

**CHALLENGES AND LIMITATIONS OF INTERCULTURAL TRAINING  
FOR INPATRIATES  
IN GERMAN MULTINATIONALS  
- A CASE STUDY-**

**YVONNE ALEXA HENZE  
DOCTOR OF PHILOSOPHY  
ASTON UNIVERSITY  
OCTOBER 2009**

This copy of the thesis has been supplied on condition that anyone who consults it is understood to recognise that its copyright rests with its author and that no quotation from the thesis and no information derived from it may be published without proper acknowledgement.

## **Summary**

Despite the increasing popularity of research on intercultural preparation and its effectiveness, research on training for inpatriates has not been developed with the same level of rigour as research on training for expatriates. Furthermore, research on intercultural training hardly ever includes the aspect of preparing for the corporate culture of a company. For expatriates coming from headquarters' national culture and equipped with a good knowledge of headquarters' corporate culture, it might be sufficient to address only the national culture of the location abroad. But can the same be said for inpatriates coming from a foreign subsidiary? Therefore the qualitative research of my thesis was aimed at finding out if intercultural training programmes that address only the national culture of the host country are sufficient to prepare inpatriates for working at headquarters.

A case study using a German multinational company has been conducted in order to find out what kind of problems and irritations inpatriates at the company's headquarters perceive at work. In order to determine whether the findings are related to the national or the corporate culture, Hall's and Hofstede's approaches to culture were used.

The interview analysis produced the following conclusion: Although the researched company promotes standardised worldwide corporate guidelines, there are many differences between headquarters and subsidiaries regarding the interpretation and realisation of these guidelines. These differences cause irritation, confusion and problems for the inpatriates. Therefore an effective intercultural preparation for inpatriates should be tailor-made and take into account the aspect of corporate culture, as well as the specific roles and functions of inpatriates.

Key words: expatriates, headquarters, corporate culture, national culture, case study

DEDICATION

FOR ME, MYSELF AND I

## LIST OF CONTENTS

<b>1 INTRODUCTION.....</b>	<b>10</b>
1.1 PURPOSE OF THIS THESIS.....	10
1.2 STRUCTURE .....	10
<b>2 INTERNATIONAL ACTIVITIES OF COMPANIES.....</b>	<b>12</b>
2.1 STATUS QUO IN MULTINATIONAL COMPANIES.....	12
2.2 INTERNATIONALISATION OF BUSINESS .....	13
2.3 MULTINATIONAL COMPANIES – A DEFINITION .....	14
2.4 COORDINATION AND CONTROL INSTRUMENTS .....	15
2.4.1 <i>Forms of control</i> .....	15
2.4.2 <i>Internationalisation phase and strategy</i> .....	16
2.4.3 <i>Dynamics of corporate culture</i> .....	18
2.5 INTERNATIONAL ASSIGNMENTS .....	21
2.5.1 <i>Tasks of expatriates</i> .....	21
2.5.2 <i>Assignment of inpatriates</i> .....	22
2.5.3 <i>Differences and similarities</i> .....	25
2.6 SURVEY ON INPATRIATE MANAGEMENT IN GERMAN MULTINATIONALS.....	26
2.7 SUMMARY .....	33
<b>3 CULTURE.....</b>	<b>34</b>
3.1 INTRODUCTION .....	34
3.2 ORIGIN AND MEANING OF THE TERM ‘CULTURE’ .....	34
3.3 CHARACTERISTICS AND FUNCTIONS OF CULTURE.....	35
3.4 SUBCULTURES.....	36
3.5 DEFINING CULTURE.....	37
3.5.1 <i>Expanded and narrow definition of culture</i> .....	37
3.5.1.1 Closed and open definition .....	38
3.5.1.1.1 Closed definition.....	38
3.5.1.1.2 Open definition .....	39
3.5.1.1.3 Open or closed definition?.....	40
3.6 DIFFERENT APPROACHES TO CULTURE .....	41
3.6.1 <i>Hall’s approach</i> .....	41
3.6.1.1 Critical evaluation.....	43
3.6.2 <i>Hofstede: “Culture as Software of the mind”</i> .....	44
3.6.2.1 Critical evaluation.....	47
3.6.3 <i>Trompenaars and Hampden-Turner</i> .....	49
3.6.3.1 Critical evaluation.....	51
3.6.4 <i>GLOBE study</i> .....	52
3.6.4.1 Critical evaluation.....	54
3.7 GENERAL PROBLEMS RESEARCHING CULTURES.....	54
3.7.1 <i>Overgeneralisation</i> .....	54
3.7.2 <i>Culture change</i> .....	55
3.7.3 <i>Situational context</i> .....	55
3.7.4 <i>Response style</i> .....	55
3.7.5 <i>Subcultures</i> .....	56
3.7.6 <i>Lack of theoretical basis</i> .....	56
3.7.7 <i>Linguistic aspects</i> .....	56
3.7.8 <i>Conclusion</i> .....	57
3.8 SUMMARY.....	57
<b>4 CORPORATE CULTURE .....</b>	<b>59</b>
4.1. THE RELEVANCE OF CORPORATE CULTURE FOR A MULTINATIONAL COMPANY.....	59

4.2 HISTORY OF CORPORATE CULTURE .....	61
4.3 DEFINITION OF CORPORATE CULTURE.....	62
4.4 FUNCTIONS OF CORPORATE CULTURE.....	67
4.5 BUILDING A CORPORATE CULTURE.....	69
4.6 SUBCULTURES AS PART OF THE CORPORATE CULTURE .....	71
4.7 MEASURABILITY AND ACCESSIBILITY .....	72
4.8 DIFFERENT APPROACHES TO CORPORATE CULTURE.....	74
4.8.1 Hofstede's approach to corporate culture.....	74
4.9 NATIONAL CULTURE VS. CORPORATE CULTURE .....	76
4.9.1 Summary .....	79
<b>5 COMMUNICATION.....</b>	<b>81</b>
5.1 INTRODUCTION .....	81
5.2 DEFINING THE TERM 'COMMUNICATION' .....	82
5.2.1 Areas of Communication .....	84
5.3 THE REPERTOIRE OF MEANING .....	86
5.4 COMMUNICATION AND CULTURE .....	87
5.5 INTERCULTURAL COMMUNICATION.....	89
5.5.1 Differentiating intercultural vs. intracultural communication.....	90
5.5.2 Problems in intracultural vs. intercultural communication .....	91
5.6 COMMUNICATION IN THE BUSINESS CONTEXT .....	92
5.6.1 Business communication vs. general communication.....	92
5.6.2 Linguistic vs. cultural competence.....	93
5.6.3 Corporate communication .....	94
5.6.3.1 Corporate communication in multinational companies .....	94
5.7 SUMMARY .....	96
<b>6 INTERCULTURAL TRAINING .....</b>	<b>98</b>
6.1 HISTORY OF INTERCULTURAL TRAINING .....	100
6.2 THE NEED FOR INTERCULTURAL PREPARATION .....	101
6.3 INTERCULTURAL COMPETENCE .....	102
6.4 INTERCULTURAL LEARNING .....	104
6.5 ACCEPTANCE OF INTERCULTURAL TRAINING .....	105
6.5.1 Missing theory and lack of quality standards for trainers.....	106
6.5.2 Costs.....	107
6.5.3 Results.....	107
6.5.4 Lack of time.....	108
6.6 PHASES AND CATEGORIES OF INTERCULTURAL TRAINING .....	108
6.6.1 Training phases.....	108
6.6.2 Aims of intercultural training .....	109
6.6.3 Training format.....	110
6.7 TRAINING CONTENT .....	110
6.7.1 Culture-general training.....	110
6.7.2 Culture-specific training.....	111
6.8 TRAINING TECHNIQUES .....	111
6.8.1 Didactic approach .....	111
6.8.2 Learning through experience.....	112
6.9 TRAINING TYPES .....	112
6.9.1 Online training.....	113
6.9.2 Coaching.....	113
6.9.3 Critical evaluation of training types.....	114
6.10 TIME FOR INTERCULTURAL LEARNING .....	116
6.10.1 Time for intercultural training.....	116
6.10.2 Time for coaching .....	117

6.11 EVALUATION OF INTERCULTURAL TRAINING.....	117
6.12 TRAINING PROBLEMS .....	120
6.12.1 <i>Problems for the company</i> .....	120
6.12.2 <i>Problems for the trainer</i> .....	121
6.12.3 <i>Different requirements for expatriate and inpatriate managers</i> .....	122
6.13 SUMMARY .....	124
6.14 RECOMMENDATION.....	124
<b>7 RESEARCH METHODOLOGY .....</b>	<b>125</b>
7.1 INITIAL SITUATION AND RESEARCH QUESTIONS.....	125
7.2 QUALITATIVE VS. QUANTITATIVE RESEARCH METHODS .....	126
7.3 SURVEY POPULATION.....	129
7.4 APPLIED METHODS .....	130
7.5 THE PARTICIPANTS.....	133
7.6 DATA COLLECTION AND ANALYSIS .....	133
7.7 LIMITATION OF APPLIED METHOD.....	134
<b>8 COMPANY BACKGROUND .....</b>	<b>136</b>
8.1 FACTS AND FIGURES ABOUT COMPANY X.....	136
8.2 CORPORATE CULTURE, CODE OF CONDUCT AND CORPORATE GUIDELINES .....	137
8.2.1 <i>Corporate Culture from an employee's point of view</i> .....	139
8.3 INTERNALISATION STRATEGY.....	140
8.4 INPATRIATES .....	141
8.4.1 <i>Salary</i> .....	143
8.4.2 <i>Housing</i> .....	143
8.4.3 <i>Cost of living</i> .....	144
8.4.4 <i>International Service Premium</i> .....	144
8.4.5 <i>Relocation allowance</i> .....	144
8.4.6 <i>Summary: International assignment policy</i> .....	144
8.5 LANGUAGE AND INTERCULTURAL PREPARATION .....	145
8.5.1 <i>General framework of intercultural training</i> .....	145
8.5.2 <i>Trainers</i> .....	146
8.5.3 <i>Target group of the intercultural training</i> .....	146
8.5.4 <i>Time of training</i> .....	147
8.5.5 <i>Language of training</i> .....	147
8.5.6 <i>Content and methodology of training</i> .....	147
8.5.7 <i>Evaluation</i> .....	148
8.5.8 <i>Language classes</i> .....	148
8.6 PROBLEMS AND CRITICISM ON THE PART OF THE TRAINING PROVIDER .....	149
8.7 CRITICISM ON THE PART OF THE AUTHOR .....	149
8.8 STATUS QUO.....	152
8.9 SUMMARY .....	152
<b>9 CASE STUDY .....</b>	<b>154</b>
9.1 INTERVIEW ANALYSIS .....	154
9.1.1 <i>Interview guide</i> .....	156
9.1.2 <i>Theory used for analysing the data</i> .....	156
9.1.3 <i>Data omission</i> .....	157
9.2 INTERVIEW FINDINGS: DIFFERENCES IN WORKING LIFE .....	158
9.2.1 <i>Summary of personal information</i> .....	158
9.2.2 <i>Intercultural preparation</i> .....	159
9.2.3 <i>Differences in working life</i> .....	161
9.2.3.1 <i>Concept of time</i> .....	161
9.2.3.2 <i>High- vs. low-context communication</i> .....	164

9.2.3.3 Space ratio.....	167
9.2.3.4 Speed of information .....	168
9.2.4 Summary .....	171
9.2.5 Conclusion .....	172
9.3 INTERVIEW FINDINGS: PERCEPTION OF CORPORATE CULTURE.....	173
9.3.1 Hofstede's implicit models of organisations.....	174
9.3.2 Analysis of interviews .....	176
9.3.2.1 Areas of corporate culture.....	176
9.3.2.1.1 Language/jargon .....	177
9.3.2.1.2 Power/distribution of power .....	179
9.3.2.1.3 Leadership/communication of leadership.....	183
9.3.2.1.4 Process of decision-making .....	184
9.3.2.1.5 Ways of control and control instruments.....	186
9.3.2.1.6 Preparation for headquarters' culture .....	187
9.3.3 Summary .....	189
9.3.3.1 Results.....	189
9.3.3.2 Corporate vision vs. corporate reality.....	191
9.3.3.3 Evaluation of Hofstede's implicit models of organisations.....	192
9.3.3.4 Conclusion .....	193
<b>10 REVIEW AND DISCUSSION OF RESEARCH FINDINGS .....</b>	<b>195</b>
10.1 STRUCTURE OF THESIS .....	195
10.2 FINDINGS OF CASE STUDY .....	197
10.2.1 Actuality and practical experience of Hofstede's dimensions.....	198
10.2.2 Reasons for perceived problems and irritations.....	198
10.2.3 Discrepancies between corporate culture and national culture.....	199
10.2.4 Effectiveness of intercultural training .....	199
10.3 CONCLUSION OF RESEARCH FINDINGS .....	200
10.3.1 Implications for intercultural training design .....	200
10.3.2 Implications for inpatriate management at company X.....	202
10.4 LIMITATIONS OF THIS STUDY .....	203
10.5 SUGGESTIONS FOR FURTHER RESEARCH .....	203
<b>REFERENCES.....</b>	<b>205</b>
<b>APPENDICES .....</b>	<b>214</b>
APPENDIX 1: SURVEY - INPATRIATE MANAGEMENT IN GERMAN HEADQUARTERS .....	214
APPENDIX 2: SURVEY - INTERCULTURAL TRAINER .....	216
APPENDIX 3: CORPORATE SPIRIT OF COMPANY X .....	218
APPENDIX 4: THE CORPORATE GUIDELINES OF COMPANY X .....	219
APPENDIX 5: INTERNATIONAL PERSONNEL MANAGEMENT GUIDELINES .....	220
APPENDIX 6: COMPANY X'S CODE OF CONDUCT .....	221
APPENDIX 7: COMPLIANCE & ANTI-CORRUPTION HOTLINE .....	223
APPENDIX 8: INTERVIEW GUIDE .....	224
APPENDIX 9: TRANSCRIPTS OF INTERVIEWS.....	225
APPENDIX 10: HOFSTEDE'S CULTURE DIMENSIONS.....	241

## **LIST OF FIGURES**

FIGURE 2-1: INTERNATIONALISATION MATRIX.....	19
FIGURE 2-2: OPERATIONAL AREA OF INPATRIATES .....	27
FIGURE 2-3: REASONS FOR INPATRIATION .....	28
FIGURE 2-4: DEVELOPMENT OF INPATRIATION.....	29
FIGURE 2-5: INTERCULTURAL PREPARATION .....	30
FIGURE 2-6: TRAINING TOPICS .....	32
FIGURE 4-1: RELATIONSHIP CORPORATE CULTURES .....	78
FIGURE 5-1: PROCESS OF COMMUNICATION .....	84
FIGURE 9-1: IMPLICIT MODELS OF ORGANISATIONS .....	175
APPENDIX 10-FIGURE 1: POWER DISTANCE INDEX VALUES.....	241
APPENDIX 10-FIGURE 2: UNCERTAINTY AVOIDANCE INDEX VALUES.....	241
APPENDIX 10-FIGURE 3: INDIVIDUALISM INDEX VALUES.....	242
APPENDIX 10-FIGURE 4: MASCULINITY INDEX VALUES .....	242



**LIST OF TABLES**

TABLE 2-1: SITUATION OF EXPATRIATES AND INPATRIATES.....	26
TABLE 3-1: DIMENSIONS OF HOFSTEDE AND GLOBE.....	53
TABLE 9-1: TOPICS IDENTIFIED ACCORDING TO HALL'S CATEGORIES .....	161

# **1 Introduction**

## ***1.1 Purpose of this thesis***

The purpose of this thesis is to explore the difference between national and corporate culture and highlight its impact upon the integration and intercultural training preparation of inpatriates in German multinational companies. I aim to advance the understanding of inpatriates, “foreign nationals and third country nationals who are relocated to the organisations’ domestic headquarters” (Harvey, Ralston, and Napier 825), as being different from expatriates, “headquarters employees working abroad in one of the firm’s subsidiaries for a limited period” (Harzing 366). Applying a case study with one German multinational company, this research is among the first attempts to address explicitly the influence of corporate culture on the adjusting process of inpatriates.

Although the increasing importance of inpatriates, due to the larger multicultural nature of companies and the need for diversity, is obvious (Reiche 1573), research on this specific group of international assignees is still limited (Reiche 1573), apart from some research done by Peterson (2003) and Harvey et al. (1997, 1999, 2000, 2005). Part of the reason for the relative lack of research in this field may be that management researchers equate the situation of expatriates with the position of inpatriates and do not regard the last-mentioned group as being in a more difficult situation because of their lack of knowledge of the culture at headquarters. Another factor may be that the influence of corporate culture is underestimated or at least that corporate culture is regarded as less important than national culture. A third factor might be the fact that a specific corporate culture is difficult to access and explore and therefore complicated to research.

## ***1.2 Structure***

I focus on two interrelated areas, both theoretically and empirically. First, I will define the situation of companies in the global market. Following that I will give a detailed overview of culture and the different approaches to it. This discussion is necessary in order to decide which approach to use in intercultural training. In addition, one needs to know how culture is defined in order to understand what a subculture is. The concept of corporate culture, which can be regarded as a subculture of national culture, is discussed afterwards. I refer to debates on corporate culture and intercultural training in current scholarship and argue that much of the available literature on this topic tends to obscure the role of corporate culture in intercultural training and mainly concentrates on the impact of national culture. The reason for this seems to be the general assumption that the corporate culture is strongly influenced by the national culture of the country the company is situated in. Therefore it is expected that

even when moving to another division of the company, the corporate culture will be very similar to the national culture and hence the knowledge of the latter will be sufficient for integration. However, my findings indicate that equating corporate and national culture is too simplistic and not at all realistic because, on the one hand, that assumption would mean that all companies within the same national culture would have the same or at least a very similar corporate culture. On the other hand, equating corporate and national culture would lead to the foregone conclusion that the corporate culture in the subsidiaries is very similar to the national culture in the specific country of the subsidiary and therefore totally differs from headquarters' culture. For the purpose of cohesion of all areas within the organisation, it is essential to support a common corporate culture but, at the same time, in order to allow also for national deviations in the subsidiaries, a corporate culture should provide unity in diversity.

Following the discussion of corporate culture, communication as a process and an instrument to communicate corporate culture will be explained. The main focus will be on illustrating how communication in general differs from business communication and which problems are involved when it comes to intercultural communication.

The last chapter of the theory part of this thesis will be an outline of intercultural training, its history, goals and different types.

The empirical part will start with an explanation and reasoning of the chosen methodology used in this thesis. Afterwards, the company researched will be introduced and its corporate culture explained. To back up the theoretical information from the company's website, interviews with the international assignment manager and the training provider were conducted. Then a series of interviews with inpatriates will be analysed in detail.

My empirical investigation took the form of interviews with inpatriates working at the headquarters of a German multinational company. These interviews provided insights into the personal and psychological issues of these employees. My research suggests that successful integration of inpatriates and effective assignments abroad do not only depend on the acculturation to the national culture of the foreign country but also on the adaptation to the corporate culture of the headquarters. I thus argue the need to recognise the importance of the 'new' corporate culture and to go beyond the simplistic notion of equating national and corporate culture. The ignorance of corporate culture in intercultural training works against a smooth and quick integration, whilst recognition of it facilitates a problem-free integration and successful assignment.

I will conclude my thesis with the key implications of my research for intercultural training designs and make some suggestions for integrating the specific issues of inpatriates into intercultural training.

