high power distance individuals, such as Germany, respond favorably to such an arrangement (Hofstede, 1980).
CHAPTER 3

METHODOLOGY

This study was designed to identify cultural markers at work in a joint-venture vehicle development project and to evaluate the perceived impact of these cultural markers on the success of this project. The study group consisted of engineers from Global Motors of the United States and from Baumgart AG of Germany. For all of the reasons stated below, focus group methodology was selected for this study.

Research Design

This study utilizes focus group research. It comes under the heading of qualitative research, and it combines elements of both interviewing and participant observation (Patton, 1987). I chose focus group methodology because the main purpose of focus group research is to draw out participants' attitudes, feelings, beliefs and experiences where other research methods would not. These attitudes, feelings, beliefs and experiences may be partially independent of a group setting, but are more likely to be revealed in the interaction of a group setting. Focus groups provoke a multiplicity of views and emotional contexts. They are particularly useful when there are power differences between the participants (Morgan & Krueger, 1993). They can be used at the preliminary stages of a study, during a study, or after a study is complete. They can be used in their own right, or as a complement to other methods.
This strategy has the advantage of getting reactions from a relatively wide range of participants in a relatively short time. In a complementary fashion, focus group studies have used follow-up interviews with individual participants to explore specific opinions and experiences in more depth, as well as to produce narratives that address the continuity of personal experiences over time (Kitzinger, 1994). This strategy has the advantage of first identifying a range of experiences and perspectives, then drawing from that pool to add more depth where needed. Thus, depending on the varied needs that a qualitative study has for breadth and depth, there is little difficulty in combining individual and group interviews.

Interaction is the crucial feature of focus groups. Participants highlight their views of the world and their values and beliefs. They ask questions of each other and reconsider their own understandings (Kitzinger, 1994). Participant comments may become self-contradictory. In other words, comments that are made later in the session may actually contradict what the same person said earlier. Through introspection and retrospection, participants will often change their views, once they have an opportunity to reflect upon other participant comments. They elicit information in a way that allows researchers to discover relative importance (Morgan, 1992). The gap between what people say and what they do can be better understood. The opportunity to be valued as experts and to be given the chance to work collaboratively with researchers can be empowering to the group (Kitzinger, 1994). Trust develops, and then the group will strive to work together as a unit, rather than individuals (Kitzinger, 1995). Participants expand later on experiences recounted earlier, placing this experience in the context of another’s.
The definition of focus groups has three essential components (Patton, 1986):

1. First, focus groups are a research method devoted to data collection.

2. Second, focus groups identify the interaction that occurs in a group discussion as the source of the data.

3. Third, focus groups acknowledge the researcher's active role in creating the group discussion for data collection purposes.

The recommended number of people in a focus group is usually 6 to 10 (MacIntosh, 1982), but some researchers have used up to 15 people (Goss & Leinbach, 1996) or as few as 4 (Kitzinger, 1995). The number of groups can vary. Some studies use only one meeting with each of several focus groups (Burgess, 1996); others meet several times. The number of open-ended questions presented can be as few as 6 (Krueger, 1988), but should be no more than 12 (Stewart & Shamdasani, 1990).

The most common rule of thumb is that most projects consist of four to six focus groups. The typical justification for this range is that the data become "saturated" and little new information emerges after the first few groups, so moderators can predict what participants will say even before they say it (Zeller, 1993).

Fern's (1982) work on the relative productivity of individual interviews and focus groups was one of the very few methodological studies that involved a head-to-head comparison between the two methods. Using an "idea generation" task, Fern compared focus groups to an equivalent number of aggregated responses from individual interviews (i.e., "nominal groups"). He determined that each focus group participant produced only 60% to 70% as many ideas as they would have in an individual interview. He also had raters judge the quality of ideas from the two methods, and again an advantage appeared...
for individual interviews. These results clearly argue against the notion that focus groups have a "synergy" that makes them more productive than an equivalent number of individual interviews. Instead, the real issue may well be the relative efficiency of the two methods for any given project. For example, Fern's results suggest that two eight-person focus groups would produce as many ideas as 10 individual interviews. As Crabtree, Yanoshik, Miller, and O'Connor (1993) have pointed out, however, a number of logistical factors, such as location of the interviews, the mobility of the participants, and the flexibility of their schedules would determine which study would actually be easier to accomplish. Kitzinger (1994) asserted that the opportunity to be valued as experts and to be given the chance to work collaboratively may produce a slightly smaller number of ideas but the later clarity and usability of the ideas is a higher percentage.

One benefit of comparing focus groups to other methods is a more sophisticated understanding of the strengths and weaknesses of focus groups. Comparisons to other methods have led to the conclusion that the real strength of focus groups is not simply in exploring what people have to say, but in providing insights into the sources of complex behaviors and motivations (Morgan & Krueger, 1993).

Morgan and Krueger (1993) also argued that the advantages of focus groups for investigating complex behaviors and motivations were a direct outcome of the interaction in focus groups, which has been termed "the group effect" (Carey, 1994; Carey & Smith, 1994). An emphasis on the specific kinds of interactions that occur in focus groups is also an improvement over vague assertions that "synergy" is one of their strengths. What makes the discussion in focus groups more than the sum of separate individual interviews is the fact that the participants both query each other and explain themselves to each other. As
Morgan and Krueger (1993) have also emphasized, such interaction offers valuable data on the extent of consensus and diversity among the participants. This ability to observe the extent and nature of interviewees' agreement and disagreement is a unique strength of focus groups. A further strength comes from the researcher's ability to ask the participants themselves for comparisons among their experiences and views, rather than aggregating individual data in order to speculate about whether or why the interviewees differ. Because group interaction requires mutual self-disclosure, it is undeniable that some topics will be unacceptable for discussion among some categories of research participants.

The Role of the Facilitator/Moderator in Focus Groups

It is extremely important in focus group research to allow and promote the free flow of ideas. The facilitator/moderator must strive to capture the essence of each and every comment made during the focus group session. The temptation to make assumptions or categorizations must be avoided until well after the meeting has taken place.

The presence of a facilitator/moderator is one of the most striking features of focus groups. Groups in which the facilitator/moderator exercises a higher degree of control are termed "more structured," and Morgan (1992) has called attention to two senses in which a group can be more structured. First, it can be more structured with regard to asking questions, so that the moderator controls what topics are discussed. Second, it can be more structured with regard to managing group dynamics, so that the moderator controls the way that the participants interact (e.g., trying to get everyone to participate equally in the discussion). Both of these aspects of moderator involvement can be elements of the research design. A less structured discussion means that the group can pursue its own interests, while a more structured approach means that the facilitator/moderator imposes
the researcher's interests (as embodied in the questions that guide the discussion). A key factor that makes groups more or less structured is simply the number of questions. In this study, the number of questions was limited for three reasons:

1. To directly address the research questions
2. To surface any other issues or questions
3. To encourage participation.

In managing group dynamics, a less structured approach allows participants to talk as much or as little as they please, while a more structured approach means that the moderator will encourage those who might otherwise say little and limit those who might otherwise dominate the discussion. Although most marketing approaches to focus groups (Greenbaum, 1993) have typically advocated a more structured control of group dynamics, many social science approaches have explicitly favored a less directive style of interviewing (Krueger, 1994).

In general, most researchers prefer research designs with high levels of moderator involvement that impose more structure with regard to both asking questions and managing group dynamics. However, my study was a mixture of tight and loose structure. I wanted to first address the research questions, but I also felt that by moving to a lose structure, I could encourage the participants began to “take ownership” of their roles. I wanted them to begin to look deeper into their own positions and challenge themselves.

Morgan (1988) has suggested that this type of approach reflects a difference between the marketing goal of answering questions from an audience of paying customers and the social science goal of generating new knowledge for an audience of peer reviewers. To the extent that this broad generalization does hold, it is a nice illustration of
the general principle that research designs should follow from research goals. This conclusion, that approaches to moderating should be linked to research goals, is strongly supported by one of the few instances of systematic research that evaluates differences in moderator style (Morgan, 1992). Further, it implies that arguments about whether moderators should use a more or less structured approach are meaningless unless one specifies the goals of the research.

In considering the set of issues involved in designing focus group research, it is useful to distinguish between decisions that apply to the research study as a whole and those that apply to the conduct of a particular group within the study. For the research study as a whole, standardization addresses the extent to which the identical questions and procedures are used in every group. At one extreme would be an emphasis on "emergence" that lets the questions and procedures shift from group to group in order to take advantage of what has been learned in previous groups. At the other extreme, a project could begin by determining a fixed set of questions and procedures that would apply throughout.

This study first used a specific set of questions to address the specific research and then provided ample opportunity to explore other topics through free-formed discussion.

Within these focus groups, the facilitator/moderator must provoke debate, draw out differences, and look for shades of meaning. As the facilitator/moderator, I assumed a sequence of roles in a specific order (Morgan, King, & Krueger, 1997):

1. Role 1, stage 1: Seeker of Wisdom / Enlightened Novice: I was there to attain understanding, insight, and wisdom. I assumed that the participants had the wisdom, and, if I asked the right question, they would share that wisdom. Under the conditions of this
study, I had to suppress any pre-conceived ideas that he holds. Each participant’s ideas were good ones. I asked for more and more details. As I gained enlightenment, that knowledge provoked further questions.

2. Role 2, stage 2: Challenger / Referee: When I felt that the group had attained a level of trust, I asked the participants to explain, amplify and justify their ideas and actions. Occasionally, I pitted one participant against another who seemed to have an opposing point of view. The challenge was to avoid alienating the participants. Successful challenges can sometimes surface better understanding. To avoid polarization of the group, I also became the referee. Each person was allowed to present his or her view without derision or conflict.

3. Role 3, stage 3: The paperhanger: The interviewer becomes the writer. I kept the focus of the group on the project at hand by writing questions on a large flip chart and recording answers that the group provided to the question. When these pages were filled with comments, they were then taped to the wall for all to see. The strategy has several advantages. It promotes the group to stay on focus and it was additional data was later used in analysis.

4. Role 4, stage 4: Therapist: The therapist’s role is to seek information on psychological motivation or why they think the way they do. I pressed the participant to explain some aspects of his behavior or past actions as a clue to greater insight by asking "Why is that?" or "Why did you do/think that?" The object was to provoke more insight.
Qualitative Research

As previously mentioned, focus groups are a type of qualitative research. According to Patton (1987), qualitative research is

an effort to understand situations in their uniqueness as part of a particular context and the interactions there. This understanding is an end to itself, so that is not attempting to predict what may happen in the future necessarily, but to understand the nature of that setting, what it means for participants to be in that setting, what their lives are like, what's going on for them, what their meanings are, what the world looks like in that particular setting. (p. 232)

In all research, the researcher must clearly identify the methodology employed in the study and demonstrate its consistency with the study's philosophical base. The differing philosophical traditions that orient qualitative studies often suggest different methodologies. For example, critical studies, based on particular value premises, may require different methods from a study of the same content area. Methodological considerations include the nature of the sample, data collection methods, methods of analysis, and methods of data presentation.

Researchers should specify the nature of the study sample and the rationale for its selection within the context of study objectives. Creating a detailed portrayal of a single experience may require only a few key informants, but developing a grounded theory about a life event will require participants with a range of views and experiences. The researcher must actively seek out and include participants who can challenge preliminary theories. Clearly, differences in study philosophy will also lead to different sampling decisions; therefore, researchers must align their sample and sampling methods with their selected research paradigm. This study was a portrayal of a single event, a joint-venture vehicle development project, and was not meant to convey a grounded experience.
Seeking out, reporting, and weighing contradictory evidence are important in establishing the transferability of research findings. Research intended to lead to the development of general theories applicable across persons and settings requires an analysis of alternative viewpoints and conclusions. Research claiming to establish the transferability of findings or recommendations from one setting to another requires a sample of the appropriate size and composition.

Transferability describes the applicability of findings and conclusions derived from one context to a second context (Leininger, 1994). As previously noted, the transferability of results is often important to the consumers of qualitative studies. A notable limitation of many qualitative studies is the lack of explicit analysis of the transferability of study findings. Without guidance from the researcher, consumers of such reports are left to formulate their own views about the transferability of the findings.

As I reflected earlier in this chapter, researchers should detail the means of data collection employed in their research. A central issue in the credibility of any study is how and under what conditions the research data are collected. Although the literature reveals several approaches to collecting qualitative research data, the researcher should ensure that the method selected is fully consistent with the study philosophy and objectives. My use of focus group methodology for this purpose is discussed earlier.

Most qualitative researchers employ flexible data collection methods that evolve to meet unexpected data and sources (Anastas & MacDonald, 1994), which is a great asset in understanding-oriented research. For example, qualitative evaluation may employ interviews, record reviews, reviews of published materials about a program (such as annual reports and funding submissions), and participant observation (Patton, 1987).
Facilitator/moderator observation and reflection was noted as part of the data gathering from focus group transcripts. In this study, the transcripts served as texts, and participant observation data allow a check of how the texts correspond to enacted programs, staff member behaviors, and reactions. In this sense, data collection and analysis work in tandem. Texts should be permanent records that permit others to confirm findings and interpretations. Detailing how and what data are collected is vital to the study's coherence and completeness.

Another challenge facing qualitative researchers is to report enough data to illustrate how they formulated codes. Leininger (1994) notes that claims of recurrent patterns in qualitative data need documentation. My study met or exceeded the guidelines for the recommended number of people in a focus group (MacIntosh, 1982), the number of groups (Burgess, 1996), the number of open-ended questions (Krueger, 1988), and the number of sessions held (Zeller, 1973).

Because coding summarizes participants' views and experiences, researchers should describe what they include in and exclude from key codes. The coding used for this study is a set of cultural markers developed from the research of Hall (1973), Hofstede (1980) and Trompenaars and Hampden-Turner (2001).

Researchers should clearly identify their methods of data analysis and ensure these are consistent with the study philosophy and objectives. There are well-elaborated methods of data analysis applicable to several forms of qualitative research. Therefore, researchers should offer ample information about coding procedures and other aspects of data analysis within a qualitative research report. The procedures used for coding are well documented later in this chapter.
Other well-developed data analysis methodologies are found in narrative analysis (Riessman, 1993), discourse analysis (Nye, 1994; Sherman, 1994), applied ethnography (Van Maanen, 1995), and utilization-focused evaluation (Patton, 1986, 1987). Until the analytic methods of these and other qualitative research approaches are taught in schools of social work, researchers must extensively describe their data analysis methods in reports.

Data analysis methodologies differ among investigators of critical studies. Cohen and Omery (1994) differentiate between descriptive and interpretive schools of the study of phenomenology. Detailed descriptions of either phenomenologic method relevant to human services are quite rare. Eidetic phenomenological studies offer illuminating description, but may offer little in the way of an analytic framework. This emphasis may require readers to provide the analysis and sort out implications for practice or policy.

In critical studies, data analysis centers on the application of an often pre-established interpretive standard to the collected data. This interpretive standard is often a value perspective, and shapes the interpretation of the data. Such critical studies can offer important and transformative insights into social events, allowing readers to understand the unarticulated value premises implicit in everyday conduct. However, critical studies must explicitly consider available evidence that may contradict the chosen value frame. Therefore, research reports of critical studies must analyze alternative interpretations of data and show them to be limited. Such efforts show the researcher's acknowledgment of potential biases and enhance the overall credibility of critical studies.
Interpretive Criteria

General interpretive criteria exist for assessing data analysis in qualitative studies (Leininger, 1994; Reid, 1994). The application of these criteria varies across philosophical schools of qualitative research. Four widely reported criteria are offered here, all of which are applicable across the range of qualitative approaches. These interpretive criteria refer broadly to the methods of capturing and conveying the experiences and meanings of research participants.

Because understanding, rather than prediction or causal inference, is typically the goal of qualitative research, researchers seek uniqueness, authenticity, and revelation. In addition, qualitative researchers must maintain accuracy to local, subjective meanings in the processes of data coding and summarizing results for publication, and reduce the potential for bias via self-awareness, efforts to find contradictory data, and efforts to develop alternative interpretations. (Leininger, 1994, p. 101)

Credibility/Believability is the first interpretive criterion (Reid, 1994). Data and analysis must fully convey what local participants know or experience within their local context (Leininger, 1994), and interpretations must be authentic and accurate to the descriptions of the primary participants. (I did a validation of this requirement by reviewing the findings of this research at a combined teleconference between Global Motors and Baumgart AG at the conclusion of my study.) The experiences of observers and other forms of data offer external perspectives that may add to our understandings and interpretations of internal, subjective knowledge, creating a credible, cumulative whole. The whole, as presented to the reader, must be believable and reflect the participant's world, complemented but not reshaped by the researcher's interpretations and summarization.
As discussed previously, extensive reporting of raw data in the form of the participant's own words or the researcher's descriptions of behavior establishes credibility by allowing the reader to decide how accurately the researcher has summarized and interpreted others' experiences, behaviors, and understandings.

The second interpretative criterion is placing meanings in context (Leininger, 1994; Lincoln & Guba, 1985; Riessman, 1994). Describing and linking data to a context in which the data were generated are strengths of qualitative research. Only within particular contexts or settings do certain qualitative data gain meaning or reveal the participant's understanding or perspective. Qualitative reports must convey the "local" perspective and they must establish how such perspectives or interpretations are consistent with external interpretations. Linking data to context and providing a sense of the wholeness of the situation, event, or environment are central to the coherence and credibility of a qualitative report. Readers can then assess the cogency of the analysis, the accuracy of the researcher's interpretations of meanings, and the transferability of findings. By describing the findings at the final teleconference and allowing rebuttal, the study was validated as to context and relationship.

The third interpretative criterion is confirmability, which refers to the researcher's efforts to corroborate data and to challenge and/or affirm interpretation or theory (Reid, 1994). Multiple, repeated instances of some phenomena, obtained from direct observation or reports from primary sources, enhance both credibility and confirmability. "Feedback sessions" with participants to establish that research codes are accurate help confirm the researcher's interpretation and enhance the study's overall credibility. This was also accomplished by the final teleconference session.
Qualitative research reports should describe the nature and extent of confirmatory activities. Explicit description of the purposes, content, and extent of feedback sessions is useful to the reader, as are descriptions of "audit trails" and other activities undertaken by the researchers to confirm interpretations and aid credibility. When reports are specific in this area, researchers establish a trail that allows others to understand and replicate the original analysis.

The fourth interpretive criterion is completeness or saturation, which refers to the comprehensiveness of both the data collection and analysis. With respect to data collection, establishing saturation means asking participants to say a little more when they claim to have said it all, and working on in the face of considerable repetition. With respect to data analysis, this means reaching a point when the coding scheme is "saturated" and no additional codes are needed to capture the participants' experiences and meanings. Striving for saturation helps ensure that no data are omitted and that codes are comprehensive.

The relative importance of each of these interpretive criteria may vary with the philosophical frame and objectives of a given study, but understanding-oriented studies that employ interpretive analytic procedures should address each criterion to strengthen the academic integrity of results and reports.

**Researcher Bias**

Explicitly identifying sources of potential researcher bias, including initial expectations of study results, strengthens the credibility of qualitative reports (Hyde, 1994; Reid, 1994). Bias in qualitative research refers to influences that impair complete or accurate sampling, data collection, data interpretation, and reporting. Qualitative researchers seek to limit bias through self-awareness; therefore, they should report any
potential biases and note what content areas might be influenced. I admitted that I carried a
certain degree of bias because I had been a member of that joint-venture project team. As
such, I had some pre-conceived expectations of the findings. (These expectations were
later disproved.)

**Population of the Study**

One hundred and ten engineers received invitations by e-mail (see Appendix A) to
participate in this volunteer study, from which a group of 30 engineers accepted; 16 from
Baumgart AG and 14 from Global Motors. No attempt was made to evaluate reasons for
non-participation of the remaining members of the group.

I enlisted the assistance of Uz Wagemann, Systems Process Engineer at Baumgart
AG complex in Germany, in facilitating the focus groups at that location. Uz has
responsibility for human process design at Baumgart AG and, as such, is the person
directly trained and responsible for acting as a non-biased facilitator as his sole job
responsibility at Baumgart AG. He has received focus group training at the University of
Munich and also General Motors Institute. He has not only facilitated over 30 individual
focus group sessions in his own organization, but has served in the same capacity for more
than 10 supplier companies who deal with Baumgart AG. He also had the assignment of
integrating and standardizing Engineering Process Operations within the new global
structure, between Baumgart AG and Global Motors of North America.

I facilitated the focus group meetings at the Global Motors location in the United
States. I have received training in group dynamics and change management at Oakland
University, at Central Michigan University and at General Motors Institute. I have
facilitated 20 departmental and divisional process improvement and merger activities.
within the Global Motors Organization. I have facilitated a focus group team which redefined and reorganized the administrative functions of a large local public school system.

**Procedure**

Since the completion of the joint-venture project described in this study, many members of the project team had been reassigned to new projects at new physical locations. It was necessary to devise a methodology that took this into account.

I wanted to give each member of the project team equal opportunity to participate. For that reason, I made arrangements for focus groups to take place both in Germany and the United States. To allow for possible conflict in personal schedules, two focus groups were held in each country. Participants could choose either focus group session. (As previously mentioned in this chapter, the most common rule of thumb is that most projects consist of four to six focus groups.) Zeller (1993) says that the data become "saturated" and little new information emerges after the first few groups, so moderators can predict what participants will say even before they say it.

Two weeks prior to the scheduled sessions, all past members of the project team received an e-mail letter inviting them to participate and assuring them of anonymity (Appendix A). One week prior to the sessions, they each received a reminder note in the form of an internal e-mail. Twenty-seven percent of the project team chose to participate.

A discussion guide is a critical first step for the planning of focus groups. It is the "script" that the facilitator will follow during the sessions, in order to ensure that attention is placed on the topics he must explore. Uz and I used telephone and video conferencing to work together in preparing our discussion guide before the first sessions. The discussion
guide was structured in three main sections: Introduction: The participants were asked to introduce themselves and give brief autobiographies. They shared personal stories about their family, their education, and their current assignments. General questions: We asked for some expansion and explanation of the details within their introductions. Topic questions: We developed questions that we hoped would provoke deeper discussion. After we reviewed them with a total of 10 managers not directly involved with the joint-venture project under study, the following ten questions were used. (As cited earlier in this chapter, 6 was recommended as the minimum number of questions, with a recommended a maximum of 12.)

1. What is your home (or parent) organization?
2. What is your age?
3. How long have you been employed at your current company?
4. What degrees do you hold?
5. Is this the first joint venture project in which you participated?
6. When you first began this project, how did you view the potential for its’ success? Why did you feel this way?
7. How did you rate the success of this joint-venture project at its’ conclusion? Why do you rate it this way?
8. At the end of this project, did your combined team review it’s experiences with the idea of learning from mistakes?
9. What cultural markers did the team exhibit during this joint-venture project?
10. Do you think any of these cultural markers influenced the success of
this project? If yes, how?

The ongoing dialog during each focus group session was recorded for later transcription, using two tape recorders located in different points in the room to ensure complete data collection. In order to ensure anonymity, the facilitators served as transcribers, assigning pseudonyms for each participant. In this study, this was accomplished with 2 actions:

3. All of the proceeds were tape recorded, using two audio recorders at each session. Two weeks later, these recordings were transcribed, providing a baseline of information that was free of facilitator/moderator assumptions or categorizations.

4. The transcriptions were then reviewed and converted to individual statements on individual index cards, one statement per card. At this point, the facilitator/moderated added his comments relating to the theme of the statement and observations made.

Participants at both the German location and the U.S. location consisted of both Germans and Americans. Fortunately, all of the participants from Germany are required to learn English as a second language. Uz Wagemann, the facilitator in Germany, spoke both languages fluently. Translation occurred as part of the facilitation and transcription processes at the focus group sessions in Germany.

Data Transcription and Analysis

Merriam (1988) states, “Making sense out of the data involves consolidating, reducing, and interpreting what people have said and what the researcher has seen and read” (p. 178). Eisner (1998) suggests that “in seeking structural corroboration, we look for recurrent behaviors or actions, those theme-like features of a situation that inspires confidence that the events interpreted and appraised are not aberrant or exceptional, but
rather characteristic of the situation” (p. 110). Tesch (1990) adds, “The basic procedure in content analysis is to design categories that are relevant to the research purpose and to sort all occurrences of relevant words or other recording units into these categories” (p. 87).

Data transcription is an integral process in the interpretation of language data. Lapadat and Lindsey (1999) argue that, compared to more expedient approaches, transcripts are better at facilitating audits of analytic decision points because they “preserve the data in a more permanent, retrievable, examinable, and flexible manner” (p. 80). The process of doing transcription also promotes intense familiarity with the data, which leads to methodological and theoretical thinking essential to the interpretation process. Verbatim transcription serves the purpose of taking speech, which is heavily contextualized, within its situational and social context, and capturing it into a static, manipulable form.

Data Coding

In general, qualitative data coding entails identification of the themes contained in specific text passages or segments (Bernard, 1994; Gordon, 1992; Miles & Huberman, 1994). Themes may include beliefs, experiences, or opinions that the respondent was trying to communicate in response to the interviewer’s questions. Different respondents may express the similar themes but state their ideas in different ways, or they may hold entirely different views. The qualitative data coding process requires that researchers accurately read and comprehend similarities and differences across various passages, regardless of the way respondents express themselves. Text passages containing identical themes are coded the same way, and passages containing different themes receive different codes. One of the key elements in qualitative data analysis is the systematic coding of text (Miles & Huberman, 1994). Codes are the building blocks for theory or model building.
and the foundation of a qualitative study. They embody the assumptions behind the analysis.

The information collected from each focus group was considered raw data. As facilitators, we analyzed content of the transcription, looking for trends, patterns, and a way of reducing the data. Uz and I created categories by grouping content of the transcripts by the subject matters discussed and the frequency of their occurrence, as suggested by Eisner (1998) and Tesch (1990). We used a technique based upon a manufacturing process analysis tool called Quality Function Deployment (QFD).