## 2 International activities of companies

### 2.1 *Status quo in multinational companies*

At Volkswagen, the age an employee is promoted and takes over a leadership position is between 35 and 44 years (Gutmann and von Rath 74) and in all probability this will be the same in many German multinational companies. Due to the demographic change in Germany this age cohort will decrease by 30% by 2020 (Gutmann and von Rath 74). As a consequence of this shortage of young home-based executives, German companies have to find other ways for personnel recruitment: After decades of mainly sending German managers into foreign subsidiaries all over the world in order to transfer knowledge and exercise control, companies will be forced to take in employees from these subsidiaries, the so-called inpatriates, in order to fill up their executive pool. Inpatriates are defined by Harvey, Ralston, and Napier as “foreign nationals and third country nationals who are relocated to the organisations’ domestic headquarters to serve as a ‘linking-pin’ to the global marketplace” (825).

Nowadays the situation for multinational companies has changed: A lot of employees do not want to go abroad because they are concerned about their children changing schools and about their spouses’ careers (“Travelling more lightly” 73) and, in addition, developing and emerging countries with their poor business infrastructure, the greater cultural distance (Reiche 1573) and their general living conditions are not very appealing to prospective expatriates. But at the same time expatriates are still needed because often it is not possible to find skilled locals (“Travelling more lightly” 73). Contrary to the assumption that the number of expatriates will decrease in the near future due to the high cost and the companies’ policy of filling positions in foreign subsidiaries with local personnel (Peterson 61), a recent study by Mercer showed that 38% of the multinational companies surveyed have increased the number of expatriates in the last two years (Paus), and another 47% of the companies stated that they are still sending out the same number of expatriates (“Travelling more lightly” 73). It is strongly assumed that the number of international assignments will continue to increase: from headquarters to a subsidiary (expatriates) but even more from subsidiary to headquarters (inpatriates) and between subsidiaries (transpatriates) (Moosmüller 43). Especially inpatriates and transpatriates will gain importance because they can complement and substitute expatriates (Reiche 1573) and they are not as cost-intensive as expatriates because inpatriates and transpatriates usually only receive a modest salary increase or none at all and often do not get living allowances or other incentives (Harvey 402).<sup>1</sup>

---

<sup>1</sup> A study has revealed that only 33% of the inpatriates received cost of living allowance on the international assignment whereas 100% of expatriates received it (Harvey 402).

In the field of International Human Resource Management, the management of expatriates has taken up a dominant role and has become an important and well researched topic. Inpatriation, on the other hand, is less well researched and up to 1990 hardly appears in the literature (Peterson 57). But because of the above mentioned change and a decrease in the number of expatriates, due to their high costs and the companies' policy of filling positions in foreign subsidiaries with local personnel (Peterson 61), the topic and functions of inpatriation are set to gain more importance in the near future, which will also have an influence on the discussion of intercultural training for inpatriates.

Before taking a detailed look at intercultural training and its methods, it is necessary to define the situation of companies in the global market and the problems and challenges companies face in order to stay competitive in a globalised world. Furthermore, it will be shown how companies interact with their subsidiaries abroad by assigning expatriates from the headquarters or inpatriates from the subsidiary.

The following chapter will illustrate the company-related aspects which play a role when it comes to internationalisation of business and to assignments. Furthermore, the different tasks, roles and the problems that inpatriates and expatriates have to tackle will be explained to facilitate a later discussion of how and to what extent it would be possible to address them in intercultural training.

In order to understand inpatriates' and expatriates' roles, situations and the problems involved it is necessary to have a closer look at the perspective and situation of the sending or receiving headquarters.

After giving a definition of multinational companies, the aspects which play an important role when it comes to assignments in the subsidiary will be explained in detail. These aspects are: tasks, forms of control, internalisation phase and strategies.

I will conclude this chapter by connecting the theoretical background with an outline of the actual situation of inpatriation in German multinationals and the results of an investigation I carried out in 2004 among the 56 biggest German multinational companies.

## ***2.2 Internationalisation of business***

In order to secure competitiveness and generate export growth, it is of key importance for companies worldwide to internationalise their business and be part of the emerging trading networks. The primary way of achieving this goal is through Foreign Direct Investments, which are defined as multinational companies' complete or part ownership of an enterprise in another country (Deresky 482). From 2005 until 2007, the amount invested in cross-border mergers and acquisitions doubled (Kruber, Mees, and Meyer 17; UNCTAD 253). In 2006, German companies invested 45.1 billion Euro abroad (half of this in the European Union

member states) in acquisitions, mergers and greenfield projects (Kruber, Mees, and Meyer 18).

According to a recent study conducted by the German Chamber of Industry and Commerce among 8000 German companies, 65% of the foreign investments are motivated by market strategy reasons, e.g. to ensure and enter new markets, to win new customers, to serve them best and ensure close ties with them, provide good service and to design suitable marketing strategies (DIHK 3). For 35% of the German companies investing abroad, cost reduction is the crucial reason (DIHK 3). In a Europe-wide comparison in 2006, Germany had the fourth highest unit labour costs<sup>2</sup> in the manufacturing sector. To compensate for this disadvantage and to find alternatives for the rising development costs in domestic locations (DIHK 1) companies have to find countries with lower labour costs. Producing in these countries gives them the possibility to sell their products for a lower price in the regular market and to secure a competitive advantage (Kruber, Mees, and Meyer 18).

The dependence on the economic relations with foreign countries is obvious when looking at the fact that already now a third of the available manufactured goods and pre-products in Germany come from abroad, approximately 40% of all jobs in Germany are involved in production for overseas customers (Kruber, Mees, and Meyer 21) and every fourth job is directly dependent on the export business (DIHK 2). These economic relations highlight the significance of doing business with people from other cultures, serving customers with different norms and values, and that in turn stresses the importance of intercultural communication and competence. As a result of these global economic relations, a global mindset on all levels of the workforce is essential in order to appreciate and encourage diversity. According to Black and Gregersen there is only one way to support a global mindset and to change people's way of thinking about doing business globally: Working on an international assignment for a couple of months (56). Having realised that, companies are now focusing more on economies of scope than on economies of scale (Harvey et al. 268).

### ***2.3 Multinational companies – a definition***

The process of sending or receiving employees from other locations of the organisation is an important one for those companies who do not only produce and sell in the national market or run branches there but are active in the international market, and act globally: Multinational organisations. The term 'multinational organisation' refers to those organisations whose individual subsidiaries abroad are regarded as independent divisions within the group. The headquarters only exercises control functions and decisions concerning personnel, whereas product design or marketing are decentralised, which has the advantage

---

<sup>2</sup> Unit labour costs = ratio of labour costs to labour productivity.

that they can be adapted to the local conditions, but at the same time this means that there is very little knowledge transfer among the individual subsidiaries (Recklies 4).

Sieber goes even further and defines an organisation as multinational only if the business abroad has such a big stake in the overall profit of the organisation that the organisation has to modify its policies and structures because of the importance and influence of the subsidiary (54).

In multinational companies, the organisation's policy and structure as well as the structure and qualifications of the workforce are geared towards the international business activity. That is numerically evident in the number of subsidiaries, the number of countries in which subsidiaries are located, the market share abroad and the number of foreign employees in the headquarters and in the top management (Dülfer 7).<sup>3</sup>

## ***2.4 Coordination and control instruments***

No matter how big, how established, how successful or developed, how close or how autonomous a subsidiary is, it is always still part of the overall organisation and accountable to the headquarters. Therefore some form of coordination and control instruments must be established in order to ensure that the subsidiaries function internally and externally according to the overall goals of the organisation.<sup>4</sup> Egelhoff explains the relevance of control as follows:

The importance of control as an integrating mechanism within organizations stems from the fact that it reduces uncertainty, increases predictability, and ensures that behaviours originating in separate parts of the organization are compatible and support common organizational goals. (73)

### **2.4.1 Forms of control**

The use of an expatriate as a control instrument is of particular importance because it is common practice. Sending an expatriate in order to control, observe and evaluate the business transactions and practices in the subsidiary is called behaviour or direct control (Egelhoff 73). This form of control implies a uniform understanding of appropriate practices and evaluation criteria in order to assess what is useful for the organisation.

The second form of control mentioned by Egelhoff is the output control (73). This control mechanism means that the subsidiaries make their data available to the headquarters

---

<sup>3</sup> According to Borrmann we speak of a national organisation if the purchasing, performance production and utilisation and the investment in fixed assets are mainly geared towards one specific macro-economy. Import and export relationships with other countries do not play a role as long as they do not have an impact on the organisation structure. The preconditions for being named an international organisation are the permanent foreign direct investments and the contribution to different macro-economies which leads to a change in the organisation's structure (19-20).

<sup>4</sup> I am familiar with Dobry's model of internal and external company factors which have an influence on the relationships between headquarters and subsidiary and the way power is distributed between them. But for this brief overview and my overall topic I do not regard it necessary to discuss it in detail.

(Egelhoff 73). This demands a very precise analysis of the figures and suitable standards to make them comparable because the sales figures of different subsidiaries cannot just be compared without taking into account the variable internal and external factors of the market situation.

In a survey from 1980 among 50 multinational organisations in Europe and the USA, Egelhoff found that the preferred control form in American organisations is the output control, while European organisations prefer the behaviour control (78). US multinationals are more interested in the measurement of quantifiable and objective aspects, whereas European multinational organisations show more attention to qualitative aspects in the subsidiaries abroad (Egelhoff 78). It can be assumed that the reason for this is the uncertainty avoidance index (Hofstede)<sup>5</sup> which is higher in many European countries than in the USA, and the higher this index is, the stronger the control will be in order to reduce the uncertainty and the risk.<sup>6</sup> Even taking into account factors such as country, size and age of subsidiary, and the experience of the organisation as a multinational did not change the fact that the national culture of the headquarters played the most important role regarding the choice of control.

#### **2.4.2 Internationalisation phase and strategy**

Not only the tasks which should be handled in the subsidiary and the preferred control form play an important role in the decision to send a headquarters' employee to a subsidiary, but also the internationalisation phase and strategy of the organisation.

The internationalisation phase describes the development status from a national to a multinational operating company. In the build-up of a new subsidiary, knowledge transfer plays an important role, which is at that stage only possible from the headquarters to the subsidiary. In addition, there might be no qualified local personnel to fill the various positions. Therefore, in this phase it may be the best solution to fill positions with expatriates. When the subsidiary is established, tasks such as control or training of local personnel are reasons for sending expatriates from the headquarters (Adler & Ghadar 248; Macharzina 372).

The internationalisation strategy describes the way of making decisions, communicating, supervising and leading within the organisation (Kutschker and Schmid 287).

---

<sup>5</sup> More on Hofstede's culture dimensions in chapter 3.6.2.

<sup>6</sup> Although Hofstede states that the two dimensions uncertainty avoidance and power distance are of specific importance when thinking about companies, there is no correlation evident between the choice of control form and the power distance index. The range of power distance index among European countries is very broad: there are some countries with a much lower PDI than the USA (40), such as Norway (31), Denmark (18), Austria (11), Germany (35), Sweden (31); there are some with pretty much the same PDI as the USA such as Estonia (40), the Netherlands (38), Luxembourg (40); and there are others with a much higher PDI than the USA, such as Belgium (60), Croatia (73), Spain (57), Switzerland (70), France (68) and Greece (60). In my opinion this broad range of PD indexes does not allow for a conclusion about a correlation between the European preference for behaviour control and the PDI.



The internationalisation strategies according to Heenan and Perlmutter, one of the most well-known models, are divided into four orientations (20):

*Ethnocentric orientation ('home country attitude')*: The headquarters defines the strategies and management concepts and makes sure that everything is done according to the terms of the organisation by filling key positions in the subsidiary with expatriates. So the relationship between headquarters and subsidiary is one-sided and duties are mainly assigned by the headquarters. The subsidiary has little autonomy (Heenan and Perlmutter 20).

This strategy can lead to a lot of conflict between headquarters and subsidiary because cultural differences are neglected in favour of a standardisation of the organisation (Kinast and Schroll-Machl 55), key positions are filled with headquarters' nationals and the subsidiary may get the impression of being 'colonialised'. Local personnel may become demotivated when they have no chance to get a key position. But on the other hand, coordination problems will not arise because the headquarters decides everything.

*Polycentric orientation ('host country orientation')*: Strategies and management concepts are developed in the local market and the requirements of the location and the cultural differences are taken into account. The existence of different mindsets is accepted and none of these mindsets are prioritised within the organisation (Kutschker and Schmid 286). The subsidiary is very autonomous, or as Stahl puts it: "All business is local" (16). Key positions are filled with locals and there is little exchange of information between headquarters and subsidiary and among the different subsidiaries (Bolten, Einführung 202). Because of the resultant diversity of management concepts and strategies between the headquarters and the subsidiary and the lack of communication, coordination problems between them can arise.

*Geocentric orientation ('world oriented orientation')*: This strategy tries to mix strategies and concepts of the headquarters with those of the subsidiary and implement them in the subsidiary (Kinast and Schroll-Machl 54). In order to realise this mix and to introduce globally uniform procedures a vivid exchange of information between headquarters and subsidiaries takes place (Bolten, Einführung 203; Kutschker and Schmid 287). The number of foreign assignments to and from headquarters and between subsidiaries is high (Bolten, Einführung 203). The nationality of the executives is not important as long as they are interculturally competent. Kutschker and Schmid regard this orientation strategy as an ideal conception and very close to the idea of a truly worldwide and borderless organisation, but difficult to realise due to the lack of standardised worldwide tax regulations and a lack of a consistent worldwide form of enterprise (292).

*Regiocentric orientation*: The regiocentric orientation is similar to the geocentric one but with less influence of the individual subsidiaries and the feature that sometimes the

headquarters adapts the new evolving management concepts and strategies as well. Although the exchange of information between headquarters and subsidiary is not vivid, the exchange of information among the subsidiaries within one region is vivid (Bolten, Einführung 202).

Until the late 1970s the main internationalisation strategy was the ethnocentric approach, because knowledge transfer by implementing headquarters' interests and procedures into the subsidiary was the main reason for overseas activities (Bolten, Einführung 200).

The choice of the internationalisation strategy is important because it provides the frame for every single employee when interacting with other cultures, shows him/her what he/she is allowed to do and how to do it according to the strategy. For multinational companies, international assignments are an integral part of their international strategy (Harzing and Christensen 623). If a clear strategy in the organisation is missing or not known, the employees lack orientation in intercultural situations, which results in the participants forming their own idea of how they should behave, and, because of the tendency to behave ethnocentrically in intercultural situations, the problems among the participants get even worse as one group tries to dominate the other (Kinast and Schroll-Machl 57).

It is important to bear in mind that the internationalisation strategy is closely related to the internationalisation phase because, according to Stahl, most of the multinational organisations start with an ethnocentric strategy, evolve into a polycentric oriented organisation and when they reach the geocentric strategy, they are fully internationalised (17; Kutschker and Schmid 290). In contrast to this chronological succession, other authors argue that the bigger companies choose a mix of internationalisation strategies (Bolten, Einführung 203; Kutschker and Schmid 289). This is confirmed by the researched company in my case study and will be referred to later in chapter 8.

### **2.4.3 Dynamics of corporate culture**

Although the meaning and function of corporate culture will be explained in detail later on, it must be mentioned at this point that the choice of internalisation strategy also has a significant impact on creating corporate culture. According to Rathje corporate culture should create cohesion within the organisation and this cohesion results in positive outcomes such as less control, quicker decision making, increase of staff motivation, productivity and efficiency ("Corporate Cohesion" 115).

In her research on 13 German companies and their Thai subsidiaries, Rathje defined four dynamics which support or constrain the communication and acceptance of a common corporate culture. These dynamics are adaptation, integration, defence and hybridisation ("Corporate Cohesion" 118-119). Dynamic of adaptation means that cultural norms and

values are enforced by one group and adopted by the other. Under dynamic of integration, Rathje understands the convergence of both groups and the achievement of an agreement on maintainable norms and values. Both dynamics produce coherence in the process of building a common corporate culture (“Corporate Cohesion” 118-119).

The other two dynamics Rathje identified result in keeping the differences: Defence and hybridisation. Defence means that one group refuses the norms and values of the other group, and by not adopting them the group distances itself from the other group (protection). If one group supports the different norms and values of the other group without adopting them, Rathje speaks of hybridisation (“Corporate Cohesion” 119). Both dynamics have the goal of keeping the differences; one is obvious and applies to the internal attitude and the external behaviour, and the other is hidden and affects the internal attitude only (from the outside it might look as if the norms and values are accepted). Which internalisation strategy will most likely lead to which dynamic can be illustrated in the following matrix:

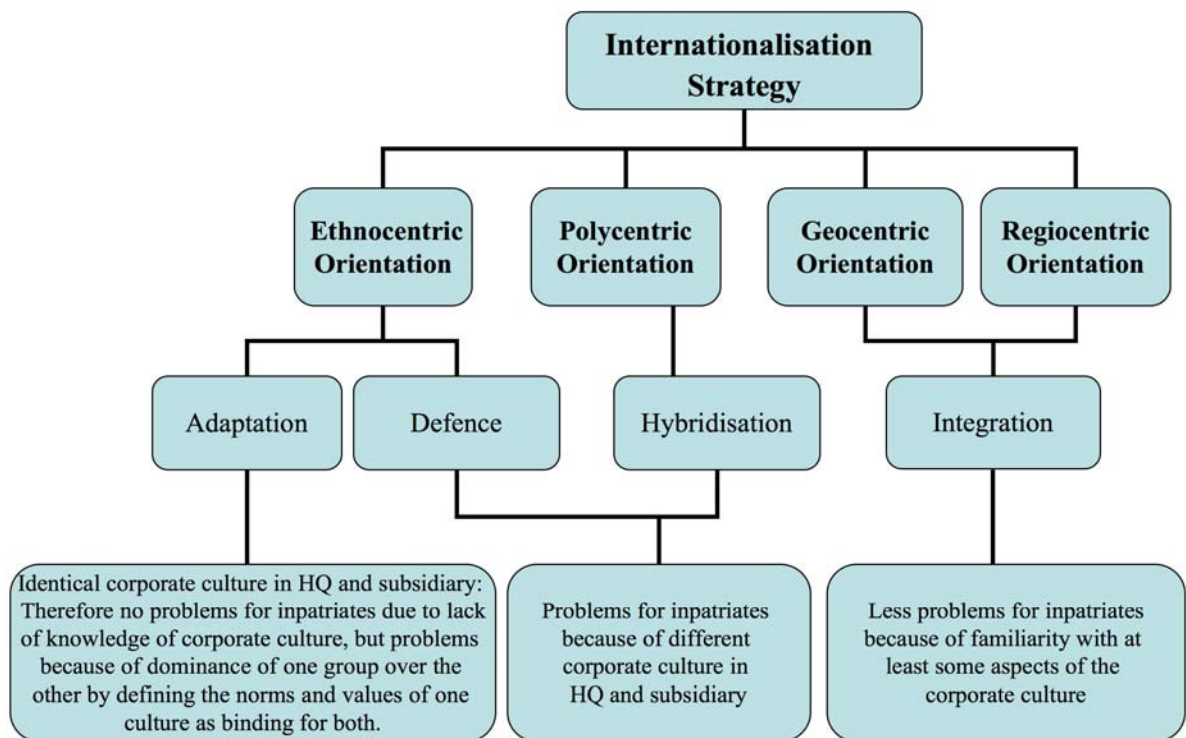


Figure 2-1: Internationalisation matrix

Rathje concludes that intercultural corporate culture develops from the interaction of all four dynamics because each of them fulfils a necessary function in building cohesion. And the successful building of corporate cohesion is a precondition for the emergence of synergy potential (Rathje, “Corporate Cohesion” 120). Therefore, for concepts of intercultural corporate culture she demands that coherence and difference should be considered in equal

measure. Only then is it possible, according to Rathje, to create corporate cohesion without corporate coherence (“Corporate Cohesion” 124).