**Quality Function Deployment**

Quality Function Deployment (QFD) is actually a tool used by industry to develop a disciplined approach for product and process planning. It begins by coming to a specific understanding of who the customer is (there may be more than one). The customers for this study are the management of the organizations being studied. The objective is then to understand what the customer requires from the process or product. This is called customer requirements. To illustrate the concept of customer requirements, I would like to offer the following example:

Let's suppose that your business is managing a pizzeria. Your customer is all of the people in your surrounding neighborhood. All of these people have different opinions of what makes a good pizza. Some would like a thin crust, some thick. Some would like it crisp, some chewy. Some would like tomato sauce to be the main taste; others would like the main taste to be cheese. Some would like square pizza; others round. Some want meat, some are vegetarians, etc. The first step in the QFD process is to define customer requirements. The customer requirements for this study is to understand if there were
cultural markers present in this joint-venture project team and whether or not they affected the success of the project.

The second step in the QFD process is to define design requirements. These are the standards by which a product or process is measured to determine degree of success (in our pizzeria example, we might choose some combination of oven temperature, or time in the oven, or equipment used, etc.) The design requirements for this study are the cultural markers identified from the studies of Hall (1973), Hofstede (1980), and Trompenaars and Hampden-Turner (2001)

The third QFD step is to identify part characteristics observed. (In our pizzeria example, this would be the number of times a pizza was chewy, or crusty, or thin, or thick, or “tomatoey” or “cheeseey” etc.) The part characteristics for this study are how many times the engineers who worked on the project made comments that could be classified as cultural markers.

The fourth QFD step is to group the part characteristics observed into logical categories. (In our pizzeria example, we would want to know what things affect the “chewiness” of the pizza.) For the purpose of this study, the engineers’ comments were grouped by related cultural markers.

For the purpose of this study, the use of Quality Function Deployment stops here. QFD step 5 begins taking the data discovered and developing a problem resolution plan. QFD step 6 begins implementation of that problem resolution plan.

QFD works best when kept as simplified as possible. However, the act of simplifying the QFD process can also cause the analysis process to be labor-intensive. We
decided to use 3” x 5” index cards to capture each comment, only recording 1 comment per card (Appendix B). On each card, we also included the following information:

1. Pseudonym of participant
2. Participant’s home organization
3. Site where session was held.

I decided to use Uz as another level of validity check by including him in the analysis of the comment cards. We met on January 7, 2003, in the United States. We read and discussed each card and agreed upon the themes of each comment, adding our observations. Using a conference room table, we were able to create a large “grid” consisting of columns of these cards, with each column consisting of comment cards relating to a consistent theme. These themes were each recorded on their own individual 3” x 5” index card for the purpose of grouping cultural markers.

The headings identified were:

1. **Individualism:** Trompenaars and Hampden-Turner (2001) define seven value dimensions. The second of those dimensions is named “Communitarianism versus Individualism,” which they define as whether or not people consider themselves as individuals or part of a group? Hofstede (1980) interprets individualism as whether the society the good of the few or the good of the many.

2. **Formality:** Hofstede (1980) found differences existed in four dimensions that were typical for each country. The first of these is “power distance” which he defines as the extent to which the less powerful accept power distributed unequally. The greater the power distance in an organization, the more formal the behavior.
3. **Risk Response**: Hofstede (1980) defines “uncertainty avoidance” as the extent to which a society feels threatened by the unknown. For example, he defines Americans as being much more willing to “take a chance” than German people.

4. **Results Orientation**: Trompenaars and Hampden-Turner (2001) refer to the value dimension of “universalism versus particularism” which stresses standardization of processes versus results of the process.

5. **Use of Time**: Hall (1980) defines two basic time systems: Monochronic time means paying attention to and doing only one thing at a time. Polychronic time means being involved with many things at once.

6. **Social Exchange**: Trompenaars and Hampden-Turner (2001) in the value dimension “universalism versus particularism” say that an individual needs rules from which to operate. When there is none, they create them from their experience and they might not be correct. “Neutral versus Emotional” assess whether or not a given group or organization withholds emotions or express emotions freely.

7. **Adaptability**: Trompenaars and Hampden-Turner (2001) define culture as “the way a group of people solve problems and reconcile dilemmas.” Their seven value dimensions (as discussed in chapter 1) address adaptability.

8. **Operating Authority**: Trompenaars and Hampden-Turner (2001) in the value dimension “Achievement versus Ascription” (which discusses performance authority vs. position authority) asks if a group values social position or if they value performance.

The population of interest for my study was a group consisting of 14 engineers from Global Motors North America and 16 engineers from Baumgart AG of Germany. The members of this group were volunteer representatives from a team of 110 engineers who
had been formed for the purpose of designing, engineering, developing, and manufacturing
the first vehicle platform that was targeted for the global, worldwide market.

Data accumulated has to be organized into a manageable form. Miles and
Huberman (1994) described the first of their three elements of qualitative analysis as data
reduction. Data need to be condensed for the sake of manageability, and transformed so
that they may become intelligible in terms of the issues being addressed. As the researcher,
in consultation with Uz Wagemann, I decided which data would be singled out for
description. This involves deductive and inductive analysis. Initial categorizations are first
shaped by initial study questions, but as the researcher I must remain open to new
meanings discovered.

Data Validity

Early proposals for data validity criteria identified four issues to be addressed in
validation of quantitative data: internal validity; external validity; reliability; and
objectivity.

However, these issues could not be addressed well in qualitative research. Different
researchers recast these issues to meet those varying needs (Lincoln, 2001). Eisenhart and
Howe (1992) proposed these criteria:

1. Ensuring fit between research questions, data collection procedures, and
analytic techniques

2. Ensuring effective application of specific data collection and analytic
techniques

3. Being alert to and cognizant of prior knowledge

4. Being cognizant of value constraints
5. Assessing comprehensiveness.

Creswell and Millar (2000) identify eight verification procedures (a term they prefer over validity). They believe that different procedures may be more appropriate for different applications within qualitative research and they recommend that at least two of the eight following procedures be employed in any given study:

1. Prolonged engagement and persistent observation: Another validity procedure is for researchers to stay at the research site for a prolonged period of time. During repeated observation, the researchers build trust with participants, find gatekeepers to allow access to people and sites, establish rapport so that participants are comfortable disclosing information, and reciprocate by giving back to people being studied.

2. Triangulation: Triangulation is a validity procedure where researchers search for convergence among multiple and different sources of information to form themes or categories in a study. The term comes from military navigation at sea where sailors triangulated among different distant points to determine their ship's bearing.

3. Peer review or debriefing: A peer review or debriefing is the review of the data and research process by someone who is familiar with the research or the phenomenon being explored. A peer reviewer provides support, plays devil's advocate, challenges the researchers' assumptions, pushes the researchers to the next step methodologically, and asks hard questions about methods and interpretations (Lincoln & Guba, 1985).

4. Negative case analysis: The researcher attempts to disprove findings, either through self-criticism or consultation with experts.
5. Clarifying researcher bias: This is the process whereby researchers report on personal beliefs, values, and biases that may shape their inquiry. It is particularly important for researchers to acknowledge and describe their entering beliefs and biases early in the research process to allow readers to understand their positions, and then to bracket or suspend those researcher biases as the study proceeds.

6. Member checks: It consists of taking data and interpretations back to the participants in the study so that they can confirm the credibility of the information and narrative account. With the lens focused on participants, the researchers systematically check the data and the narrative account.

7. Thick description: The process of writing using thick description is to provide as much detail as possible. It may involve describing a small slice of interaction, experience, or action; locating individuals in specific situations; bringing a relationship or an interaction alive between two or more persons; or providing a detailed rendering of how people feel (Denzin, 1989). With this vivid detail, the researchers help readers understand that the account is credible. Rich description also enables readers to make decisions about the applicability of the findings to other settings or similar contexts.

8. External audits: The credibility of a study is established by turning to individuals external to the project, such as auditors--formally brought into the study--or readers who examine the narrative account and attest to its credibility. In establishing an audit trail, researchers provide clear documentation of all research decisions and activities. They may provide evidence of the audit trail throughout the account or in the appendices. Researchers may also use an external auditor to review their study.
Method of Verification

In this study, measures were taken to ensure credibility, transferability, dependability, and confirmability as suggested by Lincoln and Guba (1985). This was how I ensured these measures:

1. Triangulation: A different facilitator was used for the sessions held in Germany. (The participant “mix” was consistent in all U.S. and German Sessions.)

2. Peer review or debriefing: I held sessions with my German facilitator to examine consistency and verifiability of session interpretations for the U.S. and German sites.

3. External audits: Processes, observations and outcomes were reviewed with Dr. Jeffery Robbins, of Global Motors Research Labs, for accuracy.

4. Member checks: A teleconference between Global Motors United States and Baumgart AG in Germany allowed all original participants the opportunity to view the outcomes of the study and to validate the accuracy of the study.

5. Clarifying researcher bias: I addressed my potential researcher bias as a member of the Global Motors group by asking that Baumgart AG use a facilitator from their organization to facilitate the sessions in Germany. I also recognized that the findings of the research were significantly different than my expectations of the research.
CHAPTER 4

FINDINGS OF THE STUDY

The purpose of this study was to examine perceived behaviors at work during the joint vehicle development project between Global Motors North America and Baumgart AG that were culturally based (cultural markers) and then investigate the effects of those behaviors on the overall success of the joint venture project. The study group consisted of engineers from Global Motors of the United States and engineers from Baumgart AG of Germany. Focus group methodology was selected for this study.

Comparisons to other methods have led to the conclusion that the real strength of focus groups is not simply in exploring what people have to say, but in providing insights into the sources of complex behaviors and motivations (Morgan & Krueger, 1993). This chapter presents characteristics of focus group members and the analysis of the focus group output.

Characteristics of Focus Group Participants

By holding focus group sessions at Global Motors in the United States and at Baumgart AG in Germany, we were able to have participation from both organizations. A total of thirty engineers from the U.S. and Germany attended the four sessions. This represented twenty-seven percent of all the engineers who worked on the project. A mixture of both U.S. and German engineers participated in each session.
Not surprisingly, the sessions held in the United States had more participants from Global Motors than from Baumgart AG, by a rate of about two to one. Likewise, when the sessions were held in Germany, Baumgart participants outnumber the Global Motors participants by about two to one (see Table 1). All sessions, whether in Germany or the United States, consisted of a mixture of both German and American engineers.

Table 1

**Focus Group Participants**

<table>
<thead>
<tr>
<th></th>
<th>United States Sessions</th>
<th>Germany Sessions</th>
<th>Total By Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mtg 1</td>
<td>Mtg 2</td>
<td>Mtg 1</td>
</tr>
<tr>
<td>Global Motor Engineers</td>
<td>6</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Baumgart Engineers</td>
<td>2</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Total by Mtg. Session</td>
<td>8</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>

*Note. Mtg = Meeting.*

I then looked at the respective ages of the focus group participants, first within the grouping of their parent organization, then within the context of the total combined grouping of all of the participants. Table 2 shows that about 86% of the Global Motors participants were under the age of 41 (12 people). Within the Baumgart AG group of participants, 44% were under the age of 41 (7 people). This meant that, as a whole, the Global Motors group was significantly younger than the Baumgart group. However, it is
interesting to note that when considering the combined total participation from both organizations, about 63% were under the age of 41 (19 people) and about 37% percent were 41 or older (11 people).

Table 2

*Focus Group Participants by Age*

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Global Motors</th>
<th>Baumgart AG</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-30</td>
<td>3 People 21.4</td>
<td>1 People 6.25</td>
</tr>
<tr>
<td>31-35</td>
<td>4 People 28.6</td>
<td>3 People 18.75</td>
</tr>
<tr>
<td>36-40</td>
<td>5 People 35.7</td>
<td>3 People 18.75</td>
</tr>
<tr>
<td>41-45</td>
<td>0 People 0.0</td>
<td>2 People 12.50</td>
</tr>
<tr>
<td>45-50</td>
<td>1 People 7.1</td>
<td>4 People 25.00</td>
</tr>
<tr>
<td>51-65</td>
<td>1 People 7.1</td>
<td>3 People 18.75</td>
</tr>
</tbody>
</table>

Totals | 14 People 100.00 | 16 People 100.00 |

**Seniority**

Seniority, for the purpose of this study, is defined as the amount of time spent working for the current employer. Table 3 shows a comparison of seniority across Baumgart AG and Global Motors participants.

There were about twice as many Baugart participants with over 25 years' seniority as there were Global Motors participants with over 25 years' seniority. Baumgart had no volunteers with less than 11 years of seniority, whereas about 21% of the Global Motors volunteers had less than 11 years.
Table 3

*Frequency of Participants by Seniority Grouping*

<table>
<thead>
<tr>
<th>Seniority</th>
<th>Global Motors</th>
<th>Baumgart AG</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>0-5 yrs</td>
<td>2</td>
<td>14.3</td>
</tr>
<tr>
<td>6-10 yrs</td>
<td>1</td>
<td>7.1</td>
</tr>
<tr>
<td>11-15 yrs</td>
<td>1</td>
<td>7.1</td>
</tr>
<tr>
<td>16-20 yrs</td>
<td>3</td>
<td>21.4</td>
</tr>
<tr>
<td>21-25 yrs</td>
<td>2</td>
<td>14.3</td>
</tr>
<tr>
<td>26-30 yrs</td>
<td>3</td>
<td>21.4</td>
</tr>
<tr>
<td>31-35 yrs</td>
<td>1</td>
<td>7.1</td>
</tr>
<tr>
<td>over 35</td>
<td>1</td>
<td>7.1</td>
</tr>
<tr>
<td>Totals</td>
<td>14</td>
<td>100.00</td>
</tr>
</tbody>
</table>

The participants were also asked to indicate their level of formal education. A comparison of the two groups in Table 4 shows that 56% of the Baumgart group held graduate degrees, as compared to 14% of the Global Motors group.