In summary, it can be ascertained that the assignment of an expatriate or inpatriate depends on the preferred control form of the company, its internationalisation phase and strategy, and the task. In addition, the differences between the corporate culture at headquarters and in the subsidiaries and the resulting adjustment problems for the inpatriates are dependent on the internationalisation strategy as well: As can be seen in the matrix, the polycentric strategy does not try to enforce a common corporate culture but respects the different local markets. That results in a dynamic of hybridisation, and the subsidiaries support the different norms and values of headquarters without adopting them. Although this strategy keeps the autonomy of the subsidiary it creates more problems for inpatriates because they will be confronted with a different corporate culture at headquarters. This can cause adjustment problems for them because they are not familiar with the corporate culture and not only have to get used to a new national culture but to a new corporate culture as well.

The geocentric and regiocentric strategies try to find a common corporate culture integrating strategies and concepts of the headquarters as well as of the subsidiary. This results in a dynamic of integration. In all probability this minimises the adjustment problems of the inpatriates because they are familiar with at least some aspects of the corporate culture.

The ethnocentric strategy clearly illustrates a one-sided distribution of power. Headquarters defines strategies and concepts and in order to make sure that they are followed, key positions are filled with expatriates. This strategy can result in the subsidiary adopting headquarters’ norms and values without contradiction (dynamic of adaptation), which would make it easier for inpatriates coming to headquarters because they are already familiar with the corporate culture. The other possibility when following an ethnocentric strategy is a total refusal of headquarters’ norms and values and dissociation from headquarters (dynamic of defence). For inpatriates, this would result in adjustment problems at headquarters because of the different corporate cultures in headquarters and subsidiary.

But whatever strategy is followed, international assignments which end prematurely or are perceived as ineffective are still very common (up to 80%) (Guimaraes-Costa and Pina E Cunha 158). Apart from individually determined reasons such as cultural adjustment problems, other factors such as job dissatisfaction, lack of social integration, family problems, the lack of or the non-communication of a clear internationalisation strategy can also contribute to the failure of international assignments. If there is no basic strategy defined by the management, the workforce will lack orientation as to which behaviour is appropriate and expected in intercultural situations (Kinast and Schroll-Machl 57). That then results in the employees themselves making assumptions about the right behaviour and acting according to

their own assumptions, which can strongly contrast with the international ideas the management has in mind, and will be totally counterproductive for achieving diversity.

## ***2.5 International assignments***

According to Harzing and Christensen, international assignments are a substantial factor in the international strategy of multinational companies (623). It seems that most German multinational companies follow the ethnocentric strategy, filling key positions in the subsidiaries mainly with headquarters nationals, and very rarely sending personnel from the subsidiary to the headquarters (Stahl 18). Whether this can be backed up by the results of my survey on inpatriate management in German multinationals will be discussed in detail later in this chapter.

### **2.5.1 Tasks of expatriates**

Headquarters' nationals sent to subsidiaries are called expatriates, which is defined by Harzing as "headquarters employees working abroad in one of the firm's subsidiaries for a limited period of usually two to five years" (366).

Through an international mail survey, with 287 subsidiaries representing 104 different multinational companies with headquarters in Japan, the USA and seven European countries, Harzing could establish three functions of expatriates:

- Role as bears: expatriates "serve to replace or complement HQ centralization of decision-making and direct surveillance of subsidiaries by headquarters managers" (369).
- Role as bumble-bees: expatriates are "used to realize control based on socialization and the creation of informal networks" (369).
- Role as spiders: expatriates "weaving an informal communication network" (369).

These results show that, in addition to the already known functions of technical and economic knowledge transfer, management development (Harzing 374), training of local personnel, filling of positions when there is a lack of qualified local personnel and the development of international management skills as precondition for further career advancement (Bonache and Brewster 160), expatriates can also transfer the corporate culture, set up communication networks and act as the control instrument supporting the headquarters' managers.

In their 1977 study, which is still relevant, Edstrom and Galbraith classify the reasons for transfer of expatriates into three goals (253):

- Filling of positions when no qualified local personnel is available or too time-consuming and difficult to train, which is mainly the case in developing countries.

- Developing managers in order to give those with long-term potential international experience to perform in an organisation doing a great deal of business internationally.
- Developing the organisation by using international transfers as a coordination and control instrument.

Harzing suggests that developing the organisation is not a goal of transfers, but rather the result of developing managers and knowledge transfer. Therefore she regards it as more suitable to use the term “coordination and control function” instead of “organization development function” (368).

### **2.5.2 Assignment of inpatriates**

However, employees are not only sent from the headquarters to the subsidiaries but also vice versa from the subsidiaries to the headquarters of the corporation. This is called inpatriation (Harvey, Ralston, and Napier 825). Two companies which are among the pioneers of inpatriation practice are Italian Fiat and Dutch Shell (employing inpatriates from 38 different nationalities in their headquarters) (Harzing and Feely, “Language Management” 48).

Literature from 1960 to 1990 mainly deals with the topic of expatriation and repatriation (Peterson 57). This illustrates that inpatriation is a very recent topic, which is not yet well known and researched (Reiche 1573). One reason for this might be that researchers basically do not regard the situation of an inpatriate as different from that of an expatriate. But it is questionable if inpatriate adjustment follows the same pattern as expatriate adjustment, and if the problems inpatriates have to face are identical or even comparable to the difficulties experienced by expatriates.

However, Peterson and other researchers expect that the use of expatriates in Western multinational companies will decrease in the near future while the use of inpatriates will increase (66; Reiche 1573; Moosmüller 43). Therefore the topic and functions of inpatriation will probably gain more importance in the near future, which will also have an influence on the discussion of intercultural training for inpatriates. The effectiveness of inpatriation seems not yet to have been explored in depth, but it cannot be doubted that inpatriates can be a means to co-ordinate and integrate global strategies in the subsidiary as well as in the headquarters. Harvey (2000), Peterson (2003), Reiche (2006), Harzing, and Feely (2003) identify functions which could be fulfilled by inpatriates:

- Provide the headquarters with the political and social knowledge of the local market
- Increase the cognitive diversity of the top management in the headquarters
- Link the headquarters and the subsidiaries

- By understanding and experiencing the culture at headquarters it is easier for the inpatriate to implement it in the subsidiary
- Through the setting up of a trustful relationship between inpatriate and headquarters, the headquarters would not lose control over the subsidiary
- Transfer of technical skills
- Enhance knowledge flow to and from subsidiary
- Learning of world quality standards
- Help to globalise the multinational corporation and inject diversity
- Offer a cost-effective alternative to situations/countries where expatriates are less likely to succeed or refuse to go
- Combat the language barrier

All these factors can be very important for a multinational company and surely will be discussed and researched further in the near future because there are advantages involved in inpatriation which cannot be derived from expatriation. One of the advantages is that the inpatriates know the local market and its needs, and through this knowledge they can help the headquarters understand which strategies would be successful and how practicable they would be. Besides, to have the corporate culture implemented by a returning inpatriate who can judge which elements are suitable in the national culture and what the best timeframe for the change is, would probably be accepted more easily than if this was done by an expatriate (Harvey, Ralston, and Napier 829). The same acceptance can be assumed for any changes and new ideas for the subsidiary, as long as they are suggested by an insider, a person who knows the culture. The expatriate coming from the 'important' headquarters might be regarded as an outsider who does not know the national culture and is not familiar with processes and usual activities in the subsidiary, and therefore his suggestions might be regarded as a decision or demonstration of power by the headquarters (Harvey and Buckley 40).

After returning to their subsidiary, the inpatriates can more easily manage to bridge the culture gap because they have experienced the corporate as well as the national culture of the headquarters and gained insight into the existing culture standards and maybe even into the historical background, which makes it possible for them to explain them to their colleagues.

There is no denying that help in globalising the multinational corporation is another very important aspect and advantage of inpatriation (Harvey, Ralston, and Napier 829). "The inpatriate managers represent the contextual frame-of-reference necessary to operate globally and at the same time compete locally" (Harvey, Novicevic, and Speier 56).

Employees from foreign subsidiaries not only stimulate multicultural awareness in the headquarters but at the same time broaden employees' horizons, which can lead to increasing

creativity and innovations as different perspectives increase the array of solutions (Monzel et al.179-180). Through working with people from diverse cultural backgrounds, the employees learn to understand culturally diverse customers, which ideally will result in better customer support and the development of new market segments.

It is a fact that learning from one's own experience at first hand is always better than through somebody else's stories and experience. Therefore getting to know the culture of the subsidiaries by working with inpatriates is much more effective and will probably lead to more trust than listening to the subjective narrations of a repatriate whose impressions will be strongly influenced by success or failure of his/her assignment. Cultural diversity can be a significant competitive advantage which for competitors is difficult to copy.

It has to be admitted that inpatriation not only has positive effects but can bring problems as well. The corporate culture experienced in the headquarters can differ from the one in the subsidiary; hierarchy levels, promotion and appraisal procedures might be different. To use an example, when an inpatriate is used to salary negotiations on a one-to-one basis, whereas in the headquarters this is done with a group of supervisors, this can then result in a lot of stress and uncertainty for the inpatriate (Harvey and Buckley 39).

In addition, it might be difficult for the inpatriate to get used to the complexity of the headquarters and to the intricate business processes, especially if he/she comes from a less industrialised country or a very small subsidiary. Another factor which can cause stress and problems for the inpatriate is when his/her abilities, education or training are undervalued by the domestic employees because difference is equated with lower quality (Harvey et al. 276).

In summary, the employee being sent to headquarters is chosen because he/she is local and knows the local culture in the country of the subsidiary, but when he/she comes to headquarters he/she has to deal with suspicion and incomprehension because he/she is perceived as foreign and does not share the common cultural norms and values at headquarters (Guimaraes-Costa and Pina E Cunha 159).

However, problems can arise not only from the inpatriate's perspective but also from the headquarters, because if the employees are not aware of the positive effects inpatriation can have they might regard inpatriates as competitors and not as a means of enrichment.

Therefore the following analogy to the reaction of inpatriates and expatriates is too optimistic and neglects the problems of inpatriation:

Think of the analogy of mixing water (the parent company) and sulphuric acid (the subsidiary). Inserting a drop of acid (the inpatriate) into the water has almost no effect as they readily become subsumed into the corporate culture. However, placing a drop of water (the expatriate) into the more volatile



subsidiary produces a mix that can be explosive! (Harzing and Feely, “Language Management” 48)

This quotation makes it sound as if inserting a drop of acid into water has nearly no dangerous or explosive effect at all. That might be true for the chemical reaction but not for the analogy of inpatriates and the parent company. This mixture can be if not explosive at least problematic, depending on how well inpatriate and headquarters are prepared for working together and on how aware the headquarters is of the advantages of inpatriation. Lack of this awareness and the “collective reservation toward foreigners” (Harvey et al. 267) can complicate inpatriates’ socialisation with and acceptance by home-country employees (Harvey et al. 278). This might then impair their effectiveness and might constrain the realisation of benefits to the company. In order to be accepted by the workforce at headquarters, it is required that the inpatriates and their knowledge, diversity and cultural background are viewed as added value (Harvey et al. 269).

### 2.5.3 Differences and similarities

What inpatriates and expatriates have in common is the “blurred condition of being inside yet outside the company” (Guimaraes-Costa and Pina E Cunha 159). Both groups face the impossible challenge that when trying to behave like locals and adapting their behaviour to the norms and values on site, they might face suspicion, but when they behave like foreigners they might be rejected.

Nevertheless, inpatriates and expatriates still have to face very different situations. Stahl, Harvey, and other researchers have highlighted the differences, which can be best summarised in the following table:

	<b>Expatriates</b>	<b>Inpatriates</b>
<b>Cultural aspect</b>	Will see the assignment through their cultural lens and will probably never totally understand the foreign culture	Can bring multicultural awareness into the headquarters
<b>Acceptance</b>	Will be shown respect due to representing headquarters’ power and knowing how the organisation works (carrying headquarters’ cultural baggage)	Might be regarded as outsiders who do not know the corporate culture and the management strategies, which can be even worse if their subsidiary is regarded as unimportant (not being familiar with headquarters’ cultural baggage)
<b>Treatment</b>	Privileged treatment, e.g. higher salary, better annual leave conditions and cost of living allowance	Earn sometimes less than headquarters’ employees in the same position and only 33% receive cost of living allowance
<b>Role problems</b>	Should act as intermediaries between headquarters and subsidiary, and on the one hand	Might have to face status loss problems if their position in the subsidiary involves responsibility

	should implement the headquarters' decisions and on the other hand meet the requirements of the subsidiary (more pressure to be successful)	and decision making and in the headquarters they are only one of many, have less responsibility and have to start learning again (e.g. corporate culture, language, practices)
<b>Trust</b>	Might be regarded as headquarters' 'spy' and therefore do not experience trust of colleagues and other business partners	Might be regarded as outsiders and colleagues do not know how loyal they are and if they can be trusted
<b>After assignment</b>	Higher career position is often not provided and colleagues do not see the benefit of these internationally experienced employees	Difficulties expanding their careers beyond the scope of their own national operations  Can smooth the integration between headquarters and subsidiary when networks and communication channels have been established

Table 2-1: Situation of expatriates and inpatriates

From this table it becomes obvious that neither expatriation nor inpatriation is easy to manage without preparation for the occurring problems.<sup>7</sup> It cannot be argued that companies should abandon expatriates in favour of inpatriates, but they should become aware of the advantages inpatriation can provide for interacting on the global market.

Are German companies aware of that and do they already assign inpatriates to the headquarters?

## ***2.6 Survey on inpatriate management in German multinationals***

In order to analyse and evaluate the current situation regarding inpatriation within German multinationals, I carried out an investigation among the 56 biggest German multinational companies (25 biggest privately owned and 31 non-privately owned companies).<sup>8</sup> The companies were chosen according to a Handelsblatt ranking published in April 2004.

They were sent a questionnaire (see appendix 1) in August 2004 with a number of questions on their inpatriate management. The questionnaire was constructed to probe my initial hypothesis that the wide spread equation of expatriates and inpatriates is not viable. The first set of questions asked for some general information about inpatriation in that specific headquarters: the number of employees from foreign subsidiaries working in the headquarters, the period of time they work there and the operational area in which they work.

<sup>7</sup> Some of the theoretical points summarised in the table above will be illustrated later on by statements about practical experience made by the interviewees in my case study.

<sup>8</sup> In addition, this survey should help to find out which companies would be appropriate and willing to take part in a more detailed study with special focus on the intercultural training of the inpatriates.

In order to establish the relevance of inpatriate management as a subject for research, the companies were asked about the future development of inpatriation in their headquarters.

The next question dealt with the reasons for assigning inpatriates. Answers to this question can shed light on differences and similarities between the task of inpatriates and the task of expatriates, and illustrate whether inpatriates should be equated with expatriates. In order to find out about the intercultural preparation the inpatriates receive, the final set of questions asked about the timing, the purpose and the form of any intercultural support.

In total, 70% of the companies responded to my questionnaire; out of these, 9% have no overview of the number, the tasks and the training of their inpatriates because of decentralisation; 21% do not have any inpatriates because up to now there has been no adequate task or need for their assignment, and 40% have inpatriates in their headquarters. This relatively high number of 40% contradicts Stahl's earlier statement that German multinational companies very rarely send personnel from the subsidiaries to the headquarters (18). This number rather supports the assumption that the number of inpatriates will increase in the future (Moosmüller 43; Reiche 1573; Peterson 61), which corresponds to the companies' answers regarding the future development of inpatriation in their organisation (see below).

The operational area of the inpatriates is illustrated in this chart.

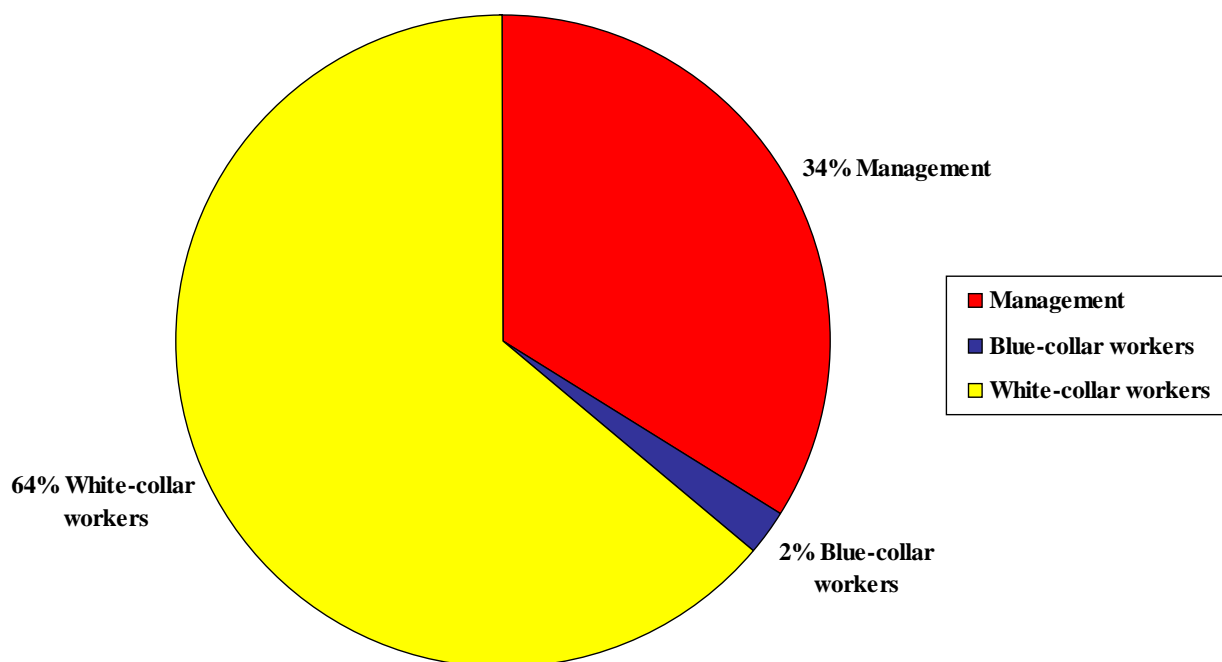


Figure 2-2: Operational area of inpatriates

It is striking that the percentage of inpatriates on the employee level is nearly twice as high as the number of inpatriates working on the management level, whereas expatriates work almost exclusively on the management level (Stahl 10). The explanation for this becomes

obvious when looking at the reasons and tasks of in-patriate assignment illustrated in this chart.