Table 4

*Focus Group Participants by Educational Level*

<table>
<thead>
<tr>
<th>Educational Level</th>
<th>Global Motors</th>
<th>Baumgart AG</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>People</td>
<td>Percentage</td>
</tr>
<tr>
<td>Bachelor</td>
<td>12</td>
<td>85.7</td>
</tr>
<tr>
<td>Graduate</td>
<td>2</td>
<td>14.3</td>
</tr>
<tr>
<td>Totals</td>
<td>16</td>
<td>100.0</td>
</tr>
</tbody>
</table>

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In summary, about 63% of the total combined group was under the age of 41 years. Thirty-seven percent of the total group held graduate or post-graduate degrees, and about 50% had been with the company 25 or more years. When comparing the total group by its parent organizations, the data show that the Global Motors group was significantly younger, had less seniority and had less graduate education.

**Discussion Questions**

Due to the nature and structure of our focus group sessions, each session began with a set of general discussion questions; the first being "*Is this the first joint-venture project in which you participated?*" Eighty-one percent indicated they had no prior experience with joint-venture projects. Nineteen percent indicated that they had.

The question was then asked, "*When you first began this project, how did you feel about the potential for its success?*" This question attempted to draw out evidence of any pre-formed ideas. Each person in each focus group session was asked this question in the form a Likert scale, to rate their answers as; strongly negative (1 point), negative (2 points), neutral (3 points), positive (4 points), or strongly positive (5 points). The result of this question is shown in Table 5.

**Table 5**

<table>
<thead>
<tr>
<th></th>
<th>U.S. Sessions</th>
<th>German Sessions</th>
<th>% of all</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mtg 1</td>
<td>Mtg 2</td>
<td>Mtg 1</td>
</tr>
<tr>
<td>Strongly Negative</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Negative</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Neutral</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Positive</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Strongly Positive</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*Note. Mtg = meeting.*
In reviewing the scoring of this question, the data show that 47% of the participants were doubtful or strongly doubtful of the potential for the success of the project and only 10% felt that the project could be successful. The remaining percentage either had no opinion or did not answer the question.

The question was then asked, "When you concluded this project, how did you rate its' actual success?" Table 6 shows that all of the participants rated project success as either negative or strongly negative.

Table 6

<table>
<thead>
<tr>
<th></th>
<th>U.S. Sessions</th>
<th>German Sessions</th>
<th>% of all</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mtg. 1</td>
<td>Mtg. 2</td>
<td>Mtg. 1</td>
</tr>
<tr>
<td>Strongly Negative</td>
<td>5</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Negative</td>
<td>3</td>
<td>3</td>
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<tr>
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<tr>
<td>Positive</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Strongly Positive</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Note. Mtg = Meeting.

Summary of the Discussion Questions

This joint-venture project was the first project of this kind experienced by most of the engineers (81%) in this study. Even though it was their first project of this kind, only approximately 10% of them felt that the project would be successful, whereas 90% either felt it would not succeed or just did not answer the question. At the end of the project, however, all of them stated that in their opinion, the project had failed, even though the
car was developed for market. They felt that the vehicle had failed to meet profitability goals.

Findings to Research Question 1

"What were the cultural markers that were prominent during this joint venture project, as perceived by the engineers who worked on the project?"

From the recordings of each focus group meeting, Uz and I wanted to capture each individual comment, first taking care to repeat the participant’s words as stated. There were a total of 177 cards created. Six were later discarded as not being relevant to the study (they were suggested remedies or fixes). This left a total of 171 comments that were used for cultural markers. The cultural markers utilized the research of Gert Hofstede, Edward Hall, and the team of Fons Trompenaars and Charles Hampden-Turner. The headings identified were:

1. **Formality.** Those comments related to whether or not the person appeared to require specific structure and discipline or require the free-flow of non-structured proceedings. Examples of such comments from the American participants were:

   “Germans are always formal.”

   “They live by rules and regulations, leaving no room for spontaneous creativity.”

   “They didn’t like me talking directly to my counterparts in their organization. They are a very ‘top-down’ organization.”

   “We have what we call ‘an open-door policy’. The Germans seem to have a ‘closed-door’ policy.”

   Examples of such comments from the German participants were:
“We respect the hard work that one goes through to get the title ‘Doctor’. They deserve to be respected.”

“Our roles and responsibilities were clearly defined. It makes things easier and actually speeds decisions.”

“The Americans were undisciplined. They did not adhere to schedules. They didn’t like rules and procedures. We feel procedures avoid confusion.”

2. Risk Response. Those comments related to whether or not the person was able to take action without requiring extensive detail were placed in this category. Some examples from the American comments were:

“They want to have all decisions approved before they act.”

“They couldn’t decide anything without checking with the home office.”

“Our partners wanted to talk things to death and get a dozen approvals before making a decision.”

Some examples from the German comments were:

“They think that they can do anything, as long as no one has told them not to. They like to take chances where we like to do our research first.”

“We feel that taking undisciplined risk is very dangerous to success.”

“I thought that they were terribly impulsive and liked to take unnecessary risks.”

3. Results Orientation. Those comments which related to being concerned with the outcome or with the process were placed in this category. Examples of American comments were:

“Whenever an issue came up, the people from Baumgart always wanted to give you the history of the issue from the beginning of time. We just wanted a decision.”
Examples of American comments were:

“There are good reasons why we insist that certain specific steps are taken when developing a new vehicle system. We have learned over the years what works and what does not.

4. Social Exchange. Those comments related to whether the person seemed to be driven by emotional involvement and or by perceived rules were included in this category. Examples of American comments were:

“I assumed that our German partners were blunt and to the point and not very polite about it. I figured that they were really stubborn and unmovable.”

“We gave each other confusing messages (verbal and non-verbal).”

“We try to ‘build castles without pouring the foundation’. By that I mean that we don’t do the fundamentals that are required to support the theory.”

“I guess that we thought the Germans were cold. They wanted to get to the point without any niceties ahead of time.”

Examples of German comments were:

“They (Americans) didn’t respect us or each other. They wanted agreement without discussion.”

“We were told to keep the Americans happy, but don’t let that get in the way of doing your job.”

“Americans like to make jokes, even before we talked about the business we had to do. I felt like they were not taking me seriously and didn’t think what I wanted to say was important.”
"The Americans acted as if they wanted to be friends first. I had difficulty with that. For us, friendship is earned and has no relevance to the workplace."

5. **Adaptability.** Those comments related to whether or not the person seemed to strive for consensus among parties were included here. Some examples are:

   "Germans are unable to adapt to changes quickly. They insist upon perfecting procedures and are slow to change them."

   "The Americans always wanted agreement without first figuring out how the agreement must work."

6. **Operating Authority.** Those comments related to whether the person seemed to place a higher value on the job level of the person or the expertise of the person were placed in this category. Both the German participants and the American participants made essentially the same comments. For example:

   "The Americans wanted us to believe they were right just because they said so. We have learned that all decisions must be supported by knowledge of the subject."

   "He’s worked his way up through the organization for many years. Someone has to be ultimately responsible."

   "He may not be boss, but that’s only because he didn’t chose to be."

   "In this country, we’re really not included either. We get direction that we don’t understand, because we don’t know where it comes from or why."

   "We (the partners) seem to have conflicting directions from our respective management. We all thought we were right, yet we seldom agree on the best course of action."

   "It made me think that they thought that they were going to dictate to us."
Highlights of Findings

Research Question 1

Of the eight cultural markers identified, only six cultural markers were evident during this joint venture project. Of these, the cultural marker of Social Exchange led the focus group comments, followed closely by the cultural markers of Formality, Risk Response, and Operating Authority. (There was no evidence found relating to the cultural markers of *Use of Time* or *Individualism*.)

Research Question 2

“How did these cultural markers affect the overall success of the project, as perceived by the engineers who worked on the project?”

Each focus group participant recognized that cultural markers definitely had an effect on the overall success of the project. Under the cultural marker of Formality, the engineers from the United States talked about how their company had spent many years developing employee relations to promote a work atmosphere that each person was equally valued and made their own contributions to the success of the company. Early in this German-American joint-venture partnership, The American engineers witnessed much more structure than they were used to in their dealings with the Germans, which they perceived as formality and incorrectly interpreted as arrogance. The German engineers, on the other hand, were focused on exhibiting the utmost importance of this project and the seriousness of that success. The German engineers made the faulty assumption that their American counterparts were not treating the project with the same importance.
Under the culture marker of Risk Response, the German participants stated that they had learned over time that it was unwise to use their instincts and emotions for planning action. They preferred to examine alternatives and base their actions on research and consultation because they could not afford to squander resources. The Americans perceived this as causing unnecessary delays and false starts. They also stated that the risk of delay was worse than the risk of potentially making a mistake.

The cultural marker of Social Exchange generated the most problems for both the German and American participants. Each group felt that they were communicating well, yet there were many occasions of false starts, timing and performance targets being missed, inappropriate responses to directions, and faulty assumptions being made, resulting in cost over-runs. These problems were not resolved until late into the project.

Issues under the culture of Operating Authority were the most difficult to resolve. Both the American and the German engineers stated that they were acting within the specific direction of their respective senior management, who were told to plan and implement the changing of Global Motors and Baumgart AG into one global company. At the working engineer level, each side appeared to have different direction, causing one side to think that agreements were made while the other side felt that no agreement was made. That problem still existed at the projects’ conclusion.
CHAPTER 5

SUMMARY, DISCUSSION, AND CONCLUSIONS

Introduction

This chapter summarizes the purpose of the study, an overview of the literature, the methodology of the study and its findings. It also discusses the findings and presents recommendations as a result of the study.

Statement of the Problem

Global Motors North America and Baumgart AG of Germany each produced its own small car, which appears to be a duplication of efforts. Plans were made to develop the small car in the United States and sell this vehicle in all markets. Engineers from Germany came to work with the U.S. engineers on the development of the small car. This was considered to be an effective way to address the needs of both markets. Subsequently, the joint team of U.S. and German engineers brought the first vehicle developed jointly to market. However, it was not as efficient and cost-effective as hoped. The two main problems encountered were delays in creating vehicle designs (which caused subsequent delays in testing), and work instructions that were interpreted incorrectly. Since this was a multi-cultural project, there was a need for the two companies to understand the dynamics of cultural factors at work during the process.
Purpose of the Study

The purpose of this study was to examine perceived cultural markers at work during the joint-vehicle development project between Global Motors North America and Baumgart AG by first identifying the markers and then investigating their effects on the overall success of the joint-venture project.

Overview of the Literature

Literature reviewed for this study covers three major areas: organizational culture (including organizational culture and global companies), cross-cultural issues, and cultural markers.

Fons Trompenaars and Charles Hampden-Turner (2001) say that organizational culture is created through the dispersion of core values and competencies throughout all levels of the organization. A strong organizational culture increases consistency of behavior across individuals in an organization. They further add that in every culture in the world, authority, bureaucracy, validation, and accountability are experienced in different ways. The problem is that words can take on different meanings as they move from culture to culture. The managers of global organizations must maintain a delicate balance between the need for standardization in organizational design and procedures, and local characteristics of the market, legislation, and the socio-political-cultural system.

Under the umbrella of organizational culture, “subcultures” develop. Subcultures arise when groups of people have a specific responsibility. Jones (1983) identified distinct subcultures within an organizational structure:

1. Production culture arises when the production process is routine and the work is standardized. The consumer product is easily identified as the output.
2. Bureaucratic culture arises when the task includes routine elements and the process by which inputs are converted into outputs becomes obscure. The supporting paperwork or information is the output.

3. Professional culture sets the norms itself and is process oriented, not product oriented. The output is not so much the consumer product as it is the process by which the idea for the consumer product is created.

Cross-Cultural Issues

Cross-cultural issues arise in the business world at the managerial level, simply because companies with branches in different countries organize their daily business differently. According to Hofstede (1991) three of the major differences are:

1. Relative hierarchy of departments: The relative power of the various departments within a corporation is often a function of the country where the facility is located.

2. Sharing of information: There is little sharing of information within a hierarchical level across departments (Lewis, 2001).

3. Degree of formality: There is little sharing of information within a department’s command structure.

Cultural markers can be defined as patterns of beliefs and values that are attributable to a specific group of people. For example, in German culture, work relationships are strongly influenced by the medieval guild system wherein the engineer and the Meister (often an engineer himself) fill hero roles (Hofstede, 1998). In such a system, the worker is a highly trained individual whose well-developed skill, based on training in the apprentice system, establishes his/her expertise and hierarchical position in
the production process. German workers expect, however, the Meister to be the ultimate expert in resolving problems and to give orders when needed (Hofstede, 1998).

American culture can be described as a pro-active orientation with a certain informality in superior-subordinate relationships. It rests, moreover, on individualism and achievement coupled with the belief that anything is possible (Stewart & Bennett, 1991). The pressure to be a team player is very tangible in U.S. organizations; yet, to be a team-player means that whole-hearted commitment to a course of action is expected, not consensus (Mole, 1992).

The cultural markers discussed in this literature are as follows:

1. **Individualism.** Hofstede (1980) interprets individualism as whether the society the good of the few or the good of the many.

2. **Formality.** Hofstede (1980) found that the greater the power distance in an organization, the more formal the behavior.

3. **Risk Response.** Hofstede (1980) defines “uncertainty avoidance” as the extent to which a society feels threatened by the unknown.

4. **Results Orientation.** Trompenaars and Hampden-Turner (2001) refer to a dimension which stresses standardization of processes versus results of the process.

5. **Use of Time.** Hall (1980) defines two basic time systems: Monochronic time means paying attention to and doing only one thing at a time. Polychronic time means being involved with many things at once.
6. **Social Exchange**: Trompenaars and Hampden-Turner (2001) in the value dimension “universalism versus particularism” say that an individual needs rules from which to operate. When there is none, they create them from their experience and they might not be correct.

7. **Adaptability**: Trompenaars and Hampden-Turner (2001) define culture as "the way a group of people solve problems and reconcile dilemmas" (p. 43)

8. **Operating Authority**: Trompenaars and Hampden-Turner (2001) in the value dimension “Achievement versus Ascription” (which discusses performance authority vs. position authority) ask if a group values social position or if it values performance.

**Methodology**

This study was designed to identify cultural markers at work in a joint-venture vehicle development team and to evaluate the perceived impact of these cultural markers on the success of this project. The study group consisted of engineers from Global Motors of the United States and engineers from Baumgart AG of Germany. For all the reasons stated below, focus group research methodology was selected for this study.

1. Focus groups are a research method devoted to data collection.
2. Interaction and group discussion are the source of the data.
3. Focus groups acknowledge the researcher's active role in creating the group.
4. I have had past successes establishing and facilitating focus groups.
5. Focus group interaction provokes new perspectives on issues at hand.
Procedure

I wanted to give each member of the project team equal opportunity to participate. For that reason, I made arrangements for focus groups to take place both in Germany and the United States. To allow for possible conflict in personal schedules, two focus groups were held in each country. Participants could choose either focus group session. Twenty-seven percent of the project team chose to participate.

The ongoing dialogue during each focus group session was recorded for later transcription, using two tape recorders located in different points in the room to ensure complete data collection. In order to ensure anonymity, the facilitators served as transcribers, assigning pseudonyms for each participant. Transcribed comments were categorized under the cultural marker that the comment seemed to reference.

Findings

A total of four focus group sessions were scheduled. Thirty engineers from the U.S. and Germany attended the four sessions. This represented 27% of all the engineers who worked on the project. A mixture of both U.S. and German engineers participated in each session.

Sixty-seven percent of the participants in the U.S. focus group sessions were engineers from Global Motors, a company based in the United States. Thirty-three percent of the participants in the U.S. focus group sessions were from Baumgart AG, a company based in Germany.

Seventy-three percent of the participants in the focus group sessions held in Germany were engineers from Baumgart AG, whereas 27% of the participants in these sessions were from Global Motors. The Baumgart AG participants outnumbered the
Global Motors participants by a rate of 2.7 to 1 in the sessions held in Germany. All sessions, whether in Germany or the United States, consisted of a mixture of both German and American engineers.

Within Global Motors, 85.7% of their participants were under the age of 41. Within the Baumgart AG group of participants, 43.75% were under the age of 41. Within the Global Motors participant group, 14.3% were in the age group 41 to 65. Within the group of participants from Baumgart AG, 56.25% were in that age group.

Seniority, for the purpose of this study, is defined as the amount of time spent working for the current employer. Baumgart had no volunteers with less than 11 years of seniority, whereas 21.4% of the Global Motors volunteers had less than 11 years. The Baumgart AG participants with more than 25 years' seniority outnumbered the participants from Global Motors by a ratio of nearly 2 to 1.

The participants were also asked to indicate their level of formal education. A comparison of the two groups shows that 56% of the Baumgart group held graduate or post-graduate degrees, as compared to 14% of the Global Motors group.

The answer to research question 1, “What were the cultural markers that were prominent during this joint venture project, as perceived by the engineers who worked on the project?” was reached by analyzing the transcribed comments from the focus group sessions. Social Exchange (Facts vs. Emotion), Formality (Structure vs. Unstructured), Risk Response (aversion to risk vs. comfort with risk), and Operating Authority (position vs. expertise) were identified as being dominant cultural markers on this joint venture project. There was no comments relating to the cultural markers of Adaptability or of the cultural marker of Use of Time.
The answer to research question 2, "How did these cultural markers affect the overall success of the project, as perceived by the engineers who worked on the project?" Focus group team members stated that the overall success of the project was definitely affected by the presence of cultural markers in the following ways:

"Success was impeded early-on."

"Faulty assumptions were made."

"Timing was missed."

"Performance targets were missed."

"There were inappropriate responses to directions."

"Decisions weren't made."

"There were many false starts."

"We assumed we had agreement, when there was no agreement."

"Teamwork was non-existent at first."

Discussion of the Findings

This focus group can be characterized as being relatively young (about 65% were under the age of 41), having stable careers (about 60% had more than 20 years' seniority) and well educated (100% had bachelor’s degrees and 30% held graduate degrees). These facts indicated that, while I would have liked more volunteers to participate, this was an excellent representation of the average member of this joint-venture project team.

At the start of the project, 90% of the group felt that there was not a high probability of success. At the conclusion of the project, 100% did not feel successful. Further investigation revealed that this was rooted in how they viewed success. The project car was, in fact, placed on the market and has had a reasonable number of
vehicles sold. The problem was that this group viewed success as occurring when target dates were met for production of the vehicle and target costs of production were not overrun.

The literature talks about eight cultural markers to look for in this type of study. I found only four had major presence on this first joint-venture project team. They were Social Exchange (motivated by facts vs. emotion), Formality (Structured vs. Unstructured tasks), Risk Response (aversion to risk vs. comfort with risk), and Operating Authority (position authority vs. expertise authority). Two cultural markers that were found to have minor impact, Results Orientation (whether a person was more concerned with the results or the process used to obtain the results) and Adaptability (those comments related to whether or not the person seemed to strive for consensus among parties). The focus group responses showed no evidence of the cultural markers of Individualism (the good of the few vs. the good of the many) or Use of Time (tasks performed sequentially vs. tasks performed concurrently).

The cultural marker of Social Exchange permeated both groups. An engineer called in “false communication.” This meant that each partner group attempted to verbally communicate and assumed that the other side understood. Because non-verbal communication skills rest in each person’s frame of experience, the likelihood of true understanding was severely limited. The failure of each group to understand the other group’s frame of experience (especially cultural background) resulted in faulty interpretations on both sides.

The U.S. focus group participants stated that formality in the workplace has been virtually eliminated in the environment of most U.S. businesses. Conventional thinking in
U.S. companies is that formality stifles communication, causing potential problems and workplace innovations not to be brought to light. Also, that U.S. corporations want to promote (at least superficially) the idea that all workers are equal. They tended to interpret formality as arrogance. The German participants stated first that formality was efficient and that it was respectful of superiors and their accomplishments.

The German participants said that decisions must be made with as much knowledge as possible, in order to minimize risk. One German participant suggested that because their country was so much smaller than the United States (about the size of Minnesota and Wisconsin put together) any squandering of resources is felt much more deeply than in the U.S. He further added that he felt that this kind of thinking permeates German business and that the U.S. psyche was born when the U.S. was born with unlimited resources.

Operating Authority was a cultural marker that caused much consternation in both groups. The Americans appeared to believe that they had authority unless their bosses specifically denied it. Germans wanted their bosses to be ultimately responsible because “it was their jobs.” These conflicting notions caused delays.

The two cultural markers Results Orientation and Adaptability generated only a few comments from the focus group. Under Results Orientation, the group members knew their mission and had consistent goals; the struggle was in agreeing on how to meet those goals. Under Adaptability, the group indicated a willingness to adapt but struggled with the method for adopting consensus.

I was not surprised when there were no focus group responses for the cultural marker of Use of Time. It is the nature of the manufacturing business world that most
tasks must be completed concurrently, in order to meet market demands. However, I was surprised to have no comments classified under the cultural marker of Individualism. Because of the literature I reviewed for this study, I would have expected Americans to be characterized as being oriented around the success of the individual and Germans to be characterized for being oriented around the success of the group.

Conclusions

Social Exchange is much more than just communication. Social Exchange recognizes that in any inter-personal relationship (work or social) each party responds from their individual frame of reference. They make decisions and take actions based upon their past experiences and environments. These experiences and environments comprise their individual cultural markers. In order for communication to be effective, each party must understand “where the other person is coming from.” Verbal and non-verbal communication is not enough. We must understand what experience is behind the verbal and non-verbal communication.

In this study, Social Exchange is, in fact, the force behind the responses for Formality, Risk Assessment, and Operating Authority. Not understanding where the other party was “coming from” was the primary cause for comments recorded. Americans, as a group, appeared to be casual and emotional. Germans appeared to be formal and fact-oriented. The root problem is the assumptions that are made by individuals from one culture when they witness the action of another individual from another culture. It has been my experience that mankind must assign meaning to everything that he witnesses. When no meaning is apparent, mankind creates one. By lacking intimate knowledge of other cultures, erroneous assumptions can be and are often made.
Although the culture of the United States was formed with input from many nations and has several major regional subcultures, there exists a group of shared core values that is reinforced and rewarded by a majority of the people of the United States. Those values are promoted and perpetuated by the corporate cultures of the major companies and popular media. However, they are seldom made explicit, nor are they subjected to conscious examination. Therefore, most Americans are unconscious bearers of our cultural baggage, and we mistakenly assume that Europeans are only a slightly different culture (Lewis, 2001).

When dealing with Europeans, it is essential for Americans to recognize that some of these values may not be shared, accepted, or appreciated. In certain cases, directly opposing values will be encountered. The second mistake that Americans make (although the European Union may change this in the future) is thinking that such a group called Europeans “exists.” There are Italians, Dutch, Germans, Greeks, and Portuguese. There are also Basques, Catalanians, and Serbs. The point is that the ethnic diversity of Europe requires an understanding of the specific cultures with which one is dealing.

Understanding the concepts behind Social Exchange has broad implications. In any situation where a group of individuals must work together to accomplish a specific goal, interpersonal relationships are key to that group’s success. Understanding each participant’s cultural markers is key to building interpersonal relationships.
Recommendations

Practice

The outcome of this study suggests that any joint-venture project undertaken in the future by Global Motors should identify the project team and the specific national, regional, and organizational cultures of these team members. This should be done at least 3 months prior to the project’s inception.

Expert activity (probably contracted from outside of the company) needs to design culture-specific total immersion training to fit the makeup of the subject group. It is imperative that this training should emphasize that each group must first recognize its own cultural mental-models that drive their behavior.

Further Research

1. Global Motors is a worldwide organization with many additional strategic partnerships. This study was limited to one specific joint-venture project occurring between Global Motors U.S.A. and Baumgart AG of Germany. This study should be replicated with a Global Motors -Asian partnership and with a Global Motors-Latin American partnership for further research.

2. Further research should be considered to determine causes of non-participation in this study (such as to understand why no female engineers volunteered for this study).

3. This study should be replicated in any other situation, business or otherwise, where a group of people was formed to facilitate the successful completion of a common goal.
APPENDIX A

INVITATION TO PARTICIPATE
Invitation E-Mail (reworded for anonymity, as required by the company studied)

From: dale philips
To: Members of the Joint Venture Team
Sent: Saturday, October 25, 2002 6:55 PM
Subject: Improving the Joint Venture Process

Global Motors wants to continuously improve their ability to manage as one company, and this is our first step in doing that. You are invited to participate in a focus group session to discuss our first joint-venture project between Global Motors and Baumgart AG. Many questions come to mind about the lessons that we might have learned from the program. It was felt that we should start our understanding by talking the people who worked the "front lines" and try to learn the things that they learned from their experience. In other words, "How can we do things better the next time around?" You should also know that, although the things that we say and do here will remain anonymous, the results of these sessions would also be used for two activities:

1. To capture "lessons learned" from this project, in an effort to improve possible future joint venture programs.
2. As the basis for a Doctoral Dissertation, which I hope will improve further successes as become a global company.

One day of your time will be all that is required. With the help of Uz Wagemann of Baumgart AG, you may pick one of 4 alternative sessions, based upon your own schedule requirements. The sessions are as follows:

- December 16, 2002, Detroit Michigan. The Auditorium at Global Motors Engineering 9am-3:00pm
- December 17, 2002, Detroit Michigan. The Auditorium at Global Motors Engineering 9am-3:00pm
- December 16, 2002, Baumgart AG Headquarters, Baumgart, Germany 9am-3:00pm
- December 17, 2002, Baumgart AG Headquarters, Baumgart, Germany 9am-3:00pm

Thank you in advance for helping this project. Please feel free to contact me with any questions.

Dale Phillips
Systems Engineering
APPENDIX B

TRANSCRIPTS OF FOCUS GROUP SESSIONS
Transcripts of Focus Group Sessions

Cross-cultural Communications

December 16, 2002

For the purpose of this transcription and to insure anonymity, all persons speaking are assigned a pseudonym in the form of a letter and number code:

F1 = Facilitator for the focus group session
A1 = First speaker from the United States
A2 = Second speaker from the United States
A3 = Third speaker from the United States
A4 = Fourth speaker from the United States
A5 = Fifth speaker from the United States
A6 = Sixth speaker from the United States
B1 = First speaker from Germany
B2 = Second speaker from Germany
Introduction:

My name is Dale Phillips. We are here today for a couple of reasons. You were invited here because you were recently involved in our first joint-venture project between Global Motors and Baumgart AG. Global Motors wants to continuously improve their ability to manage as one company, and this is our first step in doing that.