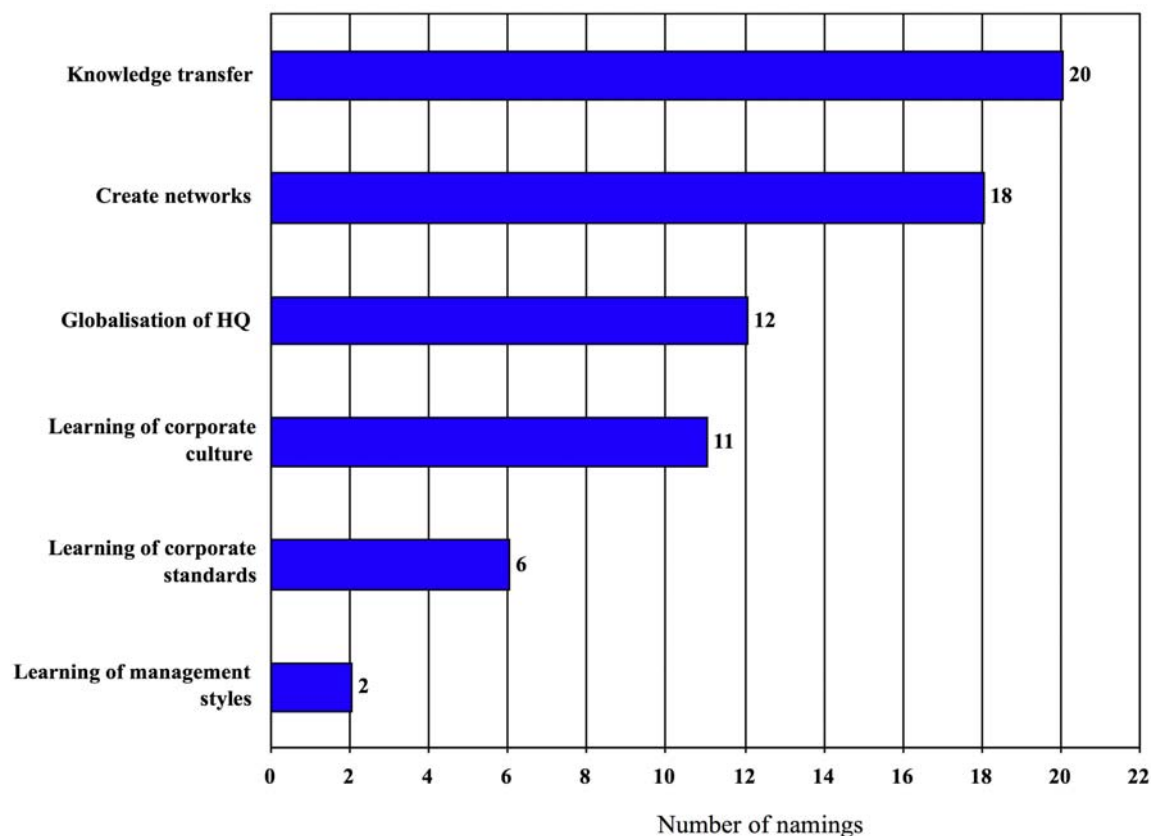


Figure 2-3: Reasons for in-patriation

Knowledge transfer was the main reason which was given most often, and it is also the most frequently named reason for sending expatriates. Globalisation of the headquarters is the third most frequently cited motive, which conflicts with the fact that the average percentage of in-patriates in the German headquarters investigated in my study is only 0.3% of the overall personnel.

When looking at this chart and remembering the reasons which were mentioned for assignment of expatriates it is striking that they differ in only two aspects:

- To exercise a form of control is not mentioned as a task for in-patriates, although a returning in-patriate who has built a trustful relationship with the headquarters during his stay can exercise control as well (Harvey, Novicevic, and Speier 54).
- Globalisation is given as a reason for in-patriation but not for expatriation.

All other reasons for assigning an employee to the headquarters or the subsidiary seem to be identical with Harvey’s and Peterson’s findings, which leads to the conclusion that all the tasks fulfilled by an expatriate can be done by an in-patriate as well, depending on the internationalisation phase and strategy as outlined earlier.

When asked about the development of in-patriation in their organisation, the results were as follows:

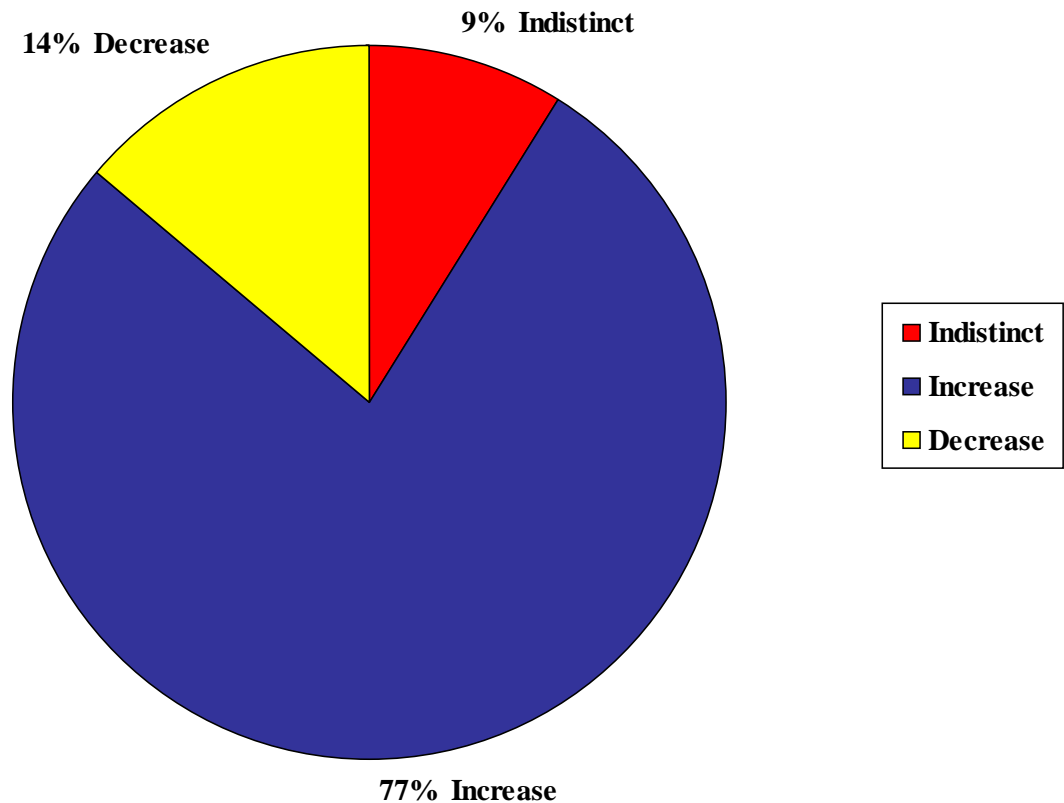


Figure 2-4: Development of inpatriation

These answers suggest that companies seem to gain awareness of the fact that inpatriation has some advantages and that the globalisation aspect, which cannot be realised by expatriation, should not be neglected. Besides, the supposed increase in the number of inpatriates suggests that a paradigm shift away from the ethnocentric approach (Stahl 18) to a more geocentric approach (Bolten, Einführung 203) will take place, which means that instead of filling key positions in the subsidiaries with expatriates (Stahl 18), the number of foreign assignments from and to headquarters will become higher (Bolten, Einführung 203).

Peterson found in a survey in 2000 that companies in the USA and Great Britain are trying to decrease the number of expatriates because of the high costs, and are adopting the policy of filling positions in foreign subsidiaries with local personnel. This change cannot yet be found in Germany, which can be attributed to the high uncertainty avoidance in this country and the fact that German companies generally try to keep everything under their direct control instead of trusting others. But the answers to the future development of inpatriation show clearly that this topic will attract further attention over the coming years and therefore intercultural training of inpatriates will also be part of further research.

The topic of intercultural training for inpatriates and the extent to which it is offered was also included in the questionnaire. Questions on the method and duration of intercultural preparation of inpatriates and the distribution of costs were asked.

It was confirmed by the answers that not all inpatriates get intercultural training. Only 57% of the companies who have inpatriates provide intercultural training. A reason which was mentioned more than once for not offering intercultural training was that the inpatriates are from Western European countries, and therefore the need for training was not seen<sup>9</sup> or was expected to have been done by the subsidiary.

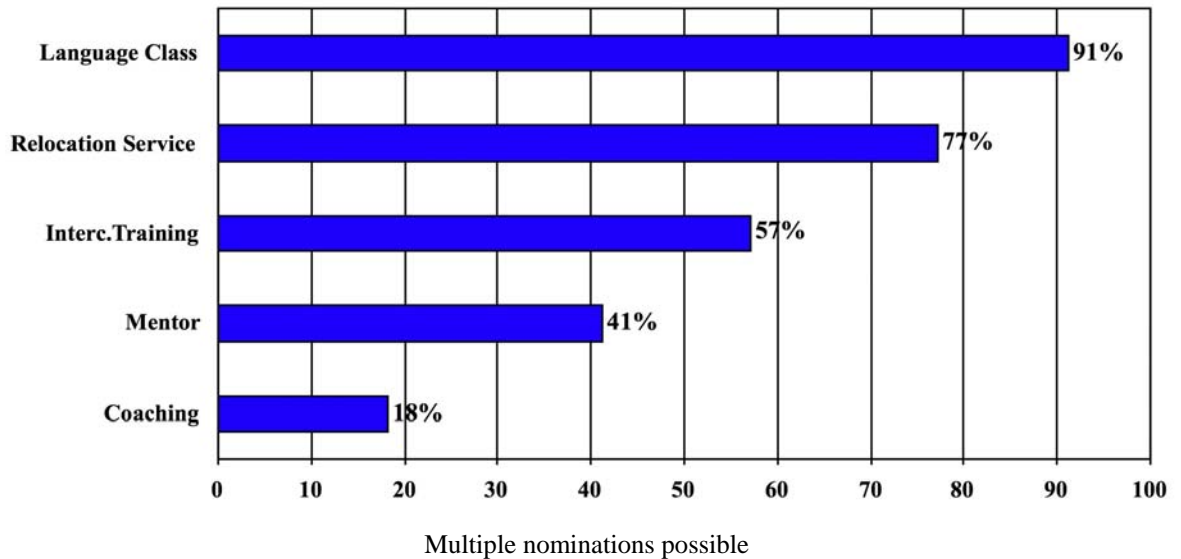


Figure 2-5: Intercultural preparation

Out of this, 43% of the training is external, which means that it is very unlikely that aspects such as corporate culture and business practices in the headquarters can be addressed, since the external trainer does not have the necessary inside knowledge to impart to the participants.

The internal training lasts up to 4 days, although it is not clear if it extends over 4 whole working days or, for example, 2 hours each day for 4 days. It can be assumed that the costs are one of the main reasons why external training usually only lasts from 1 to 2 days. Another reason might be that an evaluation of intercultural training and its perceived uses for the company (e.g. higher profits, lower cost through fewer failed assignments) is very difficult, expensive and hardly ever carried out (Kinast, “Evaluation” 204). Therefore companies might not see a convincing reason why to provide a 4-day intercultural training course when the 1-day course is much cheaper. It is interesting to see that 91% of the responding companies offer language courses, which leads to the assumption that the language seems to be regarded as the main key to a successful assignment.

<sup>9</sup> It is a widespread fallacy that geographical distance allows for conclusions about cultural distance. This is clearly not the case because a country which is very close in geographic terms does not necessarily have to be very close in cultural terms. Nevertheless, it is an argument that is made very often, as Bittner also confirms (qtd. in Stehr 1) (see chapter 6.2).

There is no doubt that intercultural training can be very useful for expatriates and inpatriates to help them accept and tolerate the new culture and interact with it. But it has to be tailored to the needs of the participants in order to be effective, which means that the different situations, roles and problems of inpatriates and expatriates have to be taken into account.

The results of this survey which are of special interest for this thesis are the following:

1. Three quarters of the researched headquarters expect an increase of inpatriates in the future. That means detailed research into the situation of inpatriates is necessary and justified.
2. The survey showed that all the tasks fulfilled by an expatriate can be done by an inpatriate as well. This might be an explanation why companies see no difference between the situation of expatriates and that of inpatriates.
3. More than half of the companies that responded cited the globalisation of headquarters as one of the reasons for inpatriation. Without a doubt, contributing to the globalisation of headquarters requires more of the inpatriates than just being present at headquarters. Only if the inpatriates are integrated and feel part of the workforce might headquarters have the chance to benefit from globalisation effects.
4. Learning of corporate culture was mentioned by half of the researched headquarters as reason for inpatriation. In order to learn the corporate culture it is first of all necessary to understand it, because without this understanding the inpatriates may well accept the corporate guidelines but not necessarily support and impart them after returning to their subsidiaries.

These results not only provided the quantitative knowledge base for my further research but in addition raised questions which served as a basis for the interviews of the case study of this thesis: If learning headquarters' corporate culture is regarded as such an important task for inpatriates, where and how do they learn about it? Is it addressed in the intercultural training? Does the knowledge and understanding of the corporate guidelines (or the lack of it) have an influence on perceived problems and experiences?

In order to provide more than just a single sided view on the intercultural training topics and practices, another questionnaire was sent out in 2005 to 61 intercultural training providers in Germany (half of them free-lancing trainers and the other half training companies). The return rate came to 23 answers (= 37,7%). Only 10% of the participants in these instances of intercultural training are inpatriates (the rest are expatriates, multinational teams, students and others).

Of special interest for me were the topics addressed in the training for inpatriates.

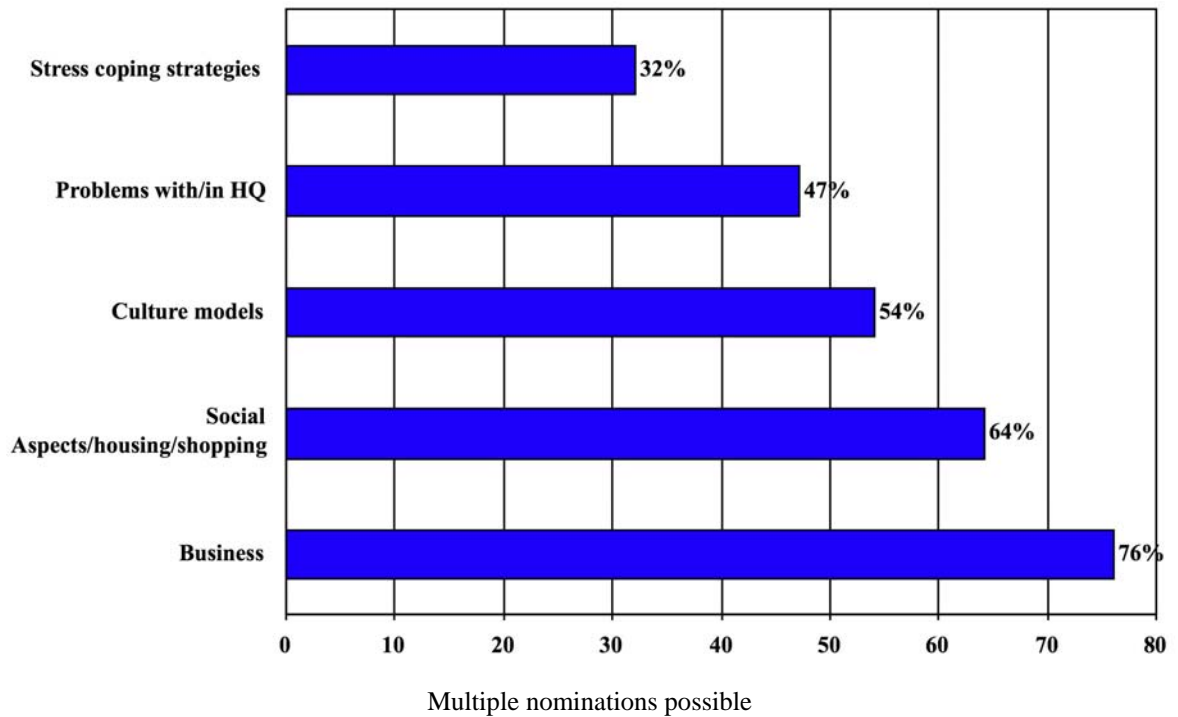


Figure 2-6: Training topics

This shows that the majority of the topics deal with intercultural aspects and theory in general whereas only 47% address possible problems of working with and in the headquarters.

Another question asked was if corporate culture is a topic in the training. Although 71% of the trainers confirmed this, it can be assumed that this is not as specific and in-depth as it should be because, firstly, 62% of the training groups are heterogeneous with participating inpatriates from different companies, which makes it impossible to address all different corporate cultures. Secondly, all trainers stated that they get their knowledge about the different corporate cultures either through internet research and company brochures or through an interview with the human resources department. Neither the company website nor the company brochures are very meaningful and not always congruent with reality (as will become apparent later on) when it comes to corporate culture because they are only visible artefacts and creations, and the underlying reasoning cannot be deduced (see next chapter on corporate culture). An interview with the human resources department might reveal more about the values and assumptions of the corporate culture, provided that the interview partner is aware of the difference between corporate culture and working atmosphere, and knows what really constitutes the corporate culture in that specific company. There is no denying that although 71% of the trainers address corporate culture in intercultural training, it can only be very general and superficial due to the problems of accessibility mentioned above.

From the time of this study until the latest Mercer study in 2008 there is a visible continuing trend of international assignments. In addition, the conditions and requirements of



being internationally successful are more challenging nowadays because of the stronger competition between companies, due to an increasing number of companies entering the international market. If it was sufficient then to transfer employees between different areas of the company, it takes much more today to be a real 'global player'. Customers and suppliers from other cultures and a diverse workforce need intercultural awareness, and those who work as inpatriates or expatriates need a sound and tailor-made intercultural preparation. Therefore training contents have to shift from the more general training approach by external training providers to a more company-specific one by internal trainers and coaches, in order really to meet the specific requirements of expatriates and inpatriates according to their role, function and situation.

The hypothesis I hope to prove in my case study on inpatriates in one German multinational organisation is that intercultural training for inpatriates should be tailored to the headquarters or, in other words, should best be conducted by an internal trainer in order to deal with the problems inpatriates have to face which are strongly connected to the organisation (e.g. corporate culture).

## **2.7 Summary**

As it has been illustrated in this chapter, companies in a globalised world must internationalise their business in order to be competitive and to generate export growth. A very important aspect in the internationalisation process are international assignments from headquarters to subsidiaries and vice versa. These transfers of personnel are one essential criterion for building a globalised workforce and achieving diversity. But merely transferring employees between the different areas of a company is not sufficient for accomplishing this goal. In addition the company must have a clear internationalisation strategy and a corporate culture which conveys unity in diversity.

Corporate culture as a subculture of national culture and national culture as the main behavioural framework of an individual and the main focus of intercultural training will be explored in the next chapter.

## **3 Culture**

### ***3.1 Introduction***

One of the consequences of globalisation and the internationalisation of companies is that it is necessary to deal with intercultural issues because people from different backgrounds and different countries live and work together. This does not seem to be problematic as long as we have a common language in which to communicate. Yet it is not so easy because it is not only a different language which can cause problems, but many other things as well. It is the way we see and judge the world, our feeling for good and bad, wrong and right, the things we take for granted, our education, laws, rules, all that can differ from one person to the next – and where contrasts exist, problems can occur. All these things are generally subsumed under the term ‘culture’ which is a very complex term and therefore heavily discussed, often controversially, in different academic disciplines. The countless definitions of culture range from very scientific and complicated phrases to very simple and basic statements. But no matter how specific or simple the definitions are, they all agree on at least two things: nobody can elude culture, and culture can vary.

In this chapter I shall look at common definitions of the term ‘culture’ and give an overview of the most well-known and commonly used approaches to culture. I will first differentiate between two basic meanings of culture and then describe the two ways culture can be approached. This will be followed by the detailed illustration of some widely used approaches to culture and a discussion of their application regarding the contexts they are used in. An analysis of the problems with approaches to culture will be discussed and I will then (chapter 3.5.1) present the definition of culture on which my work will be based.

### ***3.2 Origin and meaning of the term ‘culture’***

The German word ‘Kultur’ and its English counterpart ‘culture’ have its origin in the Latin word ‘cultura’ which means ‘cultivation, tending’, primarily with reference to husbandry and the tending of natural growth (Williams 87). According to the Oxford English Dictionary the entrance of the word ‘culture’ into the English language had occurred by 1430 (“A recent etymology”). From the beginning, the meaning of the word ‘culture’ implied a process: tending of something (e.g. plants, crops) (Williams 87). In the first period of the sixteenth century this meaning was widened to the process of human development (Williams 87), or as a comparatively early definition of culture, which could be traced back as far as 1805, describes it: “the training, development, and refinement of mind, tastes, and manners” (“A recent etymology”). As Williams points out: “culture as an independent noun, an abstract process or the product of such a process” only gains importance around 1770 and is not

common before the middle of the 19th century (Williams 88). In the German language, the word 'culture' (Kultur) was defined as civilisation, meaning both, the "general process of becoming 'civilized' or 'cultivated'" (Williams 88) and "the secular process of human development" (Williams 88). It was Herder who argued in his unfinished work Ideas on the Philosophy of the History of Mankind (1784-91) that 'culture' should be used in the plural because it refers to specific and diverse cultures (in the sense of way of life) of nations and social and economic groups within a nation (Williams 88-90). This usage of the word differs clearly from the meaning of 'civilisation' and is less judgemental. The definition of 'culture' as the process of becoming civilised or cultivated, on the other hand, allows for interpretations of what is regarded as civilised or cultivated.

Sir Edward Burnett Tylor, the founder of modern ethnology (Hansen, Kultur und Kulturwissenschaft 17), gave the first anthropological definition of the term culture in the late 19th century: "Culture or civilization, taken in its wide ethnographic sense, is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as member of society" (1).

Of course there are many more definitions of culture from the past. In 1952 Alfred Kroeber and Clyde Kluckhohn compiled a list of over 100 different definitions of the word (Columbia Encyclopaedia), which elucidates how difficult it is to put such an abstract notion as culture into words.

The above-mentioned definitions have shown that in simplified terms, culture is something that distinguishes people. And differences can cause problems, especially if we are not aware of their existence. So scholars have tried to define culture and all aspects of culture in order to explain why problems can arise, and to try and help others to understand and deal with those differences and contrasts.

For the topic of this research, the recent discussion on the subject is more relevant. Therefore I will now concentrate on newer definitions and approaches to culture. The emergence of academic disciplines such as sociology and cultural anthropology, which have produced substantial research in the field in order to answer questions such as whether culture is inherited or learned or if it is static or changing, has given rise to a variety of different approaches to and definitions of culture. Because there are so many, I have chosen the ones which are most widely used and discussed to show how many aspects and dimensions have to be dealt with when analysing and defining culture.

### ***3.3 Characteristics and functions of culture***

According to Kutschker and Schmid (673) culture is characterised by the following criteria:

- ⇒ Culture consists of two levels: the concepta level which is invisible, unconscious and taken for granted and implies values, norms and beliefs; and the percepta level which demonstrates and expresses the values and norms of the concepta level and is observable and comprehensible (e.g. behaviour pattern, buildings). So the percepta level describes the ‘what’ of culture and the concepta level explains the ‘why’ (Bolten, Einführung 96).
- ⇒ Culture is implicit because of its unconsciousness and explicit because of its visible aspects (the percepta level).
- ⇒ Culture is passed down and traditional, although not static: the values and norms are rooted in society’s history but challenges and problems of today’s life modify culture.
- ⇒ Culture is learnable to a certain degree because we acquire our own culture through the process of socialisation, yet we cannot fully acquire a new culture, but rather just adapt to it and develop understanding.
- ⇒ Culture is the result of our behaviour and is influenced by what human beings have created, but at the same time culture restricts and influences our behaviour.
- ⇒ Culture is a collective characteristic and provides its members with behaviour and thinking patterns. In this way, the personality influences the individual identity and the culture influences the identity of a social unity. So the culture unites its members, whereas the individual personality makes them unique.

The functions which are attributed to culture by Kutschker and Schmid (674) are the following:

- ⇒ Orientation: Culture provides the written and unwritten rules for what is right and what is wrong.
- ⇒ Give meaning: Culture gives a deeper meaning to the actions and behaviour of individuals.
- ⇒ Motivation: Adherence to a certain culture can motivate its members.
- ⇒ Identity: Culture unites the people within one culture and separates them from other cultures.
- ⇒ Coordination and integration: Culture keeps social unities together and makes communication possible.
- ⇒ Organisation: Culture organises the coherence within a social unity.
- ⇒ Legitimation: Culture justifies our behaviour.

### ***3.4 Subcultures***

But the above listed functions of culture, for example uniting people, do not mean that all people within on culture behave in the same way and share exactly the same norms and

values. In every culture there exist different subcultures, which are specific sub-groups of the overall group (the national culture). Subcultures can be defined as distinguishable groups of people who share specific cultural values, norms and/or behaviour (Schugk 27). Subcultures can be classified according to different characteristics such as ethnic origin, belonging to a specific religion, age group or geographic area (Schugk 27). Other subcultures can be categorised through hobbies, profession or social background.

The existence of subcultures and the fact that every member of a national culture can belong to many subcultures (e.g. student, tennis player, heavy metal fan and immigrant) explains the variety of behaviour and the diversity within one national culture. The single subcultures set themselves apart from the rest but at the same time fit into the overall macro culture (Schugk 27).

### ***3.5 Defining culture***

#### **3.5.1 Expanded and narrow definition of culture**

The various definitions and approaches can be divided into different categories. First, an overall distinction can be made between the expanded and narrow definition of culture. The narrow definition regards culture as 'high culture', which limits culture to the original meaning of the Latin word, to art and mind (Bolten, Interkulturelle Kompetenz 11). This approach to culture tries to define strictly what has to be regarded as culture and what is uncultivated. Bolten criticises this approach for being limited and judgmental, because those who classify others as being cultivated or uncultivated seem to regard themselves as being in a superior position and having the right to do so (Interkulturelle Kompetenz 11).

In contrast to this, the expanded definition of culture does not exclude, value or judge but integrates all that belongs to the world we live in, the way we have created it and continue creating it. The expanded definition includes religion, ethics, law, technology, education systems, as well as the continuous interaction with nature and all other things and influences we deal with in our social world (Bolten, Interkulturelle Kompetenz 12).

Because the changing nature of culture should not be ignored, I totally agree with Bolten who defines culture as a dynamic process which constantly negotiates and renegotiates values, norms and the way of life in interaction with reality (Bolten, Einführung 55). Where and how to determine the borders of cultures (e.g. through geographical or historical similarities or differences) is controversial and difficult.

### **3.5.1.1 Closed and open definition**

The expanded definition again implies two sub-categories: the closed and the open definition of culture. The open definition does not describe culture as an isolated and regionally definable construct but regards cultures as open, overlapping and connected to each other. The closed approach determines culture politically (nation = Spain), geographically (region of countries = Europe), linguistically (francophone) or from the perspective of the history of ideas (Islamic world) (Bolten, Interkulturelle Kompetenz 15).

#### **3.5.1.1.1 Closed definition**

Bolten argues that defining lifeworlds regionally not only limits cultures, but at the same time distinguishes them from each other (Einführung 45). But the overlapping and interconnectedness of cultures and their dynamic character contradict any limitation (Bolten, Einführung 48).

The political perspective on culture tends to equate the cultural border with the national one (Bolten, Interkulturelle Kompetenz 15). Taken to the extreme, this would mean that by building a new national border a new culture would result, and by destroying a border another culture would disappear. This is not realistic, as we saw in Germany at the time of the reunification.

The same problem as with the equating of national and cultural borders arises when culture is determined geographically. Simply because people live in the same country or continent does not mean that they all share the same or a similar culture. There can be many differences even within one country, for example depending on the region people live in, as can be seen in the north and south of Germany. And especially the studies of Hall and Hofstede prove that even geographically very close countries such as Germany and France can show equally significant differences in norms and values as geographically very distant countries (Lüsebrink 28). Therefore belonging to the same geographically defined cultural area (e.g. the European culture) does not necessarily imply an agreement in values (Lüsebrink 29). But these national and geographical approaches are still popular because they appear to make the orientation and application of culture comprehensive. For the training context I regard it as most practicable to use the criteria of nationality in order to distinguish cultures.

The next perspective is the language-orientated determination of culture. This approach looks at cultures on the basis of historical developments such as colonisation or migration, from the aspect of a common language, e.g. the francophone cultures such as Mali, Guinea and Quebec in Canada (Bolten, Interkulturelle Kompetenz 15). Without taking into account recent developments and the changing of culture, this categorisation is too general and would mean that by using the same language the cultures are similar. Comparing

Hofstede's dimension scores (which will be explained later in this chapter) for e.g. Great Britain, Germany and Austria proves this wrong: Germany and Great Britain score more similarly than Germany and Austria. That clearly illustrates that a similarity of two cultures cannot necessarily be assumed by the fact of the same language only. So cultures with the same language are not categorically similar in other aspects, just as cultures with different languages are not categorically different.

Determining culture from the perspective of the history of ideas and common religious aspects (e.g. Romance cultures such as France, Italy and Spain) holds the same danger of overgeneralisation and stereotyping as the perspective which only refers to the common language (Bolten, Interkulturelle Kompetenz 15). There is no 'French language' of the francophone cultures and there is no such thing as 'a Romance type'.

Exponents of this closed perspective on culture such as Hofstede, Trompenaars and Thomas regard culture as a coherent, stable system which provides the 'rules' for a nation, society, group or organisation and by this distinguishes it from the others. Admittedly, because of its homogeneity, this approach makes it easy to operate with the concept of culture and it can be communicated in intercultural training through cultural standards and dimensions. However, Bolten's view that no life world can be seen as an isolated construct, without influences from the outside, should not be ignored (Einführung 59).

### ***3.5.1.1.2 Open definition***

Bolten, a supporter of the open definition, suggests that cultures should be imagined as linked to each other and with their edges more or less frayed (Interkulturelle Kompetenz 13). This sounds very comprehensive if for example the border areas of countries are considered: People who live in Germany close to the Austrian border might feel more Austrian or might identify more with Austria than they do with Germany. Or think of a person who lives in one country but works in another or of children growing up in a multicultural family; those people can probably not define themselves as belonging to one specific culture because there are so many cultural influences. And even when looking at less 'extreme' examples, the fringes of one culture that reach into another are evident in everyday life because there are no totally typical Germans or French people or Europeans. Even if you share the core culture of Germany, which is influenced by the political, social and educational system, there are individual deviations to a greater or lesser degree depending on the subcultures one belongs to. The fringes can therefore be seen as a kind of intersection which includes the things one culture has in common with another. Contrary to Hofstede, Trompenaars and Thomas, Bolten rightly regards culture as a heterogeneous and dynamic process which constantly negotiates and renegotiates values, norms and the way of life (Einführung 55). But at the same time the

familiarity with this diversity provides stability and coherence (Hansen, Kultur und Kulturwissenschaft 234). That means culture is characterised not only by the shared values, norms and the way of life but also by the interplay between this collective behaviour and the individual experiences, personalities and ways of socialisation.

To maintain stability, coherence and normality it is essential to ensure continuity and coordination of action (Bolten, Einführung 59). For example, the German Civil Code, which has hardly been changed since 1899, ensures continuity. And in every-day practice the specific phrasing of laws is adapted to current situations and corrected in order to ensure coordination. Such permanent adaptations and corrections are essential in all areas of life and if they are absent, then the laws that prescribe actions and behaviour do not seem to be normal or plausible (Bolten, Einführung 59).

### ***3.5.1.1.3 Open or closed definition?***

This comparison of different views on culture has shown how difficult it is to define culture and how much our definition of culture depends on our view of the world. Because of the abstract and imprecise nature of culture, there can be neither one single correct definition nor one right approach to it, because sometimes the national or the geographical view on culture might be suitable and at other times it will not. Culture is a complex and multilayered construct and the situation and intention define which approach might be the most suitable.

Bolten's approach sounds very reasonable and open but it makes the application of culture very difficult, as we will see later when I discuss this view of culture as an unlimited diversity of aspects for intercultural training. The closed approach on the other hand might be easy to use and communicate in a training session, but it runs the risk of stereotyping and generalisation because in reality one does not meet a culture as a whole, with all its aspects, but individuals of that culture who might differ more or less from the assumed common characteristics of the politically, geographically or linguistically determined unit.

In times of globalisation, worldwide media networks and increasing mobility, an open definition of culture as used by Bolten seems to be much more appropriate than the homogenous and static approach mentioned earlier. But again, it depends on the historical and social context to determine which approach to culture is best suited to describe the situation in a specific culture. Countries that are not yet involved in the process of globalisation, or in which the nation building process is under way now (e.g. Iraq, Afghanistan), will more likely fulfil the criteria of the closed definition of culture (Bolten, Interkulturelle Kompetenz 19).

Ultimately, deciding which approach is more suitable depends on the purpose for which it is used: In culture-general training the open definition of culture will most likely work better because the goal is to raise awareness of culture and the huge impact culture has



on all areas of life. In culture-specific training, which should prepare the participants for a specific culture, it will not be helpful to learn that culture is a concept which is blurry and difficult to specify. Participants of culture-specific training need to have some guidelines, or at least a general categorisation that can be provided by applying the closed definition as regarding cultures as coherent and stable systems.

### ***3.6 Different approaches to culture***

There is a large number of better and lesser-known models and approaches which try to analyse, compare or describe cultures by defining dimensions, categories or standards. I have chosen four popular and widely used models (Berardo and Simons 44) which all support the closed definition of culture and thus all equate culture with national culture and the borders of a cultural community with the geographical borders.

At the same time all these models use a macro-analytic approach, which means they generalise and therefore do not provide any information about the individual and about concrete behaviour (Bolten, Einführung 102). Although applying a macro-analytic approach (e.g. Hofstede's dimensions) entails the risk of stereotyping, due to the use of very strong generalisations (e.g. 'the Germans'), it is the easiest, most practicable and pragmatic way of analysing and describing cultures. It could be argued that the micro-analytic approach, which is geared towards the individual case and concentrates on details, would be more helpful because when dealing with other cultures one meets an individual and not a complete culture. But it is utopian to try and research all individuals within one culture, and it would allow statements about one or the other individual only, but not about a culture as a whole. Research at the individual level would "reproduce personality factors, not culture dimensions" (Gert Jan Hofstede 15). For the training context it would be totally useless to have descriptions about just a few individuals of that specific culture, as intercultural training participants want and need to have at least a general orientation. And this orientation can be provided by dimensional models, because "they describe expectations and norms about how to behave in social life" (Gert Jan Hofstede 16).

The main reasons for the specific selection of these four models are their high degree of popularity and their frequent application in intercultural training (Berardo and Simons 44). What all these approaches have in common is that they try to distinguish national cultures from one another using specific criteria.

#### **3.6.1 Hall's approach**

Edward T. Hall, an American anthropologist, investigates culture from the inside, as an American describing his own culture, and giving examples from other cultures. Hall developed four categories in order to describe people's behaviour and cultural differences. He

does not prove this by empirical results but by his professional experience with different people<sup>10</sup> and describes situations and anecdotes to illustrate his categories.

There are two reasons why Hall relies more on his everyday life experience than on empirical research. The first reason is that in his opinion “the rules governing behaviour and structure of one’s own cultural system can be discovered only in a specific context or real-life situation” (Hall, Beyond Culture 51). In his view, a questionnaire would therefore not reveal the cultural system. The second reason is that he believes that the answers anthropologists receive, for example in an interview, hide too many of the really important issues. People only talk about the things they are willing to discuss and might keep the more interesting or intimate things to themselves. Therefore the anthropologists only get what is on the surface, but underneath that surface there “lies a whole other world, which when understood will ultimately radically change our view of human nature” (Hall, Beyond Culture 15).

The categories which Hall uses to differentiate between cultures are the concept of time, the division of low and high context communication, the space ratio and the speed of information. The time concept separates cultures in monochronic and polychronic time cultures. For monochronic oriented people, keeping to the schedule is very important and they try to do one thing after the other and promptly. Time is regarded as linear and the time bar ranges from the past, via the present into the future. People in cultures with a polychronic perception of time do many things at the same time and not according to the set schedule. Time is regarded as circular, and past, present and future are blurred on the time bar (Hall and Hall, Understanding 13-17).

The second classification Hall makes is that of high and low context cultures. He defines context as the information, which surrounds and is connected with an event. An event is only important in its context and the relation of both determines the culture. Hall found that there are cultures with low context communication, which means that the mass of information is in the explicit code (e.g. Germany), and cultures where the context is high (e.g. China), so most of the information is either in the physical context or in the person, and very little is in the explicit part of the message. In high context cultures people are deeply involved with each other, whereas low context cultures are more individualised (Hall and Hall, Understanding 6-10).

Space ratio describes the way people in one culture deal with space. Hall distinguishes between territory and privacy. Privacy is the invisible space surrounding every person and which cannot be entered by another person without permission. Territory refers to all the places and things which are regarded as personal property because they belong to or are used

---

<sup>10</sup> In addition to his academic work he was a consultant for the government and many companies (Kutschker and Schmid 708).

by that person. What people regard as their privacy and territory can differ among cultures and will have an influence on how distantly or reserved people interact, and how big their personal space is (Hall and Hall, Understanding 10-12).

The last category Hall identified is the speed of information: “The rate of information flow is measured by how long it takes a message intended to produce an action to travel from one part of an organization to another and for that message to release the desired response” (Understanding 22). In different cultures it takes a different amount of time to encode and decode a piece of information. In low-context cultures information is focused and controlled and does not flow freely. In high-context cultures interpersonal contact is very important and information is shared with everybody who is involved. Information flows rapidly (Hall and Hall, Understanding 23).

But Hall did not try to produce categorisations for cultures, he even tried to analyse the complexity of a culture as a whole by dividing culture into 10 cultural systems, the so called Primary Message Systems – or PMS – which represents different forms of human activity such as interaction, association, subsistence, bisexuality, territoriality, temporality, learning, play, and defense (Silent Language 35). Every single system reflects the other ones, and because every system is divided into three levels (formal, informal, technical) we have more than 100 categories to investigate a culture (Hall, Silent Language 35). This variety of PMS categories makes it very difficult and time consuming to get results, as Hall states himself: “Each PMS is obviously so rich and complex that it can be made the subject of a lifetime’s work” (Silent Language 56). And even if a researcher were to spend a lifetime producing a concrete description of a specific culture, this ethnography would be too complex and extensive to use in intercultural training.

### **3.6.1.1 Critical evaluation**

Although Hall’s reasoning for not conducting empirical research on culture and instead relying more on his experience and knowledge of human nature is understandable, the missing empirical foundation and the consequential vagueness are probably the main reasons why his approach is rarely discussed or criticised in relevant literature – his approach is a difficult target for criticism.

Although Hall’s findings provide a much too general classification of the complex construct of culture, his approach is very useful to convey a rough view on how cultures differ and his model effectively reduces the complexity of cultures. Although his approach is too general to explain and analyse specific behaviour or provide behaviour guidelines (Kutschker and Schmid 715), it makes the complexity of culture comprehensible and easy to conceptualise.

Therefore his cultural dimensions should be regarded primarily as a general means of orientation, which cannot explain individual behaviour (Kutschker and Schmid 715) and as such can be productively used to generally categorise the interviewees' statements in my case study.