Many questions come to mind about the lessons that we might have learned from your program. It was felt that we should start our understanding by talking the people who worked the "front lines" and try to learn the things that they learned from their experience. In other words, "How can we do things better the next time around?"

You should also know that, although the things that we say and do here will remain anonymous, the results of these sessions would also be used as the basis for a Doctoral Dissertation, which I will be submitting at a later date.

I'd like to begin by telling you a little about myself. I have 37 years at Global Motors and I've had numerous and varied assignments within Product Engineering. I've supervised both union and salaried personnel at various times, mostly in the prototype shop area and the technical documentation area. I've been in the military during the Vietnam era and I've been a night student for many years. I like baseball and trout fishing and I've been married 34 years. Who wants to go next?

A1: I’ve been at Global for 16 years. I played football at college and majored in mechanical engineering. I’ve got 2 children, ages 6 and 8. We’re into scouting and T-ball and we like to tent camp in the summertime. My job on the last program was suspension engineer.
A2: I went to school at GMI and majored in electrical engineering. My responsibility on this program was in entertainment systems. We created new digital technology and we were able to make it work for a production assembly operation.

I've been married a little over a year. We honeymooned in the Caribbean aboard a cruise ship.

My wife teaches grade school here locally.

A3: I've moved around a lot in Global Motors. My first job was on the line in Janesville. I decided that if I was going to stay in manufacturing, I wanted to get off the floor and into an office. Went to school for a manufacturing engineering related degree.

I was in Indiana as a production planner for a couple of years, then I transferred to Flint Tool & Die. The manufacturing group does a good job of giving us well-rounded experience in all manufacturing areas. I got the chance to come to the home office and help plan for the set-up of a new flexible manufacturing system for a totally new vehicle and I jumped at it.

B1: In Germany, our best chance at an education is to first spend time in our military. I spent 6 years in the air force and earned enough credit to attend the university by the time I got out. It is kind of like your “G.I. Bill”.

My wife works in the travel industry. She gets many special deals and we like to travel a lot. I went to one of your air forces training schools in Texas when I was in the military.

A4: I work in steering systems, but my real passion is restoring old cars. For some reason, the uglier the car the more I like. I'm currently rebuilding a 1956 Pontiac Star Chief.
My son is teaching me to golf. He's all state in high school and plans to study golf course management in college. His sister is going to be a nurse. My wife and I recently moved into a new home. We're laying sod this weekend, if anyone wants to help!

**ALL:** (laughter)

**A5:** No thanks! – That was my first job! – I grew up around here when much of this area was still country. I used to be able to ride my bike for hours and not see more than 5-10 cars. We could fish, too! They weren’t fit to eat, but we didn’t care.

I never really knew “what I wanted to be when I grew up”. I started to work for a car company when I was 18 and before I realized it, I was 30 years old and had a family. After much night school, here I am.

**B2:** I always wanted to be an engineer. I like to know how things work and I like to make them work better.

While I was at the University, I also joined the ski patrol so that I could ski free and meet girls. Now I have a wife and we have traveled by bicycle through much of our area in Germany.

We recently bought a very old house that we are repairing.

**A6:** I’m a brake systems engineer. My work is in physical test at the Proving Grounds. I actually came from another car company about 3 years ago because I had an opportunity to grow, professionally. I’m a single man and I love the outdoors. I recently returned from the Rockies.

**F1:** Had your group or division discussed Global Motors long-term business strategy?
B1: You have to remember that, when we began this project, the idea that we were "one company-one world" was not thought of. When it did come, we were told to "keep the Americans happy, but don't let that get in the way of doing your job.

A2: We had a job to do and we wanted to get at it. We just figured that it was one more "plan of the month". We thought that if was serious, they'd tell us – otherwise, so new idea would come along and we'd change again.

F1: Would you say that you never heard of the long-term strategy?

B2: We heard, but it came much later. Those things are usually not our concern. Decisions about that are made at a much higher level.

A5: In this country (USA), we’re really not included either. We get direction that we don’t understand, because we don’t know where it comes from or why.

A4: Being aware of the strategy would remove a good part of the confusion.

A1: There are many things that I could help with

A2: I'd like the challenge of helping plan.

F1: How much did you really need to know about long-term strategy to do your job?

A6: In terms of just ‘doing our job’, we probably didn’t need to know much about the strategy. The thing is, they keep talking that we’re a team, but not being included in planning and strategy tends to make you feel ‘out of the loop’ and that you’re not as highly valued as the next guy.

B2: When I am respected, I’ll know it. I’ll be invited to those meetings.
A4: See, none of that’s important to me. Where I get upset is that we keep ‘re-inventing the wheel’. That is, a lot of us have knowledge from experience, but they don’t take advantage of it and they keep repeating the same problems.

F1: How much knowledge of the long-term strategy was important to you?

A3: We all just want to feel part of the team. We could have made quicker, better decisions if we knew the strategy.

F1: Did you agree with the strategy? Why or why not?

A1: I understood why the strategy of becoming a global corporation was important. Basically, the expense of developing, certifying and manufacturing a car could be spread across more units. The problem is that, over the years, we have embraced countless different management and financial theories and – you know what? – They’re all good! The problem is that we are very poor implementers! We tend to try to build castles in the sand, without pouring footings to support them. We always do the easy part of the theory and avoid doing the hard part. We don’t do the fundamentals required to support the theory.

A5: I always called it the ‘foam on the beer’. We want this nice glass of beer, but all we do is “sip the foam.”

F1: Did it affect your over-all job performance?

All: (Consensus) We were slower than we should have been.

F1: Did your management offer sufficient explanation of the short-term business plan?
B1: We knew that we were going to build several different cars from the same basic chassis. We were afraid that we would have to make engineering compromises that would make our car weaker in our market.

A3: To us, it meant small cars for the U.S. big car market. We were afraid that they wouldn’t sell.

A4: Off the record, we thought that if we had to be a global company, we should have Europe do the small cars and U.S. do the big cars. That way, we would have fewer compromises.

F1: Did your management explain how the short-term business plan supported the long-term strategy?

All (Consensus): No they did not explain how. Only that it would.

F1: How might this knowledge help or hinder your ability to do your job?

B2: Unnecessary. That is other’s concerns.

A6: I was more concerned with the product, not with the strategy or plan.

A2: I think most of us are resigned that we don’t impact plans or strategies.

F1: Did you agree with the business plan? Why or why not?

A5: I think that the over-all idea is good. I don’t think we understand well enough what the customer wants in all the various cultures and I don’t think we implement well at all.

A1: Agreed.

F1: Did the level of business plan understanding affect your job performance?

All: (consensus) Again, we were probably slower than we could have been.
F1: Had you worked on other joint vehicle development programs? Let's talk about the successes or setbacks that you experienced in other joint vehicle development programs.

B2: We (the partners) didn’t seem to be playing by the same rules. We needed to protect our interests, so that the other side did not cause us problems down the line.

A6: In my case, we wanted a specific process used in setting of dies, for improved quality. Since our partners had part responsibility, they insisted on using their old process (so they didn’t have to invest money). Our part quality fell by 15%. Our warranty cost went up.

A3: Our partners on our project were very stubborn. They didn’t understand that safety requirements of our government were much stricter in that area.

F1: Were you satisfied or dissatisfied with your experience in other joint vehicle development programs?

B1: I was very glad when it was over.

(Group consensus)

F1: What things contributed to your satisfaction and dissatisfaction?

A2: Our partners wanted to talk things to death and get a dozen approvals before making a decision.

B1: The other group wanted to leap to a decision without doing their ‘homework’. Like their ‘cowboys’, they wanted to shoot first and ask questions later.

F1: At the conclusion of these prior joint-venture projects, did your team review its performance for lessons learned?

A5: Heck no! – We just wanted to put the project behind us.
B2: We just decided it was the other side's fault and went to the next program (laughter).

F1: Were you optimistic or less than optimistic about this joint-venture project before you started?

A4: I think that's pretty obvious! None of us had anything good to say about our other experiences. (General agreement).

F1: What are some of the pre-conceived ideas you held as you started this project?

A3: I assumed that our German partners were blunt and to the point and not very polite about it. I figured that they were really stubborn and unmoving, even with reasoned argument.

B1: Americans are not respectful of their superiors. They think that they can do anything, along as no one has told them not to. They like to take chances where we like to do our research first.

B2: They're cowboys!

A1: They think titles are important. For us, people are people and titles are not that important.

F1: Did any of your pre-conceived ideas change as you concluded this project?

A6: I don't think our pre-conceived ideas changed much. What did happen is that we started understanding each other's cultures and behaviors better as time went by.
F1: How did you rate the success of this joint-venture vehicle development program at its' conclusion?

B2: Better than I first expected, but we wasted a lot of time defending our positions. The program missed a lot of its timing and financial goals, but if the same people were assigned another project, we would do a lot better.

F1: Why do you think that?

A5: We saw behavior in each other and made assumptions about that behavior based on the worlds that we understood. It led to a lot of faulty assumptions and many responses that were not appropriate, had we better understood each other. We really all wanted to do the right thing.

F1: Were some aspects of this joint-venture project more successful than other aspects?

A1: What really surprised me was that many of us became close, personal friends as an unexpected outcome. Several of us actually have visited and vacationed with each other since then.

F1: What lessons did you learn from this joint-venture project?

A5: People are people. It would have helped us to have training in each other's culture, separate of any team project and well before any team project. We all saw each other's way of operating and made wrong assumptions. This greatly impeded success early in the project.

B1: It took us many weeks to see our communication problem.

F1: Describe the level of teamwork over the life of this project.
A2: I think we’ve all said that teamwork had greatly improved by the end of the project.

B2: If we only could have had that teamwork in the beginning. We had much to learn about each other.

B1: I remember one of the Americans coming to Germany to correct our findings. He was embarrassed when he was the one who was corrected.

FI: What cultural markers did the team exhibit during this joint-venture project?

B1: I had the biggest problem understanding that the Americans like to make jokes, even before we talked about the business we had to do. I felt like they were not taking me seriously and didn’t think what I wanted to say was important.

A3: I guess that we thought the Germans were cold. They wanted to get to the point without any niceties ahead of time. It made me think that they thought that they were going to dictate to us.

A1: I didn’t like when they introduced or referred to themselves by titles like ‘Doctor’. It was like they wanted to intimidate or though they were ‘better’.

B2: You don’t understand. We respect the hard work that one goes through to get the title ‘doctor’. They deserve to be respected.

B1: It drove me crazy when they were never on time to meetings.

A5: Whenever an issue came up, the people from Baumgart always wanted to give you the history of the issue from the beginning of time. We just want a decision.

A4: They couldn’t decide anything without checking with the home office.
F1: Do you think that any of these cultural markers affected the success of this project? If yes, how?

B1: We had many problems at first. We did not understand each other or why we each thought the way we did.

A1: I agree. This caused us to have many ‘false starts’. We would think we had agreement only to find out later that we did not.

A4: We were mighty slow ‘getting away from the starting line’.

F1: What things were pleasant surprises about this project?

A5: We liked each other by the time we were done!

ALL: (Laughter and general agreement)

F1: In hindsight, what things could have been better managed? How?

A1: We did a lot of preliminary ‘team building’ exercises. These get-togethers were focus on the ideas of group dynamics. They were typical of many things we had done is past projects and we didn’t understand, at first, why they were less than successful. We attributed it to language barriers.

What we realized later was that we were victims of ‘cultural barriers’. We didn’t understand how different cultures see things differently.

A6: I think that future groups who work on joint global projects need training to understand each other, before they gain teamwork training.

F1: Would you like to participate in a similar joint-venture project in the future? Why or why not?

B1: Absolutely! I think future projects would be a chance to improve.

A5: I think the business will demand it.
All: (Many words of agreement).

Closing:

I want to thank all of you for your participation. Please be assured that your thoughts are of great value for future planning. We will be holding a second session tomorrow, covering the same questions with another group of volunteers.

At the same times, 2 similar sessions are being held in Germany with a different facilitator. The results of those meetings will be combined with the meetings held here and a consolidated report will be made.

The good news, for those interested, is that we will be holding a joint teleconference where that report will be presented to all off the volunteer participants from Germany and here. You will be invited to express your opinions about this consolidated report before it goes to management. Your final opinions will be included in the final report.

Thanks so much for your time!
Transcript of Session 2 Focus Group

Cross-cultural Communications

December 17, 2002

For the purpose of this transcription and to insure anonymity, all persons speaking are assigned a pseudonym in the form of a letter and number code:

F1 = Facilitator for the focus group session
A1 = First speaker from the United States
A2 = Second speaker from the United States
A3 = Third speaker from the United States
A4 = Fourth speaker from the United States
B1 = First speaker from Germany
B2 = Second speaker from Germany
B3 = Second speaker from Germany
Introduction:

My name is Dale Phillips. We are here today for a couple of reasons. You were invited here because you were recently involved in our first joint-venture project between Global Motors and Baumgart AG. Global Motors wants to continuously improve their ability to manage as one company, and this is our first step in doing that.