### **3.6.2 Hofstede: “Culture as Software of the mind”**

The best-known culture study in management and business studies is the one by Geert Hofstede (Kutschker and Schmid 716). In his book Cultures and Organizations. Software of the Mind Hofstede uses an expanded definition of culture and consequently sees culture manifested in both high culture (e.g. education, art and literature) and in everyday life (e.g. eating habits, ways of greeting, customs of how to express emotions and habits of personal hygiene) (Cultures and Organizations 5). He calls the acculturation process “the collective programming of the mind” (Cultures and Organizations 5), which distinguishes members of one group from another. This collective programming or ‘mental software’ is acquired and not inherited, and depends on social surroundings and not genes. It consists of three different levels: human nature, culture, and personality (Cultures and Organizations 5-6). Human nature is universal and inherited. It is our ability to feel fear, anger, love, and our desire for exercise and for company. How we express those feelings is determined by our culture. Because we are not only members of one group but of many groups within our culture there are different levels of mental programming, for example the national level (the country we live in), the language level, the regional level, the religious level, the generation level, the social class level and the corporate level (the corporate culture of the company we work for) (Cultures and Organizations 5).

Personality is inherited, learned and experienced and is the unique personal combination of mental programmes we do not share with anybody else. Personality is based on the character, which is partly inherited and partly learned. This trisection justifies the fact that it is wrong to speak generally about ‘the’ Germans or ‘the’ Americans because although we share a lot on the cultural level, such as education system, political system, traditions, history, values, etc., we all differ on the personal level (Cultures and Organizations 6).

In order to establish and compare the differences of various national cultures and to measure the values<sup>11</sup> of culture, Hofstede carried out an empirical study in more than 50 countries in 1968 and 1972 and updated his results in 2001 (in his book Culture’s Consequences). As a psychologist working for the American computer company IBM (Kutschker and Schmid 716), Hofstede collected 116,000 questionnaires with approximately

---

<sup>11</sup> According to Hofstede values are “opinions on how things *should* be. Indirectly they also affect our perceptions of how things *are*, and they affect our behaviour” (“Interaction” 347).

150-180 questions<sup>12</sup> (Culture's Consequences 41-48) from IBM employees in 72 national subsidiaries, 38 occupations and 20 languages. Through analysis of correlation and factor analysis he came to the conclusion that there are four basic problem areas, which are dealt with differently in the different countries. He calls these four basic problem areas 'dimensions', aspects of culture, which are measurable in comparison with other cultures (Cultures and Organizations 14). In order to compare countries with regard to their dimensions, a mathematical index was set for each country and put on a scale. With the help of geographical and economic factors such as the per capita income, economic growth or geographical location and historical background, he explains the index and the effect on other aspects of life (e.g. family, political behaviour).

The four dimensions Hofstede defined are: power distance, individualism – collectivism, uncertainty avoidance, and masculinity – femininity. Power distance shows how far the members of one culture accept the fact that power is not distributed equally among them (Hofstede, Culture's Consequences 83). Cultures with a large power distance such as Mexico and Indonesia accept the power hierarchy at work as well as at home, and the fact that only a small number of people are independent whereas most of them are dependent. These cultures even expect less powerful people to be dependent on the more powerful ones (e.g. children are dependent on their parents, pupils on their teachers and employees on their boss). On the other hand, small power distance cultures (e.g. Austria and Israel) try to minimise inequality by treating each other as equal no matter how powerful the other person is, and these cultures support interdependence between more and less powerful people (Hofstede, Culture's Consequences 99).

In the business context, power distance is evident for instance through a large or small number of hierarchy levels, centralisation or de-centralisation of decisions, strong or weak differentiation of roles and tasks (Kutschker and Schmid 720).

Individualism versus collectivism indicates the importance of social relationships (Hofstede, Culture's Consequences 225). In individualistic cultures the individual and possibly the immediate family are the most important things, and the relations to other people such as friends or colleagues are less central priorities. People look after themselves first. In collectivistic cultures the relationship of the individual to his/her environment and other members of the group is very strong and the dependence on the company they work for is high. The 'we-feeling' is emphasised (Hofstede, Culture's Consequences 244).

In the management context, high individualistic orientation results in frequent job changes and high mobility. The content of work is more important than the relationship to

---

<sup>12</sup> Only approximately 60 of these questions were analysed in detail.

colleagues, and diplomas are very important because they prove the ability and skills of the individual (Kutschker and Schmid 722).

Uncertainty avoidance describes the ability to cope with uncertain situations and how much such situations are avoided by rules, which promote stability and discourage new ideas or changes. Cultures with high uncertainty avoidance see the uncertainty of everyday life as a danger and its members are busy, restless, aggressive and stressed by dealing with this danger permanently (Hofstede, Culture's Consequences 159). Companies in cultures with high uncertainty avoidance have standardised and formalised procedures and structures, and individuals try not to influence the future but to control it. This might result in less creativity and fewer innovations (Kutschker and Schmid 720).

The last dimension classified by Hofstede is masculinity – femininity. That means a distinction between female and male values and the role-specific behaviour in different cultures. In feminine cultures the roles of the genders overlap, and feminine values are as highly appreciated as male ones (Hofstede, Culture's Consequences 284). In countries with a high masculinity index men fill executive positions whereas women are responsible for easier tasks. Codetermination is less important in these cultures and the boss is always expected to have a clear answer to questions from his/her employees (Kutschker and Schmid 724).

In order to prove the stability of his dimensions, Hofstede added another empirical study in the eighties: Chinese Value Survey (Culture's Consequences 351). The questionnaire was designed by the 'Chinese Culture Connection' in order to make sure that the questions were influenced by eastern thinking and not again by western thinking (Hofstede, Culture's Consequences 351). The questionnaire was completed by 100 students in 23 countries. The analysis showed similar dimensions to the ones found earlier, which verifies the existence of so-called "culture-free" dimensions. The only difference was that the uncertainty avoidance dimension could not be found but instead Hofstede identified another dimension: long-term and short-term orientation (Culture's Consequences 353). Cultures that are short-term orientated are characterised by personal persistence and stability and respect for traditions. Long-term orientation means high persistence in pursuing objectives, a belief in the importance of the future, high saving ratio and respect of hierarchies. Corporate planning and personnel policy are targeted to the very far future (Kutschker and Schmid 727). Because this dimension was not researched in detail and scores do not exist for all countries, it will neither be further discussed nor used in this thesis.

### 3.6.2.1 Critical evaluation

At first glance Hofstede's results seem to be reasonable and helpful because if we know how, for example, the Swedish deal with power we can keep that in mind if we do business with them. But the study has attracted substantial criticism which can briefly be summarised as follows:

- In total the four dimensions identified by Hofstede explain only 49% of the empirical variance found by him. This is evidence for the restricted significance because no more than half of the cultural differences found can be explained using the dimensions (Kutschker and Schmid 717).
- All his interviewees worked for IBM, so the results are limited to a specific company (Kutschker and Schmid 729) and to a specific area: the industrial sector. Therefore it is questionable how representative the results are because the employees of one specific company form a "convenience sample" (Berry and Lonner 87) for the whole national culture. You cannot take answers from the employees of a single company, which belongs to a specific corporate culture with its own norms and values, and then draw the conclusion that everybody in that country would give the same answer. How could a relatively small group of IBM employees be representative of a whole nation? This generalisation is not acceptable. Moreover, more men than women were interviewed (Köppel 73).
- Hansen argues critically in his book Kultur und Kulturwissenschaft that Hofstede takes the dimension power distance and concludes that the whole country would deal with power distance the same way IBM employees in that country deal with it, without considering that every area of a society (sport, politics, school, etc.) might have a different way of dealing with power distance. Instead Hofstede takes the results of dealing with power distance at IBM as an indicator for the whole national culture without taking into consideration that culture is not coherent but diverse. In addition, Hansen thinks it necessary to analyse all socially relevant contexts of the society before making statements about power distance (Kultur und Kulturwissenschaft 284-288).
- Furthermore, Hofstede should have taken into account the industrial laws of the different countries, and the gender and the age of the interviewees, which most likely influence the answers as well. This is the danger Bausinger sees when investigating cultures – some differences exist not because the culture is different, but because of

another social system<sup>13</sup>, an inferior social situation or distribution of political rights (“Da capo” 226). So when it is said that Russian emigrants in Germany, for example, usually all live in one specific part of the town, the conclusion could be drawn that they do not want to integrate but prefer to live with others of their own kind. This can lead to a statement about the Russian culture: Russians are ignorant and do not want to integrate. This way their behaviour is attributed to their culture without keeping in mind that their social situation is different; often they do not have the money or the choice to live wherever they want because rents in that specific part of town are very low, or because this is where the government allocates housing. This is called ‘culturalism’ and refers to the misleading emphasis on culture when social connections and situations are much more important (Bausinger, “Da capo” 226).

- Another point of criticism, which is made by Köppel, is that a theoretical foundation is missing and the conclusion drawn about dimensions and their effects are based only on empirical results (73). Therefore consequences or recommendations on how to behave are general and plausible but not theoretically proven (Köppel 73). Kutschker and Schmid, too, object that the results have been drawn just by the statistical analysis and interpretation of the researcher (730). An example for the interpretation of the researcher is Hofstede’s distinction between female and male values. How can he classify ‘being tough’ as a male value and ‘sympathy for the weak’ as a female one? This classification involves judgment and is therefore very subjective and obviously influenced by his own (outdated) view of the world.
- Hofstede wanted to research the level of values. But his questions apply to the level of behaviour and from these behaviour oriented questions he develops the values (Kutschker and Schmid 730).
- Hofstede’s study is often criticised because it gives only a superficial comparison, not the dense description of cultures which would be necessary in order to recognise coherence with the surroundings or underlying meaning (Schugk 132-133).
- Another aspect, which is criticised by Hansen but which at the same time is probably the reason why Hofstede’s results are still popular and appreciated in the business world, is the way Hofstede presents his results. He puts them into a statistic, which is easy to understand, and makes cultural differences obvious even to those with little knowledge about academic research or cultural studies. Hansen argues that it is not

---

<sup>13</sup> Habermas differentiates between culture, society and personality the following way: Culture is the storage of knowledge which supplies the communicating people with interpretations when talking about something whereas society is the legitimate order or structure which provides the communicating people with affiliation to the group and therefore also solidarity. And personality involves, according to Habermas, those abilities which make the person capable of speaking and acting in order to communicate and maintain identity (209).



possible to explain cultures numerically because too much is overlooked or goes unnoticed in an index (Kultur und Kulturwissenschaft 286).

- A final point of criticism is Hofstede's equation of cultures and nations. As highlighted before, borders of a culture are often not identical with the national borders (Kutschker and Schmid 731). But admittedly this is probably the most practicable way of investigating a specific culture because it is not possible to limit and identify its borders exactly, and consider all existing subcultures.

Overall there is no doubt that Hofstede's IBM studies are impressive because they cover so many national cultures and up to now there has been no other study of that size regarding the number of countries and interviewees (Kutschker and Schmid 731). No other researcher in this area has had a similarly huge influence on culture-orientated management teaching and no other study has had a similar impact and response in practice (Kutschker and Schmid 731).

Hofstede opened the field of international management for intercultural questions (Kutschker and Schmid 731; Gröschke 41) and indirectly induced a couple of follow-up studies (Kutschker and Schmid 731). Kutschker and Schmid correctly state that Hofstede's studies set a milestone in the research of cultures.

Another positive aspect of his study is the fact that he not only classifies countries but compares them as well (Kutschker and Schmid 731). On top of that, the transfer of the results into charts is illustrative and easy to understand. But nevertheless there is still the criticism of his generalisation in taking only a specific group of people and then drawing conclusions with regard to the whole nation, not taking into account that there are more levels of culture than the national one, as Hofstede himself stated earlier.

In the world of business his studies are less disputed than in the scholarly world, probably because business people are not very interested in research methods and more interested in results which are easy to understand and quick and effective to implement. That is possible in the case of Hofstede's IBM investigation. In addition Hofstede's study fulfils the need for simplification and categorisation (Bolten, Einführung 103). That is one of the reasons why his son Gert Jan Hofstede predicts that "due to its simplicity, empirical base and predictive power, Hofstede's model will stand the test of time best and be the best building block for future development of theory" (15).

### **3.6.3 Trompenaars and Hampden-Turner**

Another very popular approach to culture is that of Fons Trompenaars and Charles Hampden-Turner. In contrast to Hofstede's study, they are not only interested in cultural

dimensions in general but especially in culture's correlation with the management context and the effects of culture on management (Kutschker and Schmid 732).

Their approach to culture results from 15 years of academic research and field work, and especially from more than 1000 cross-cultural training programmes in over 20 countries (Trompenaars and Hampden-Turner 1). Even though Trompenaars believes that we can never fully understand other cultures, he defines culture as "the shared ways groups of people understand and interpret the world" (Trompenaars and Hampden-Turner 3).

Trompenaars and his co-author Hampden-Turner compare culture to an onion: "Culture comes in layers, like an onion. To understand it you have to unpeel it layer by layer" (6). On the outer layer there are the visible, symbolic products of culture, for example buildings, houses, monuments, markets, fashions and art. These products represent deeper, not visible values and norms such as stability, mobility or status symbols (Trompenaars and Hampden-Turner 21). Then there are the layers of values and norms. Norms, formal (written laws) and informal (social control) are what a group judges as 'right' and 'wrong', and values determine how 'good' and 'bad' is defined. Trompenaars and Hampden-Turner describe it as follows: "While the norms, consciously or subconsciously, give us a feeling of 'this is how I normally should behave', values give us a feeling of 'this is how I aspire or desire to behave'" (22). And what is taken for granted and what is unquestioned reality form the core of the onion (Trompenaars and Hampden-Turner 23).

Trompenaars and Hampden-Turner, too, used a written questionnaire for this research which was conducted in the 1980s and 1990s. The interviewees were participants in their intercultural training and employees of international companies (75% of the participants belonged to the management level) with departments in 50 different countries (Trompenaars and Hampden-Turner 1). Trompenaars and Hampden-Turner drew up a list of 57 questions which were analysed and then formed the basis for the seven dimensions they developed.

According to Trompenaars and Hampden-Turner what makes one culture different from another is the way it deals with problems; even if the problems might be similar, the solutions might not be: "Every culture distinguishes itself from others by the specific solutions it chooses to certain problems, which reveal themselves as dilemmas" (8).

Therefore Trompenaars and Hampden-Turner did not ask 'normal' questions but instead gave the interviewees two or three statements to specific problems and they had to choose the one with which they most agreed.

As a result of their research, Trompenaars and Hampden-Turner defined three types of problems people have to deal with, and in the solutions different cultures have found for these problems they recognised seven dimensions (26-27). The first group are problems, which are caused by relationships with other people (29). They can be categorised into the following

dimensions: Rules vs. relationships, groups vs. the individual, the range of feelings expressed, the range of involvement and how status is accorded (29). Then there are problems which come from the passage of time; this dimension includes questions such as what is the attitude towards time, and what is more important: Attitudes towards the achievements of the past or the plans for the future (Trompenaars and Hampden-Turner 120-126)? The last group contains the problems which are related to the environment. This dimension shows the attitude of the individual towards his environment: Is nature something dangerous and more powerful than individuals or is man more powerful and in control of nature (Trompenaars and Hampden-Turner 141-156)? For each of the different categories of problems, questions and statements were developed, and according to their answers every national culture was placed on a scale. For every extreme position (high and low) 'tips for doing business with' are given.

### **3.6.3.1 Critical evaluation**

By showing the cultural differences in the business environment and different ways of dealing with business related problems, general cultural differences become obvious. The illustration and application of culture seem to be helpful and easy to understand but weaknesses cannot be denied. Firstly, their study is not truly representative of the general population. Even with a large number of 30 000 participants in the database, an unequal distribution could be argued because 75% of them belonged to the management, only 25% were general administrative staff and only 35% of the participants were female (Trompenaars and Hampden-Turner 2).

Another criticism made by Kutschker and Schmid is the choice of interviewees (738). Trompenaars asked participants of his own intercultural training programme, and it is questionable if these people are typical representatives of a specific culture because they might already have a well-developed cultural awareness, or may be extremely ignorant and therefore attend training.

The origin of the seven dimensions is not really explained; we learn that they are the result of academic and field research but are they based on empirical study or theory? It seems that they are the result of literature research. It must be said that the whole methodology of the research is not explicitly explained<sup>14</sup> and from a scientific point of view it is not sufficient to just present the results without explaining in detail how they have been achieved (Kutschker and Schmid 740).

But despite this criticism there are positive aspects which are the reason why Trompenaars and Hampden-Turner's study is used in training as well as in scholarly research. In a very comprehensible way they show that the management and the behaviour of

---

<sup>14</sup> There is only a ten page appendix explaining the research methodology and analysis of the study and this explanation is not even written by Trompenaars and Hampden-Turner.

companies are shaped by culture. Besides, their findings are useful as they present results for countries which are not included in Hofstede's study.

### **3.6.4 GLOBE study**

Another extensive and very recent study is the Global Leadership and Organizational Behaviour Effectiveness Research Program (GLOBE) in which 170 researchers (social scientists and management scholars) from 61 countries around the world examined and analysed the cultural, societal, organisational and leadership differences of 62 cultures in 59 countries.<sup>15</sup> The data was collected between 1994 and 1997. 17 370 middle managers<sup>16</sup> in 951 local organisations of the food industry, the telecommunications and the finance sector took part in the study (House et al. 3-10; Buchegger 3-5).

The goal of this project was to find out if the practices and values associated with leadership are global or universal, and the extent to which they are specific to just a particular culture or a few cultures only. The idea of this global research project was conceived in 1991 by Robert J. House of the Wharton School at the University of Pennsylvania and was followed by the development of the research instruments and design. Through a literature review and two pilot studies, nine cultural dimensions<sup>17</sup> and 292 questions<sup>18</sup> were identified in order to measure the similarities and differences among cultural values and practices (Buchegger 7-9). The nine dimensions are:

- Performance Orientation
- Institutional Collectivism
- Gender Egalitarianism
- Uncertainty Avoidance
- In-Group Collectivism
- Future Orientation
- Humane Orientation
- Assertiveness
- Power Distance

To make the interpretation of results and findings easier, the 62 societies were grouped into ten clusters: "Anglo, Nordic Europe, Eastern Europe, Sub-Sahara Africa, Southern Asia, Latin Europe, Germanic Europe, Latin America, Middle East, Confucian Asia" (House et al. 439).

---

<sup>15</sup> Germany (former East and West), Switzerland (German and French speaking) and South Africa (white and black population were divided into their subcultures).

<sup>16</sup> 25% of them were female.

<sup>17</sup> Each of these dimensions was conceptualised in two ways: practice (= as is) and values (= should be) (House et al. 8)

<sup>18</sup> The list of questions consisted of four subject areas: organisational culture, societal culture, leadership and demographic data.

When analysing the data, the GLOBE team was able to identify 20 factors which are globally perceived as effective. Among these characteristics are mainly those concerned with change orientation and improvement (e.g. positive thinking, foresighted planning, high commitment to performance) and team orientated leadership (e.g. support of team development, good communication skills) (Brodbeck 20). These 20 primary leadership dimensions are grouped into six “culturally endorsed leadership theory dimensions” (CLT) including skills, characteristics and abilities which are globally perceived as effective or ineffective leadership (Brodbeck 20). In this way, the two levels the researchers tried to explore in their study were the societal level (differences and similarities of cultures, nine dimensions defined beforehand) and the organisational level (to which extent leadership values and practices are universal, six dimensions identified through the analysis of the data).

Interestingly, six of the GLOBE dimensions are very similar or even identical to Hofstede’s dimensions, as the following table illustrates.

<b>GLOBE dimensions</b>	<b>Hofstede’s dimensions</b>
Institutional collectivism	Collectivism vs. individualism
In-group collectivism	Collectivism vs. individualism
Gender egalitarianism	Masculinity vs. femininity
Uncertainty avoidance	Uncertainty avoidance
Future orientation	Long term orientation
Power distance	Power distance

Table 3-1: Dimensions of Hofstede and GLOBE

These similarities can be regarded as a confirmation of Hofstede’s dimensions. Despite all the criticism of his research (e.g. equating cultures and nations, questionable representativity etc.), the dimensions he identified are applicable because otherwise they would not have been used by the GLOBE researchers.

On the basis of this research, Brodbeck demands of an interculturally effective leader an understanding of the culturally specific value and belief systems in order to transfer the identified universal leadership skills into the specific cultural context. The GLOBE study shows that individual expectations of effective leadership are mainly influenced by the societal culture, and to a lesser extent by the corporate culture (Brodbeck 21).

### **3.6.4.1 Critical evaluation**

It has to be positively highlighted that the GLOBE study, in contrast to Hofstede's research, was conducted in nearly 1000 companies from three different areas of industry, which means that the results cannot be formed by the corporate culture (Kutschker and Schmid 760). Another positive aspect is the clear separation of values (= should be) and practices (= as is). The results have shown that there can be a large difference between these two levels.

Hofstede was criticised because of the western conditioning of his research. The researchers of the GLOBE study cannot be blamed for that because their questionnaire was designed and tested by an international team of 170 members (Kutschker and Schmid 760).

But nevertheless there has been some criticism regarding the GLOBE study which can be summarised as follows:

- Only managers have been interviewed and they cannot represent the total population (Kutschker and Schmid 760).
- The GLOBE researchers try not to equate cultures with countries, as for instance they continue to treat East and West Germany as separate cultures even after reunification. But they are not consistent in this and do not bear in mind that countries such as India or China consist of many subcultures and therefore should be divided as well (Kutschker and Schmid 760).
- Some researchers criticise the large number of cultures analysed in the GLOBE study. They would prefer more precise and detailed research, concentrating on a smaller number of cultures (Kutschker and Schmid 760).

## ***3.7 General problems researching cultures***

It will now be obvious how wide the range of cultural definitions, dimensions and categories is. This is not only because culture is so abstract but also because there are so many different possible approaches to understanding culture. In addition, it cannot be ignored that researching cultures bears a lot of problems. The different problem areas will be illustrated now.

### **3.7.1 Overgeneralisation**

Overall it can be said that all the studies discussed try to make the concept of culture approachable by comparing cultures and their underlying norms and values. Although this is a very creditable undertaking it cannot be ignored that all the approaches bear the risk of stereotyping and overgeneralisation by making general statements about a national culture as

a homogeneous unity, without considering the individual deviation and specification and the heterogeneous and hybrid character of culture.

### **3.7.2 Culture change**

Other criticism which can be passed on the different approaches I have presented is that most of them do not bear in mind culture change. They gather their information and the empirical material on culture at one specific time and regard the result as providing unchangeable criteria. There is inadequate information given about the circumstances under which the survey was carried out, no consideration of historical circumstances such as the economic situation. In all probability you would not get the same answers in the middle of a recession as you would in an economic upturn. Historical circumstances cannot be eliminated and the changeability of certain factors and ultimately of culture itself must not be disregarded.

### **3.7.3 Situational context**

Another point of criticism regarding the approaches mentioned above is that the momentary situation of the interviewee is not taken into account. Nobody answers questions in the same way irrespective of his/her mood. If an employee is asked if he/she feels that his/her superior always has time for him/her and his/her problems right after an argument between them, the answer will probably be different from the one the employee would give after getting a pay raise. Researchers would probably argue that such abnormalities are statistically insignificant if the sample is big enough. But what about cultures with strong uncertainty avoidance, in which there is a fear of ambiguous situations? Would they not regard the interview as an ambiguous situation and therefore not give honest answers? How can researchers be sure that the answer really allows conclusions about the culture if the culture itself might obscure the answers?

### **3.7.4 Response style**

Different cultures use different response styles. Smith argues that particularly the Likert scale response options may lead to culture specific answer styles (e.g. whereas the Japanese respondents are likely to use the middle of rating scales, the western respondents tend to use the full range of answer options) (22). This raises the question whether these variations themselves indicate the cultural difference, or how it is possible to pinpoint the source of the problem (Smith 22).

### **3.7.5 Subcultures**

Another fact which seems generally to be ignored in investigations of culture is the existence of subcultures. The influence of the partial cultures (age, gender, ethnic origin, religion, occupation, etc.) is ignored, probably for the same reason that the momentary situation is ignored: It is too difficult to collect the relevant data and even if the data were there, it would go beyond the scope of most investigations to include it. It is much easier just to take a country and collect data on the national culture and then make general statements about the nation as a whole, without considering that not all people living there are identical.

### **3.7.6 Lack of theoretical basis**

Furthermore, often the theoretical or empirical basis of dimensions or categories is missing (e.g. Hall). Sometimes it seems as if the raw results of research projects are analysed, the researchers try to identify common features and label them with a name such as collectivism or uncertainty avoidance, and finally try to come up with an explanation for that dimension or categorisation (e.g. Trompenaars). But this is most likely a problem of that whole area, because there are so many different methods used and so many different standpoints discussed that there is just no basis for comparison: A consistent conception or an overall theory is missing.

### **3.7.7 Linguistic aspects**

Other problems which are always involved when doing survey-based research with different cultures in order to compare them are the following:

- In different cultures, specific key terms might evoke different associations which can have an influence on the answer because of different evaluations of the requested issue (Haas 5).
- Another problem with questionnaires is that the questions may be misunderstood and there is no possibility for further clarification or any kind of support in understanding the question. So in case the question is not fully understood the interviewee interprets it according to his culture and the context he draws on (Haas 9).
- Translation is another problem area. There are words which do not have a 100% equivalent in the target language, or sometimes the whole concept of the word does not exist in the target language. So translating a question can skew the intended meaning (Haas 10-12). A possible way of reducing this risk is by translating the question back into the original language. Hofstede is aware of this problem but admitted that back-translations were only used in exceptional cases because of the tight time schedule (Culture's Consequences 46).



### **3.7.8 Conclusion**

Admittedly, to include and consider all the above-mentioned aspects would be very difficult if not impossible, but they should at least be considered.

As long as a consistent conception or an overall theory of culture is missing, the number of definitions and investigations will grow, the methods will vary (because every researcher is culturally biased: shaped by his/her own culture, its values, and along with the background of his/her particular academic discipline e.g. business, anthropology, communication or ethnology, this bias will flow into the conception of the survey) and the results will not be comparable.

In summary it must be stressed that cultural dimensions or standards can serve as an orientation guide but should never be regarded as a fixed rule or universally valid norm. Especially for the purpose of intercultural training, these dimensions and categorisations are definitely helpful because they make the concept of culture approachable and understandable. They convey the feeling of security because one gets the impression that by knowing the cultural dimensions of a country one might be able to deal with them. But this security is only an illusion and can have the opposite effect (e.g. uncertainty, irritation) when the other person deviates from the expected behaviour. Therefore it must be explicitly communicated in intercultural training that dimensions or categorisation always refer to cultures as a whole, but in intercultural situations one deals with an individual and not with the complete culture. And this individual's behaviour can differ from the standard to a larger or lesser extent.

### **3.8 Summary**

This chapter has had the purpose of giving not only an overview of the wide range of definitions of culture but also of some well-known approaches to culture which are, except for the GLOBE study (which is still too new and unknown), primarily used in intercultural training.

Why it has been decided to shed light on these specific approaches will now be explained. The GLOBE study is the latest, substantial research project in this area and therefore needs to be mentioned. The participation of researchers from all over the world and the large number of countries studied ensures the study's objectivity. It can be expected that as soon as the findings are completely analysed and all the results are published, parts of the study will be used in intercultural training in the area of business as well. For my purpose the GLOBE study is too detailed (with 9 dimensions and 'is' and 'should' values) and the results are too extensive to be used in this research. The GLOBE study will not be used in this research, firstly because the findings have not been fully analysed yet and therefore the effects of the different dimensions on the business context are not as well researched as Hofstede's

dimensions, and secondly because the GLOBE study results are specifically based on interviews with managers who cannot represent the total population.

Trompenaars and Hampden-Turner's seven dimensions are illustrated because of their continued use in intercultural training. According to a survey conducted by Berardo and Simons in 2004, Trompenaars was mentioned in second place when trainers were asked which culture models they use in trainings (44). Despite their popularity, I will not use their findings for my research because I regard the study as unscientific due to the missing explanation of methodology and the questionable choice of interviewees.

Both studies, Trompenaars' and the GLOBE project, can be regarded as "variations on the paradigm of dimensional models" (Jan Gert Hofstede 15).

Hall was mentioned in third place in the Culture Models Top Ten (Berardo and Simons 44). I regard his approach as basic and general but very useful to get a basic overview of cultural differences. To understand abstract concepts such as uncertainty avoidance, and how this is perceived in real life, is more difficult than to understand concrete topics such as handling of time. Therefore his approach is adequate to organise the answers in my survey prior to explaining them.

Hofstede's approach was illustrated in detail because it is the most well-known study in this area, even after more than 30 years leading the top ten culture models used in intercultural training (Berardo and Simons 44). Although it is not my intention to validate the usefulness of Hofstede's construct, it seems to be the most detailed and best-described model of culture without being too extensive to use. Therefore Hofstede's dimensions will be used to explain and make sense of the interviewees' answers in my case study.

The next chapter will deal with corporate culture. Corporate culture can be regarded as subculture of national culture. But in order to understand why conveying knowledge about the national culture in intercultural training is not enough, it is necessary to comprehend the function and impact of corporate culture. Only then is it possible to realise that to understand and appreciate a country, knowledge of its national culture is necessary, but to understand and appreciate a company, knowledge of its corporate culture is essential.

## 4 Corporate culture

### *4.1. The relevance of corporate culture for a multinational company*

In order to stay competitive it is essential for companies to find ways of reducing costs, to develop new markets and establish and extend sales and services.<sup>19</sup> The primary way of achieving this goal is through Foreign Direct Investments.

According to Welch and Welch, the challenge a multinational company has to face is finding a compromise between centralised strategic direction and local responsiveness (14). This compromise can be realised by informal control mechanisms, for example staff transfers, international teamwork and projects, in order to create personal relationship networks, or through normative control by shared values (15). Informal control mechanisms require an interculturally competent workforce to make staff transfers and international teamwork successful and effective.<sup>20</sup> Similarly normative control through shared values implies a common understanding and support of the values by the employees. Therefore corporate culture and the shared values in that specific company should be made a subject of every intercultural training, not only for expatriates to make sure that they are able to explain why headquarters wants something done this specific way or why a specific process is necessary, but also for inpatriates who might not be familiar with the headquarters' corporate culture, and after returning to their subsidiary can serve as multipliers of corporate cultural knowledge and practices. This internationalised corporate culture would then unite the geographically widespread parts of an organisation through common shared values and behaviour (Welch and Welch 15) and this would reduce the need for direct supervision (Welch and Welch 21). Therefore Welch and Welch regard corporate culture as a suitable tool to manage the demands of global operations (18).

As discussed in chapter 2, inpatriation, as part of globalisation, not only has a lot of positive effects for the headquarters, by for example encouraging diversity, but also is absolutely essential because of the shortage of young home-based executives in German companies. Therefore companies should try to do everything they can in order to make these assignments successful.

---

<sup>19</sup> These are the three most important reasons for the foreign direct investments of German companies according to a study carried out by the DIHK in spring 2008 (DIHK 3).

<sup>20</sup> According to organisations the rate of successful overseas assignments is less than 30% (Trimpop and Meynhardt 183). Besides the direct and indirect financial implications for the company, a failed assignment can have negative consequences for the returned employee because it might not only discourage him/her but even damage his/her career plans. And for other potential candidates thinking of going abroad, it can have a deterrent effect so that it will become more difficult for the company to find employees willing to accept an overseas assignment.

One distinction between expatriates and inpatriates is their different background: Expatriates come from the ‘important’ headquarters whereas inpatriates come from one of the subsidiaries and this might cause acceptance and adjustment problems for them (as explained in chapter 2.5.3). It can be taken for granted that the better prepared the employee is for the new job and environment, the more successful he/she will be. But it would be a fallacy to limit the preparation to just the national culture without taking into account the corporate culture. In contrast to expatriates who only have to adjust to the new national culture but are familiar with the corporate culture at the headquarters, inpatriates have to face “double layered acculturation” (Barkema, Bell and Pennings 154) which means the adjustment to both the foreign national culture and the more or less well known corporate culture. This adjustment process to two ‘new’ cultures is one of the reasons why it takes up to a year until the employee will perform required work duties effectively in the new working environment (Huber). Therefore it can be argued that a good intercultural preparation for coping with the new culture will increase the probability of shortening the time of acculturation.

In their investigation on the effectiveness of intercultural training for expatriates of three German multinational companies, Pauls and Krause found that especially management differences can play a significant role regarding acclimatisation (20). Cultures which seem to be similar to the German culture such as the USA, France or Australia experience the cultural differences in management as much more extensive and more difficult to adjust to than the differences in national culture (Pauls and Krause 20). Conversely, employees from cultures such as China, Brasil and Hungary which seem to be very different, perceive the dissimilar management culture in Germany as less significant than differences in national culture (Pauls and Krause 20). This leads to the conclusion that in intercultural training more importance should be attached to differences in management (and corporate culture can be regarded as an instrument of management) because the company is the place where expatriates and inpatriates spend most of their time, and they should be prepared for the culture that exists there. Consequently this chapter outlines the key features of corporate culture and illustrates to what extent it differs from national culture.

According to Hofstede, national culture is defined by values whereas corporate culture is determined by shared practices (Cultures and Organizations 182).<sup>21</sup> From this Kumbruck and Derboven conclude that companies within one national culture tend to follow the same values but do not have to share the same practices (22). This is only correct to a certain extent because if the workforce is diverse and from different national backgrounds, their values will be diverse as well. Only in a homogeneous workforce coming from the same national cultural

---

<sup>21</sup> A study by Hofstede et al. empirically proved that the core of an organisation’s culture is the shared perceptions of daily practices (311).

background can it be assumed that the values rooted in the national culture will be similar, and even then differences might be found because, as Schein points out, “different organizations will sometimes emphasize or amplify different elements of a parent culture” (“New Awareness” 12). But in today’s globalised world a homogeneous workforce from only one country is probably the exception, at least in multinational companies. And having a diverse workforce with diverse national backgrounds, different ethnicities, religions, and gender results in a heightened relevance of corporate culture because it will be the uniting element in a company where national cultural values are not shared by everybody.

In order to understand the importance of corporate culture it is necessary to take a detailed look at its history, definition, development and function, and two approaches to corporate culture by Hofstede, who tried to make corporate cultures in different countries comparable by categorising them. Only by understanding the impact of corporate culture as opposed to national culture on the employees of an organisation is it possible to see the relevance for the training of inpatriates.

#### ***4.2 History of corporate culture***

Sackmann gives a short overview of the history of corporate culture theory (Unternehmenskultur 3-11): Studies of culture in relation to organisations began in the 1930s and continued through the 1950s and 1960s. In 1938 Chester Barnard attributed the working of great systems mainly to the existence of informal structures, and Talcott Parsons dealt in 1951 with value patterns in organisations while in the late 1960s the role of the organisational culture regarding change processes was discussed. But in-depth research did not begin until the end of the 1970s and the beginning of the 1980s. The reason was the economic crisis in the United States of America following the oil crises of 1973 and 1979. Until then the USA had been the world’s economic powerhouse but it had become apparent that the significant volumes of imported manufactured goods were upsetting the trade balance, as was the increasing import of relatively expensive oil as home production failed to meet demand. These products could be bought for a better price-performance ratio and so customer behaviour changed. US American companies were confronted with quality and productivity problems, with a loss of market share and sales problems. Between 1956 and 1980 Japan gained 25% of the market share in the automobile industry (Sackmann, Unternehmenskultur 3-11).

Accordingly, two key factors which led to more research being done on corporate culture were the success of Japanese companies and the failure of traditional management. Managers realised that the structure, strategies and system of a company are influenced by its culture (Kutschker and Schmid 680). A third important reason was the pendulum movement

of time, which means that after focussing on the objective, comprehensible and final factors of business, as a natural consequence the soft factors with their subjective, ambiguous and temporary character moved into the spotlight (Neuberger and Kompa 262). The research which was done during that time mainly dealt with the general definition, description and explanation of corporate culture.

The first well-known study was conducted by two McKinsey consultants (Pascale and Athos) in 1982. They found that the Japanese management strategies were mainly influenced by the national culture: The company was seen as a family and the cultural values were based on quality, long-term commitment and collectivism. Some American companies had tried simply to copy those management strategies but were not successful because these companies were operating within a different national culture (Sackmann, Unternehmenskultur 8).

Therefore a second team of researchers, again employees of McKinsey (Peters and Waterman) tried to explore what strategies made successful American organisations so successful. The results, published 1982 in the book In Search of Excellence, showed that successful companies in the USA were very customer-orientated, had less bureaucracy and used or preferred simple structures. They concentrated on their core competences and tried to make quick decisions when a problem occurred (Sackmann, Unternehmenskultur 9).

Peters and Waterman realised that in all the successful companies, stories, slogans, myths, and legends which convey the companies' shared values played an important role (75). They consequently defined the dominance and coherence of a common culture as one of the crucial qualities of corporate greatness (75). In this way policy manuals, organisation charts and detailed procedures or written rules are needless (Peters and Waterman 75) because the long-standing patterns of thinking and acting are internalised and clear.

In the wake of Waterman and Peters' study the concept of corporate culture has become part of organisational theory and management research and practice (Kutschker and Schmid 679; Sackmann, Unternehmenskultur 11). But it was only in the beginning of the 1990s that researchers tried to integrate questions of both national and corporate culture (Kutschker and Schmid 682).

### ***4.3 Definition of Corporate culture***

First of all it has to be clarified that corporate culture is not to be equated with working atmosphere because the atmosphere in a company refers to short-term ambience, reflecting the level of satisfaction with decisions or situations in the company at any given time, which is individually anchored and situational whereas corporate culture is a long-term construct, collectively anchored and a means for conveying the 'rules of the game' within that specific organisation (Sackmann, Unternehmenskultur 43-44).

According to Rathje there exist two different paradigms regarding the actual content of corporate culture: one approach concentrates on the concrete, visible manifestations of verbal and non-verbal behaviour (e.g. ceremonies, stories and humour) of corporate culture, and the other approach is a cognitive one and concentrates on the shared knowledge and basic assumptions of the corporate members – in short the invisible aspects of corporate culture (Rathje, Unternehmenskultur 62).

Martin, a supporter of the manifestation-oriented approach defines corporate culture as follows:

As individuals come into contact with organizations, they come into contact with dress norms, stories people tell about what goes on, the organization's formal rules and procedures, its informal codes of behaviour, rituals, tasks, pay systems, jargon and jokes only understood by insiders, and so on. These elements are some of the manifestations of organizational culture. When cultural members interpret the meanings of these manifestations, their perceptions, memories, beliefs, experiences, and values will vary, so interpretations will differ... The patterns or configurations of these interpretations, and the ways they are enacted constitute culture. (3)

The main interest of this approach is to investigate the collective practices and communicative behaviour and focuses on the concrete, individual expression of a corporate culture (Rathje, Unternehmenskultur 61-62). So the manifestation-orientated approach is concentrated outwards.