Many questions come to mind about the lessons that we might have learned from your program. It was felt that we should start our understanding by talking the people who worked the "front lines" and try to learn the things that they learned from their experience. In other words, "How can we do things better the next time around?"

You should also know that, although the things that we say and do here will remain anonymous, the results of these sessions would also be used as the basis for a Doctoral Dissertation, which I will be submitting at a later date.

I'd like to begin by telling you a little about myself. I have 37 years at Global Motors and I've had numerous and varied assignments within Product Engineering. I've supervised both union and salaried personnel at various times, mostly in the prototype shop area and the technical documentation area. I've been in the military during the Vietnam era and I've been a night student for many years. I like baseball and trout fishing and I've been married 34 years. Who wants to go next?

A1: I've been at Global for 8 years. I played football at college and majored in electrical engineering. I've got 1 child, a boy, age 8. We like biking and we like to tent camp in the summertime. He starts little league soon.

My job on the last program was electronic steering systems.
A2: I went to school at U of M and majored in thermal dynamics. My responsibility on this program was in HVAC (Heat and Air Conditioning) systems. We created new technology and we were able to make it work for a production assembly operation.

I’ve been married a little over 3 years. My wife is in her last year of residency at Providence Hospital.

A3: I hired into Global Motors right out of high school. I went to the Vietnam War, followed by many years of night school for Mechanical Engineering. I did much of my early work in fuel emissions and now I’m a fuel systems engineer.

B1: I have worked on establishing the new Manufacturing plant for sheet metal parts. I have a teen age boy who wants my help rebuilding one of your 1967 Mustangs. I probably should not say that too loud.

A4: I work in electrical convenience systems, but I really enjoy playing in a rock-and-roll ‘oldies’ band. We’re playing tonight in Utica. You’re all invited!

ALL: (Laughter)

B2: I always wanted to work on locomotives, running the engine car from town to town. I think I always wanted the engineer’s cap.

Now I am responsible for chassis system integration. I guess I have a different kind of cap.

B3: I used to work for Volkswagon. This company offered better opportunities. My new work is in suspension systems.

My wife and I were students together. She, too, is an automotive engineer and she still works at Volkswagon.
F1: Let's get started. Had your group or division discussed Global Motors long-term business strategy?

B1: We always were glad to have Global Motors on the other side of the ocean. They were not likely to tell us what to do. We liked to run our own business. We would have no reason to care about Global Motors strategy.

A2: We heard many theories over the years. If it was even discussed, I'm sure we forgot about it.

B3: I don't remember hearing about a 'Global Motors' strategy

A3: I might have heard in passing, but nothing specific.

B2: We heard, but decisions about that kind of thing are made at a much higher level came much later. Those things are usually not our concern.

A4: Being aware of the strategy would remove a good part of the confusion. In this country (USA), we're really not included either. We get direction that we don't understand, because we don't know where it comes from or why. I could help with many things.

F1: How much did you really need to know about long-term strategy to do your job?

A2: We didn't 'need to know' much about the strategy. We're supposed to be a team. It's just that not being included is kind of an insult.

B2: I do not see it that way. When a time comes where I am included, I'll feel like I am successful.

A4: I think they could make better strategy, if they knew what we knew. I hate to see the same problems occur time after time.
F1: How much knowledge of the long-term strategy was important to you?

A3: I'll ‘fall on my sword’ for the good of the company. It would help if I knew where the sword was.

F1: Did you agree with the strategy? Why or why not?

A1: We have always had good intentions. We have never been able to internalize the theories. When we do succeed in that, the plans get changed.

We have never been able to put these good ideas to work. We don’t know how to implement. We take the easy way out by doing the things that are easy. The things that are difficult, we pass them off by saying ‘it takes too much time’ or it’s ‘not value added’. Really, these are required foundation steps that are either too boring or too difficult. The failure to do these things makes us fail at implementing.

All strategies are good. We just cause them to fail.

F1: Did it affect your over-all job performance?

All: (Consensus) In the beginning, we moved much too slowly.

F1: Did your management offer sufficient explanation of the short-term business plan?

B1: Yes, we knew that the plan was to build several different cars from the same basic chassis. We were afraid that we would have to make engineering compromises that would make our car weaker in our market.

A3: To us, it meant small cars for the U.S. big car market. We were afraid that they wouldn’t sell.

A4: We thought a better plan would be to have Europe do the small cars and U.S. do the big cars. That way, we would have fewer compromises.
F1: Did your management explain how the short-term business plan supported the long-term strategy?

All (Consensus): They didn’t say how. They trusted that it would.

F1: How might this knowledge help or hinder your ability to do your job?

A4: I don’t think that knowledge of the plan, per se, impacted my ability to do the job. It just would have been nice to know.

ALL: (agreement)

F1: Did you agree with the business plan? Why or why not?

A2: The business plan was sound, as far as it went. Our marketing people tended to treat people of other worlds the same as they would the U.S. I think that was a mistake. We need to do a better job of fitting our product to its potential marketplace.

ALL: (agreement)

F1: Did the level of business plan understanding affect your job performance?

All: (consensus) We might have been a little quicker if we had a better understanding of the plan.

F1: Had you worked on other joint vehicle development programs? Let’s talk about the successes or setbacks that you experienced in other joint vehicle development programs.

B2: We (the partners) seem to have conflicting directions from our respective management. We all thought we were right, yet we seldom agree on the best course of action.
A3: I was very much struck by how we all wanted the best for our project, but we couldn’t agree on what the best was.

A2: Our partners on our project were very stubborn.

B1: Our partners were very stubborn!

ALL: (laughter)

F1: Were you satisfied or dissatisfied with your experience in other joint vehicle development programs?

B1: I was very glad when it was over.

ALL: (Group consensus)

F1: What things contributed to your satisfaction and dissatisfaction?

A2: Germans are always formal. I find that unnerving. They seem very distant and it’s weeks before you see one of them smile. They live by rules and regulations, leaving no room for spontaneous creativity.

B1: The Americans always want agreement without first figuring out how the agreement must work.

F1: At the conclusion of these prior joint-venture projects, did your team review its performance for lessons learned?

A4: We always claim to learn, but we make the same mistakes over and over.

B2: We planned ahead of time for all contingencies. We did not need a follow-up meeting.

F1: What are some of the pre-conceived ideas you held as you started this project?
A3: Germans are unable to adapt to changes quickly. They insist upon perfecting procedures and are slow to change them. They are far from diplomatic.

B1: The dollar takes precedence over everything in the U.S. business world. They have very little understanding of national honor or protocol.

B2: They are very impatient!

A1: They take themselves far too seriously.

F1: Did any of your pre-conceived ideas change as you concluded this project?

A6: The pre-conceived ideas were essentially true. What did happen is that we started understanding each other’s cultures and appreciating our differences.

F1: How did you rate the success of this joint-venture vehicle development program at its’ conclusion?

B2: Good, but we wasted a lot of time. The program missed a lot of its timing and financial goals, but if the same people were assigned another project, we would perform a much better.

F1: Why do you think that?

A1: We better understand each other and the things that drive our respective behaviors.

F1: Were some aspects of this joint-venture project more successful than other aspects?

A1: We became friends

F1: What lessons did you learn from this joint-venture project?
A5: People are people. It would have helped us to have training in each other’s culture, separate of any team project and well before any team project. We all saw each other’s way of operating and made wrong assumptions. This greatly impeded success early in the project.

B1: You are going to find that some of us have had discussions with your volunteers from yesterday, so our answers will be close in some questions. We agree with your group from yesterday who said that we need a better understanding of each other’s cultural framework.

F1: What cultural markers did the team exhibit during this joint-venture project?

B1: The Americans acted as if they wanted to be friends first. I had difficulty with that. For us, friendship is earned and has no relevance to the workplace.

A3: Germans disagree with people openly and have no tack or diplomacy. They are so very formal; they survive on protocol.

A1: They didn’t like me talking directly to my counterparts in their organization. They area very ‘top-down’ organization.

A3: We have what we call ‘an open-door policy’. The Germans seem to have a ‘close-door’ policy.

B1: We feel that taking undisciplined risk is very dangerous to success.

A2: Germans want to give you the history of the issue from the beginning of time. We just want a decision.

A4: They couldn’t decide anything without checking with the home office.
**F1:** Do you think that any of these cultural markers affected the success of this project? If yes, how?

**B1:** This is another subject where we talked with some of the volunteers from yesterday and we would answer the same way. We did have many problems at first. We did not understand each other or why we each thought the way we did.

**A1:** Same here. Like the first group said, we did have many ‘false starts’. We would think we had agreement only to find out later that we did not.

**F1:** What things were pleasant surprises about this project?

**A2:** We were friends by the time we were done!

**ALL:** (Laughter and general agreement)

**F1:** In hindsight, what things could have been better managed? How?

**A1:** I came to believe that we needed to understand each other’s culture, in order to understand each other’s behavior. We were essentially the same social, educational, and professional status and background, yet we looked at our tasks differently.

**All:** (agreement)

Closing:

I want to thank all of you for your participation. Please be assured that your thoughts are of great value for future planning. We will be holding a second session tomorrow, covering the same questions with another group of volunteers.

At the same times, 2 similar sessions are being held in Germany with a different facilitator. The results of those meetings will be combined with the meetings held here and a consolidated report will be made.
The good news, for those interested, is that we will be holding a joint teleconference where that report will be presented to all off the volunteer participants from Germany and here. You will be invited to express your opinions about this consolidated report before it goes to management. Your final opinions will be included in the final report.

Thanks so much for your time!

Transcript of Session 3 Focus Group

Cross-cultural Communications

December 16, 2002

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A1 = First speaker from the United States
A2 = Second speaker from the United States
B1 = First speaker from Germany
B2 = Second speaker from Germany
B3 = Third speaker from Germany

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B4 = Fourth speaker from Germany
B5 = Fifth speaker from Germany

Introduction:

My name is Uz Wagemann. We are here today for 2 reasons. You were invited here because you were recently involved in our first joint-venture project between Global Motors and Baumgart AG. Global Motors wants our help to continuously improve their ability to manage as one company, and this is our first step in doing that.

Many questions come to mind about the lessons that we might have learned from your program. It was felt that we should start our understanding by talking the people who worked the “front lines” and try to learn the things that they learned from their experience. In other words, “How can we do things better the next time around?”

You should also know that, although the things that we say and do here will remain anonymous, the results of these sessions would also be used as the basis for a Doctoral Dissertation, which my U.S. counterpart will be submitting at a later date.

I’d like to begin by telling you a little about myself. I have 25 years at Baumgart AG and I’ve had many assignments, most in the area of performance requirements. I’ve been in the military, which assisted me in paying for my education. I spent some time in the U.S., attending NATO defense training while I was in our Air Force. Who would like to go next?
B1: I work in Manufacturing planning. We are currently standardizing a plan for flexible manufacturing in all of our plants. I have been working at Baumgart AG for 6 years.

B2: I work in developing the new motors for our cars. We want to use them in the joint venture vehicles for sale in Europe and Asia. We are also working with Shanghai to develop an engine plant there.

A1: I got a chance to come to Germany to work on fuel system emissions and I jumped at it! It's been a terrific opportunity to learn!

B3: My work is on ergonomic factors. The better way to explain is that I work on driver and passenger comfort and ease of use.

My favorite pastime is skiing on holiday.

B4: I work in marketing planning. We determine what information the customer requires for decisions to purchase. We then try to appeal to the other things that are important.

A2: My 12 year-old has developed a passion for soccer. I am learning the game.

As far as work, I am developing the next new high-efficiency transmission. We want to learn the latest technology. This is to evaluate for use in future vehicles.

B5: I am trying to live a complete life. Outside of work, I have purchased a 300-year-old house that is requiring much of my time. Our government will provide financial assistance, if you wish to restore old buildings to their original outside appearance.

I was educated as an engineer, but I work on future planning.
B3: My wife and I both graduated from the University together about 6 years ago. She wanted to study physics and I engineering. I work on steering systems.

F1: Let us proceed. Had your group or division discussed Global Motors long-term business strategy?

B1: I have no contact with ‘Global Motors”. I work on autos. I prefer it that way.

B5: Of course I knew we were all part of Global Motors. I knew that we were trying to find ways to better work together, but that was not my work. The planners handle that.

A1: We were given a pep talk before we came over about how we were to be the first group to work under the global concept. I’m still not sure exactly what that means.

A2: I think we know what that means as an idea. I think we wanted specific direction and somehow the bosses back home expected us to figure out that direction on our own.

B3: We were told to try to keep the Americans happy, but not to let that interfere with getting work done.

F1: Would you say that you never heard of the long-term strategy?

B2: It became an issue later, when we were obviously not in harmony.

A1: The presentations we attended all said that we should ‘work together to achieve world wide success’. It was more ‘rah-rah’ than substance. It didn’t help us with any tools to do the job.

F1: How much did you really need to know about long-term strategy to do your job?
B4: I had access to all the technical information that I needed. As long as my supervisor provided direction, I did not need to know long-term strategy to do my job.

B2: That is for people who are concerned with planning. I had no need for that.

A2: Wouldn't you (B2) like to know where this project was going and how good we were doing? I like to feel 'part of the team.'

B2: I have confidence in my superiors.

F1: Did you agree with the strategy? Why or why not?

B1: It does not matter if I agree.

B4: But how is your (B1) enthusiasm? It is easier to work hard if you believe that you are doing the right thing.

A2: I think we’d all agree with that.

ALL: (consensus)

F1: Did your management offer sufficient explanation of the short-term business plan?

B1: We knew that we were going to build several different cars from the same basic chassis. We knew we had to be closely coordinated with the U.S. We were concerned, because any time that we worked with other countries, it was very difficult.

F1: Why was it difficult?

B3: We did not understand each other. Not just language. We thought differently. We seemed to have different direction.

A2: We heard our Chairman say that we must have common processes and systems. In Germany, it was like they never heard that message.
B4: We heard it. The Americans wanted common processes and systems - but only if we used their processes and systems. There is reasons we do what we do and they should take those into consideration.

A1: I think both groups were guilty of that.

F1: Did you agree with the business plan? Why or why not?

B5: The over-all idea is good. We don’t have enough follow-up or attention to detail.

A1: Agreed.

F1: Did the level of business plan understanding affect your job performance?

B2: We were hesitant to make quick decisions.

F1: Had you worked on other joint vehicle development programs? Let’s talk about the successes or setbacks that you experienced in other joint vehicle development programs.

B4: We need to better understand our partners before we try to understand their market. We always have a communication problem that slows us down or actually causes mistakes to be made.

A1: I think we Americans can be a little arrogant at times, just like we accuse our partners. We tend to think we’re the best and leave no room for alternatives.

B5: A little arrogant?

All: (laughter)

F1: Were you satisfied or dissatisfied with your experience in other joint vehicle development programs?
B3: There is no doubt that we should have been better.

F1: Better how?

B2: We gave each other confusing messages (verbal and non-verbal). We should do better work at understanding each other.

F1: At the conclusion of these prior joint-venture projects, did your team review its performance for lessons learned?

B3: We all knew our performance and we needed to go onto our next projects.

F1: What are some of the pre-conceived ideas you held as you started this project?

B1: Americans took their country by force from the natives. They are used to being the most powerful and want you to know it.

B5: After World War II, we had to work closely together for the benefit of everyone. For our survival, we depended on one another. I think the Americans were raised on the idea of self-sufficiency. They like to think they don’t need anyone. It’s like in the old American Frontier Days. They take their parcel of land, work on it, and defend it.

B2: They’re cowboys!

A1: They think the boss is always right. We are more apt to challenge when we don’t agree.

F1: Did any of your pre-conceived ideas change as you concluded this project?

B1: Not very much! — But we started to better understand each other and to accept our different perspectives.
F1: How did you rate the success of this joint-venture vehicle development program at its' conclusion?

A2: If I were grading, I would give us a B- or a C+. Things that should have been simple for us were much more difficult than they should have been.

All: (Agreement)

F1: Why do you think that?

A1: We made bad assumptions about each other’s behavior.

B3: I thought that the Americans were more concerned about their own glory, rather than the success of the team.

F1: Were some aspects of this joint-venture project more successful than other aspects?

B5: Outside of work, we became close friends. I did not expect that.

F1: What lessons did you learn from this joint-venture project?

A1: I think the front-line workers could have done a better job of making joint-venture work, if management would have provided better, clearer leadership.

B1: We did manage to create better documentation processes for groups that face similar projects in the future.

F1: Describe the level of teamwork over the life of this project.

B4: All teams do better as time goes by. I wish that we were better at the start.

F1: What cultural markers did the team exhibit during this joint-venture project?

B1: The Americans wanted us to believe they were right just because they said so. We have learned that all decisions must be supported by knowledge of the subject.
B2: They didn’t respect us or each other. They wanted agreement without discussion.

A2: I made the mistake of not addressing one person as ‘Herr Doctor’. I didn’t realize that titles were important.

A1: It drove me nuts that no one in our meetings was empowered to make a decision.

B4: Our roles and responsibilities are clearly defined. It makes things easier and actually speeds decisions.

A2: When I deal with other departments, I am not allowed to deal directly with the worker. I have to go to the boss.

F1: Do you think that any of these cultural markers affected the success of this project? If yes, how?

B1: At first, yes. It took us awhile before we understood.

A2: Us, also.

F1: What things were pleasant surprises about this project?

B4: I think we learned to respect each other a little better.

All: (Agreement)

F1: In hindsight, what things could have been better managed? How?

B3: Not enough value is placed upon internal team communication. It’s hard to be a team when we don’t understand each other.

A2: Management needs to understand that it’s more than simply teamwork. Teamwork implies that we are a team to begin with. By that I mean that we are all starting from the same page.
Even though Americans are actually a mixture of all races, creeds and cultures, we start from a common American culture. We make a lot of assumptions about other cultures without knowing the facts.

F1: Would you like to participate in a similar joint-venture project in the future? Why or why not?

B1: I don’t think we have a choice. The world is becoming a global economy and we have to understand globally.

All: (Many words of agreement).

Closing:

I want to thank all of you for your participation. Please be assured that your thoughts are of great value for future planning. We will be holding a second session tomorrow, covering the same questions with another group of volunteers.

At the same times, 2 similar sessions are being held in Germany with a different facilitator. The results of those meetings will be combined with the meetings held here and a consolidated report will be made.

The good news, for those interested, is that we will be holding a joint teleconference where that report will be presented to all off the volunteer participants from Germany and here. You will be invited to express your opinions about this consolidated report before it goes to management. Your final opinions will be included in the final report.

Thanks so much for your time!
For the purpose of this transcription and to insure anonymity, all persons speaking are assigned a pseudonym in the form of a letter and number code:

F1 = Facilitator for the focus group session
A1 = First speaker from the United States
A2 = Second speaker from the United States
B1 = First speaker from Germany
B2 = Second speaker from Germany
B3 = Third speaker from Germany
B4 = Fourth speaker from Germany
B5 = Fifth speaker from Germany
B6 = Sixth speaker from Germany

Introduction:

My name is Uz Wagemann. We are here today for 2 reasons. You were invited here because you were recently involved in our first joint-venture project between
Global Motors and Baumgart AG. Global Motors wants our help to continuously improve their ability to manage as one company, and this is our first step in doing that.

Many questions come to mind about the lessons that we might have learned from your program. It was felt that we should start our understanding by talking the people who worked the “front lines” and try to learn the things that they learned from their experience. In other words, “How can we do things better the next time around?”

You should also know that, although the things that we say and do here will remain anonymous, the results of these sessions would also be used as the basis for a Doctoral Dissertation, which my U.S. counterpart will be submitting at a later date.

I’d like to begin by telling you a little about myself. I have 25 years at Baumgart AG and I’ve had many assignments, most in the area of performance requirements. I’ve been in the military, which assisted me in paying for my education. I spent some time in the U.S., attending NATO defense training while I was in our Air Force. Who would like to go next?

A1: I got a chance to come here as a Vehicle Architecture Manager. I thought it was a great opportunity. I was able to bring my family (I’ve got 2 kids under 12). The experience for all of us was priceless.

A2: I was eager to come, also. My wife and I have been able to do weekend getaways to several European locations.

I had worked in transmissions most of my career and I wanted to work with German Engineering precision to learn how they did it.
B1: I have been recently reassigned from America. We wanted to work together on new fuel system technology. I, too was excited for an overseas assignment, but I am glad to be home after 3 years.

B2: Perhaps I'll get an overseas assignment one day. My work here has been in chassis electrical systems.

My holidays are skiing. I volunteer for ski patrol and I get to ski at no cost. It is also good for meeting girls.

ALL: (Laughter)

B3: I take only warm holidays. My wife and I have just returned from Cuba. We stayed at a private residence with a Cuban family. We spoke no Spanish and they spoke no German. We were able to converse a little in English.

I work on customer comfort items—the little things that customers like.

B4: Riding and handling is my specialty. There are major differences in customer wants between the U.S. and Germany. Germans want to feel very stable and Americans want to feel quick response. The 2 requests are conflicting. You can’t have both.

B5: My job is to capture engineering specifications, that is, the information that describes automotive parts and tells in which order they are used.

B6: I work in manufacturing engineering. We are responsible for building and running the vehicle assembly plants.

F1: Well, let’s get started. Had your group or division discussed Global Motors long-term business strategy?
**B1:** We had an informational meeting way back-I don't remember exactly when. We have a lot of information meetings. If I'm not working in that area, I don't pay heed. I'm working on more immediate problems.

**A2:** When ever management talks theory, it tends to change many times before the results are apparent. Then we have new management and they bring in their own theory.

**F1:** **How much did you really need to know about long-term strategy to do your job?**

**B6:** Nice to know, but not relevant to getting the job done.

**B2:** We don't concern ourselves with long-term strategy. We never see the direct results.

**B4:** I'm too busy. Let those who have that job do that job.

**F1:** **How much knowledge of the long-term strategy was important to you?**

**B3:** It would help us be surer of our actions.

**F1:** **Did you agree with the strategy? Why or why not?**

**A1:** The strategy is right but I think we have much to learn. We need to be world knowledgeable and we need to work together for the common good.

**F1:** **Did it affect your over-all job performance?**

**A2:** Things took me much longer to accomplish.

ALL: (Agreement)

**F1:** **Did your management offer sufficient explanation of the short-term business plan?**
B1: Yes, but they didn’t offer suggestions on how to make it happen and it wasn’t clear if we were suppose to do things on our own.

A2: They probably did, but I probably figured it was so much rhetoric. It usually was, because they change their minds so often.

B6: You have to realize that those decisions are not in our arena, so we pay very little mind.

F1: How might this knowledge help or hinder your ability to do your job?

B5: As long as my manager provides direction, and he knows the business plan, I have no need.

A1: Not knowing makes you feel not included. Being not included makes you feel not worthy. Feeling not worthy makes you not enthusiastic.

A2: We’d like to feel a part of the team.

F1: Did you agree with the business plan? Why or why not?

B2: I think the plan is good. I think we must support it.

B1: It is not up to me to agree. My duty is to make it work.

F1: Had you worked on other joint vehicle development programs? Let’s talk about the successes or setbacks that you experienced in other joint vehicle development programs.

B2: In other countries, cost of labor is much less expensive. Therefore, those countries with very cheap labor tend to design their factory jobs to be labor intensive.
In America and Germany, labor is expensive, so we design a lot of automation. We tend to think our designs are efficient for other countries. It is often not true. It took us much too long to understand that.

A1: In our partnership with Sweden, we had to develop a more equitable system of financing. The sales volume on their product did not justify the expense of the improvements we required. We had to base expense on sales volume.

A2: We are heavily invested in Italy. We should have better understood their market.

F1: Were you satisfied or dissatisfied with your experience in other joint vehicle development programs?

B1: It was very hard

ALL: (agreement)

F1: What things contributed to your satisfaction and dissatisfaction?

A2: We had trouble understanding each other. Not the language, but the way we looked at things.

B1: We had trouble communicating our legal and performance requirements.

B5: Just when we thought we had agreement, something would change.

F1: At the conclusion of these prior joint-venture projects, did your team review its performance for lessons learned?

B5: Over a beer, later, outside of work.

A2: Mostly, we just complained and took no definitive action.

F1: Were you optimistic or less than optimistic about this joint-venture project before you started?
A4: I think that's pretty obvious! None of us had anything good to say about our other experiences.

All: (General agreement).

F1: What are some of the pre-conceived ideas you held as you started this project?

B3: I thought that Americans were pretending to be friendly. I reserve friendship until it is earned.

B1: I thought that they were terribly impulsive and liked to take unnecessary risks.

B2: The Americans were undisciplined. They did not adhere to schedules. They didn't like rules and procedures. We feel procedures avoid confusion.

A1: The Germans won't trust their own knowledge. They want to have all decisions approved before they act.

A2: They're far too serious all of the time.

B5: They are informal and it lessens the value of the interaction. They don't take you seriously.

F1: Did any of your pre-conceived ideas change as you concluded this project?

A2: I won't say that they changed. I will say that, as time went by, I better understood.

B1: Americans have great courage to act on their own. Sometimes I would like a little of that.
F1: How did you rate the success of this joint-venture vehicle development program at its' conclusion?

B2: I think we did fairly good, based upon where we started.

B5: We learned from each other and I think we would be better, if we worked together on another project.

F1: Why do you think that?

A1: We would be pass the 'honeymoon' stage

B3: We better understand one another.

F1: Were some aspects of this joint-venture project more successful than other aspects?

B1: I would say that it was even.

A2: I think mutual understanding improved.

F1: What lessons did you learn from this joint-venture project?

A2: I think anytime 2 cultures are put together to perform a task, you must make sure that they understand and appreciate each other. I think that very specific training must take place that doesn't try to justify behavior, but only helps the people to understand the roots of behavior.

A2: By doing that, cultural tolerance and understanding are formed.

All: (Agreement)

F1: Describe the level of teamwork over the life of this project.

B4: Teamwork always improves over time or the team dissolves.
Closing:

I want to thank all of you for your participation. Please be assured that your thoughts are of great value for future planning. We will be holding a second session tomorrow, covering the same questions with another group of volunteers.

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AN EXAMINATION OF CROSS-CULTURAL UNDERSTANDING
IN A GLOBAL AUTOMOTIVE COMPANY

A dissertation
presented in partial fulfillment
of the requirements for the degree
Doctor of Philosophy

by

A. Dale Phillips

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