Although for communicating corporate culture to new members of the organisation the manifestation-orientated approach seems to be much easier to explain because of its visibility, it is doubtful whether it provides new employees with the necessary knowledge and understanding. All visible cultural phenomena need to be interpreted and it is not possible to conclude what the underlying norms and values are from visible objects (Scholz 811). According to Scholz it is essential to decode, understand and use the unwritten and unspoken rules in order to understand the behaviour (817). Trying to understand or reveal corporate culture according to this manifestation-orientated approach is therefore based on a subjective interpretation of the visible elements, which can lead to misinterpretations because of the individual's personal and cultural background and its influence on the interpretation.

In the German-speaking world, the cognitive approach is supported by many researchers (e.g. Kobi and Wütherich; Neuberger and Kompa), including Sackmann. According to her, corporate culture can be defined as the fundamental principles of a group which manage and to some degree control the way people think, feel, observe and behave in a specific organisation ("Unternehmenskultur(en)" 1). These principles comprise priorities,

processes, reasons and improvements and are based on experience; they are not conscious, emotionally anchored or hidden, and they have become habitual. Because of their unconscious and hidden character, Sackmann compares them to the part of an iceberg which is beneath the water surface (Unternehmenskultur 27). Perceptible manifestations such as artefacts and behaviour (e.g. buildings, furniture, written documents, etc.) build the visible part of the iceberg (Sackmann, Unternehmenskultur 27). Although these manifestations are visible and easy to access, the specific meaning for that corporate culture only becomes clear when the fundamental principles they reveal are known. This is because the same manifestations can have a different meaning depending on the principles,<sup>22</sup> which are difficult to access because they have become habitual and therefore people in a company may no longer be aware of them.

Corporate culture consists of four different kinds of knowledge which together form a cognitive culture map: Dictionary, directory, recipe, and axiomatic knowledge (Sackmann, “Cultures and Subcultures” 141). Dictionary knowledge subsumes commonly shared descriptions (e.g. labels, words, definitions) and refers to the ‘what’ of situations. The shared practices belong to the directory knowledge, which refers to the ‘how’ of things and events. Recipe knowledge subsumes “prescriptive recipes for survival and success” and refers to “shoulds” (Sackmann, “Cultures and Subcultures” 142). The last area is called axiomatic knowledge and is about “reasons and explanations of the final causes perceived to underlie a particular event” (Sackmann, “Cultures and Subcultures” 142). It refers to the ‘why’. Sackmann regards all four levels as part of “culture’s essence or its core” whereas the artefacts and behavioural manifestations, the visible parts of corporate culture, belong to the cultural network (Sackmann, “Cultures and Subcultures” 142).

Schein, another supporter of this cognitive approach, gives a more specific definition of corporate culture:

Organizational culture is the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. (“New Awareness” 3)

His three level model of corporate culture is one of the most popular (Bolten, Einführung 94) in business literature: Basic assumptions, values, and artefacts and creations.

---

<sup>22</sup> An example of this could be a very formal dress code in a company. The reason for dressing that specific way could be the wish for uniformity and equality inwards or to express respectability outwards, or both – so the ‘what’ and ‘how’ is obvious and identical in both companies but the ‘why’ is hidden and can have different reasons or underlying principles.



The visible artefacts and creations (comparable to the visible part of an iceberg) are the constructed environment of the company, such as architecture, office furniture and design, manner of dress, public documents (e.g. business report, website) and visible or audible behaviour patterns (Schein, “New Awareness” 3). For outsiders all these things are easy to observe but difficult to understand because the underlying reasoning cannot be deduced. So the ‘what’ is obvious but the ‘why’ is concealed to those who do not belong to the organisation.

Answers to the ‘why’ are provided by the values. Why a company building is designed like this and why the members of an organisation behave this specific way is based on the values of the company (Schein, “New Awareness” 4). These values can lie above or below the water surface of the iceberg, depending on how openly publicised they are.

The third level defined by Schein, and the most important one when trying to uncover corporate culture, are the underlying assumptions (they can be compared to Sackmann’s axiomatic knowledge). They are taken for granted by the members of the organisation and are subconscious. When employees are confronted with a problem, they try to behave in a specific way in order to solve the problem. This problem-solving behaviour is consistent with and influenced by their values. If the way they deal with the problem is successful, the strategy will be repeated and after a while becomes automatic because the behaviour is internalised. And the values are converted into underlying assumptions, which are non-debatable and definitive (Schein, “New Awareness” 4).

Because the culture of a company is embedded in the surrounding national culture, the basic assumptions of employees, founders and leaders will to some extent reflect the values and assumptions of the national culture (Schein, Organisationskultur 60).<sup>23</sup> But because “different organizations will sometimes emphasize or amplify different elements of a parent culture” (Schein, “New Awareness” 12), each company has its own unique culture, although they have to deal with similar problems (e.g. defining a core mission, goals and strategies, allocation of power and status) (Schein, “New Awareness” 9). That means that although companies reflect their national origins, they build their individual and unique corporate culture out of their experience. This opinion is supported by Schreyögg and other researchers, who state that there is always some scope left for the formation of a unique corporate culture (Schreyögg 382; Laurent 98).

To illustrate Schein’s approach and the cognitive approach in general, imagine the following situation: You visit two different companies: Company A has open-plan offices, all doors are open and employees seem to communicate permanently; company B has individual

---

<sup>23</sup> The basic assumptions which are based on internalised values will stronger effect the behaviour than the propagated values stated in the company’s values and principles (Scholz 790).

offices, all doors are closed and twice a week all employees have a meeting in the conference room. Although you see the visible artefacts (architecture, behaviour patterns) you cannot deduce the underlying reasoning. You see ‘how’ the building is designed and ‘what’ the behaviour patterns are, but you do not know ‘why’. In order to define the ‘why’ you need to find out about the values of the organisation, for instance by interviewing executives, talking to employees, analyzing the company’s website, documents and other artefacts. Both the employees of company A and company B state team spirit as the most important value in their organisation. In consideration of the fact that both companies have totally different artefacts (A: an open environment which supports team work, B: a more individual working architecture) it seems incomprehensible that both value team spirit. To decode this apparent discrepancy you need to uncover the underlying assumptions and convictions which made the organisation successful. Maybe the founder of company A is of the opinion that communication boosts creativity, that everything should be discussed by everybody and believes in the synergy effect of teamwork. He/she designs an environment which makes his idea of a successful business setting possible. If his/her ideas work out and really achieve what the founder defines as success, this strategy will be continued and passed on to new members of the organisation. The value of team spirit influences the behaviour (visible artefacts such as architecture and behaviour patterns) and if the behaviour leads to success it will be repeated until at some point the value transforms into an underlying assumption about how things must be done in order to be successful. The founder of company B regards it as essential that processes are clearly structured and that individual research and reflection is necessary before the team can then make a decision. Therefore he/she designs an environment which allows the individuals to concentrate and work undisturbed before they come together as a team. And again, the value of team spirit (how the founder defines it) influences the behaviour, and if this makes the company successful it will be continued and the value transforms into an underlying assumption.

In this way, the founder’s interpretation and definition of his/her own values influence his/her behaviour and although two different founders can have the same value, ‘team spirit’, their interpretation and implementation of this value can differ and can lead to different practices, behavioural patterns and artefacts (as the example has shown). If the behaviour is successful it will be repeated and becomes a behavioural pattern which is passed on to other members of the organisation. The value which caused this behaviour will become an underlying assumption about, for example, customers and their requirements, competitors and societal expectations. Members of the company are not aware of these underlying assumptions and take them for granted.

So whereas the cognitive approach defines corporate culture as manifestations of the underlying knowledge and assumptions of the members of the organisation, the other approach defines corporate culture as concrete and visible manifestations of behavioural norms (Rathje, Unternehmenskultur 60). The cognitive approach needs much more explanation, knowledge and awareness because the visible elements do not give unambiguous information about the underlying assumptions. But knowing and understanding the fundamental principles makes it much easier to identify with and internalise them, whereas just accepting the 'what' without understanding the 'why' makes it difficult to support the corporate culture, not to mention implement it in other subsidiaries or pass it on to new employees. Therefore I will apply the cognitive approach for the purpose of my work.

In order successfully to integrate the topic of corporate culture in intercultural training, it makes a huge difference which approach is adopted by the trainer. The manifestation-orientated approach does not require prior knowledge of the specific corporate culture but calls for accurate and close observation. If the trainer agrees with this approach it is sufficient for an external trainer to spend a couple of days in the company as an 'observer' and then convey his observations and experiences to the participants in the intercultural training. Though this sounds very basic and a little bit superficial, it is at least a start to raise participants' awareness.

A trainer who supports the cognitive approach has a much more difficult task because he/she does not only need to know 'what' is happening, but 'why' it is happening as well. Because accessing corporate culture (as will be explained later on in this chapter) is a difficult task for an outsider, it is nearly impossible for an external trainer really to know and understand the 'why', and therefore he/she will not be able to convey this.

Taken together that means an external trainer cannot address the underlying norms and values, but he/she can at least raise awareness of different corporate culture standards and thematise the topic in general. An internal trainer, as an insider, has easy access to the corporate culture and therefore should be able to make corporate culture from the cognitive point of view a topic in intercultural training.

#### ***4.4 Functions of corporate culture***

In short, corporate culture sets a pattern for a company's activities, opinions and members' actions towards customers, competitors, suppliers, and one another and influences employees' focus of attention and commitment (Hajro 36). And for a multinational company a common corporate culture is very important because it holds the different parts of the organisation together (Rothlauf 49).

Heinen and Fank divide the impact of corporate culture into original and derivative effects (244). Original effects originate directly from the corporate culture, whereas derivative effects (e.g. public image and success) result from the original effects (244).

According to Sackmann there are four main functions of corporate culture which are necessary for the existence and operation of an organisation: Coordinated action, identification, reduction of complexity and continuity (“Erfolgsfaktor” 28-29). By sharing the most important principles and routines and passing them on to new employees, a common level of interpretation and communication is guaranteed and coordinated behaviour is possible (Sackmann, “Erfolgsfaktor” 28-29).

Besides that, corporate culture can help the employees to make sense of their work and to identify with the company, which has an influence on the motivation, on the productivity and on the willingness to stand up for the organisation (Sackmann, “Erfolgsfaktor” 28-29). And the identification with and commitment to their organisation can create a group feeling by which they distinguish themselves from others, and which provides a significant competitive advantage.

Reduction of complexity means that corporate culture serves as a filter for information and helps the employees to differentiate more easily between important and unimportant information, and to evaluate a situation correctly according to the corporate culture. When a meeting with an important client takes place, the corporate culture provides the employees with appropriate guidelines or scripts (mental maps which tell us what to do and how to behave) for proper and adequate preparation, dressing and behaviour (Sackmann, “Erfolgsfaktor” 28).

Continuity arises from the collective memory which is based on successful problem solving and which provides confidence in behaviour and continuity because not every process has to be reconsidered or developed from scratch (Sackmann, “Erfolgsfaktor” 28-29).

Martin and Siehl add another function of corporate culture: By supporting or declining some behaviour patterns corporate culture serves as a corporate control mechanism (52) or as Hajro formulates it “as a system of social control” (36). According to O’Reilly, corporate culture as social control (as opposed to a formal control system) is much more accepted by employees because they do not have the feeling of being controlled (12).

The combination of these factors provides orientation and works as a cognitive map for the company.

If the norms and values of a corporate culture are widely shared and strongly supported throughout the organisation, we speak of a strong corporate culture (O’Reilly 13) which results in a higher behavioural consistency across members of the company (Sørensen 72). And Scholz goes even one step further and draws the comparison that the stronger the

corporate culture is, the more it will form the behaviour of its members (782). A strong corporate culture can have positive effects such as providing stability and liability, but at the same time negative ones such as inflexibility and less creativity because of the adherence to traditional success patterns (Scholz 784; Schreyögg 387-388). Scholz assumes the development of a strong corporate culture is more likely when the norms and values of the members are not oppositional, when all corporate values are transparent for all members of the organisation and the basic national culture values and norms are not contrary to those of the corporate culture (782). Even if the workforce is nationally diverse and does not share the same cultural values, the national culture will still have an impact on the company through customers and suppliers in the country in which the company is operating.

The implication this has for this thesis is that if a company wants to benefit from a strong culture, it is necessary to make it transparent for inpatriates and to make sure that inpatriates from a national culture with totally different norms and values can understand the corporate culture at headquarters.

#### ***4.5 Building a corporate culture***

According to Sackmann, corporate culture is established right at the start of a new company and is based on the basic principles of the founder (“Unternehmenskultur(en)” 3). The founding members have experiences from their past career, believe in basic principles and have a specific idea of the people they want to work with. They have their personal values and their ideas about the tasks and purpose of the new company (Rothlauf 36). These ideas, values and tasks build the core of the new corporate culture and influence the technology, the design and the products. And of course founders of organisations are “also children of a national culture” (Hofstede, “Interaction” 349). That means that their national culture shaped their value system, which later has an impact on the values of their organisation, no matter whether it is nationally or internationally active (Hofstede, “Interaction” 350). The founders “are the only ones who can fully adapt the organization to themselves” (Hofstede, “Interaction” 349) and everybody they employ must either accept and adapt him/herself to the organisation’s practices and values in order to be effective, or they will leave or have to leave the company (Hofstede, “Interaction” 350).

Gagliardi describes the development of a corporate culture as follows: The founder of the organisations starts his/her business with a vision for success, which is based on his/her education, former experience and knowledge of the environment (121). This vision will, for example, influence his/her objectives for the company, the recruitment of employees and the reward scheme (Gagliardi 121). Even if the employees have different visions and values in the beginning, they will converge by achieving the desired results and through shared success

(Gagliardi 122). This success is ascribed to the collective values, and success results in an idealisation. And by feeling themselves to be members of the cultural community, the employees' motivation will increase and the complexity of processes is reduced. This will improve the efficiency and reduces control (Gagliardi 122). At the same time, the values now shared by all members of the organisation are taken for granted and members are not aware of them any more (122). Hofstede et al. summarise this as follows: "Founders' and leaders' values become members' practices" (Hofstede et al. 311) because the values of the founders and leaders shape the company's culture and the company's culture affects employees through shared practices.

For communicating and imparting norms and values of the corporate culture, the human resources management and the executives are of utmost importance. Human resources management shapes the corporate culture and contributes to a strong and coherent culture which is accepted, understood and followed by the employees (Scholz 823). Only then will corporate culture have positive effects such as coordination, integration, identification and motivation (Scholz 823).

Executives play a very important role in exemplifying the corporate culture. But it is not sufficient just to address verbally the patterns for activities, opinions and actions; the executives have to live them and be a role model to their employees ("Corporate Culture" 148). If one of the principles is that the superiors always have an open door and time for the problems of the employees, yet the door of the boss is always closed, this is counter-productive and does not reflect the corporate culture. Therefore the superiors and executives should serve as a model for acting and thinking according to the corporate culture.

In addition, executives should make sure that new employees get the chance and time to 'learn'<sup>24</sup> the specific culture of the company. This can cause problems if the selection of the new executive is made only because of his qualification and it then turns out that he or she does not behave according to the corporate culture. Therefore it has to be checked if new executives really fit in with the company, and it has to be ensured that they are given time to adapt to the new corporate culture.

In addition to executives and human resources management, the openly propagated corporate culture presented in corporate guidelines, mission statements or policies is important as well. The management should make sure that what is stated in theory is really lived in practice. If a company on the one hand promotes teamwork but on the other hand has a value-orientated compensation scheme, then it sends out a contradictory message. It is the company's responsibility to make their corporate culture guidelines credible and feasible, and

---

<sup>24</sup> New employees have to learn the specific corporate culture from the start. This is essential for acting and behaving according to the corporate culture and for reducing the newcomers' influence on the corporate culture (Scholz 821).

not just a nice vision far removed from reality. If employees do not believe in these guidelines or mission statements or do not take them seriously, they will neither support nor live by them. What holds for national culture, holds for corporate culture as well: in order to maintain stability and coherence, continuity and coordination of action have to be ensured (Bolten, Einführung 59). Continuity and coordination of action in a multinational company are only possible through shared practices and a common understanding of the norms and values that the corporate culture is based on.

#### ***4.6 Subcultures as part of the corporate culture***

In the same way that partial cultures exist in other cultures, they exist in corporate cultures as well, and the bigger a company is the more likely it is that subcultures (Sackmann, “Unternehmenskultur(en)” 2) or even competing countercultures (Smircich 346) will form. Rothlauf calls this the micro level of the corporate culture (Rothlauf 40).

These subcultures can be formed in respect of function, hierarchy, ethnic origin, gender or age (Sackmann, “Unternehmenskultur(en)” 2). These groups develop their own identification, and through their specific way of thinking or doing things they differ from other groups and sometimes close themselves off on purpose. The very existence of subcultures is neither good nor bad; it is their behaviour towards each other which can have good or bad effects (Sackmann, “Unternehmenskultur(en)” 2). Sackmann classifies three different types of subculture: Those which are independent from each other, those which are dysfunctional because they do not work together but should do so, and complementary ones where the cooperation works well between different subcultures (Unternehmenskultur 56).

Martin and Siehl do not classify subcultures according to their behaviour towards each other but depending on their behaviour within the company. They distinguish between enhancing, orthogonal and countercultural subcultures (53). Enhancing subcultures are the strongest supporters of an organisation’s core values. Orthogonal subcultures share the core values and in addition have a set of values in common which are important for themselves but do not conflict with the core values (54). This type of subcultures emerges in functionally different departments such as Research & Development or Marketing. Finally, the countercultures do not support the core values of an organisation, but instead represent a totally contradictory set of values (54).

Scholz states that group culture can only reinvent itself in separation from other cultures, and the effects of a corporate culture are extremely strong when the units are clearly definable and small (806). But these strong separate cultures within different hierarchy levels or within different areas of operation can conflict with each other, and that is problematic because compatibility across the entire organisation is important for the coordinating function

of corporate culture. Therefore corporate culture and the different subcultures are a permanent potential for conflict regarding the effects of coordination and differentiation.

Because of the different subcultures, corporate culture cannot be considered a homogenous construct. But as is the case with national culture and its various subcultures, to some extent all subcultures are influenced by and dependent on the national cultures (e.g. through laws, education system, etc.). And the overall aims, norms and values of the corporate culture of an organisation will have an impact on the different subcultures and their interaction. It is not necessary to address all existing subcultures and their values in intercultural training, but only the overall corporate culture as the dominant general pattern.

#### ***4.7 Measurability and accessibility***

In order to address the corporate culture of a specific company in intercultural training the trainer needs to be familiar with it, either through his own experience as an internal member of the company or through information gathered from employees and executives of the organisation, assuming that executives are aware of the corporate culture and the norms and values it is based on. It is not sufficient to report the written mission statement and company guidelines,<sup>25</sup> it is necessary to look at how they are realised in daily work and why they are realised in that specific way. The intercultural trainer needs to decode, understand, and use the unwritten and unspoken rules in order to understand the employees' behaviour (Scholz 817). There is no doubt that this is a very difficult task but it is possible to achieve with the right people and the right concept.

Heinen and Fank metaphorically compare corporate culture to a tree: The tree represents the company while the roots stand for the culture (240). Their point is that a company's corporate culture is as difficult to see as the roots of a tree which are hidden beneath the soil (Heinen and Fank 241). Although corporate culture has an effect on nearly all areas of the organisation, it is not directly measurable (Heinen and Fank 240). Nevertheless it is essential to define it clearly in order to integrate it into intercultural training. For this purpose Petry suggests finding out what employees really think about their company, how they interpret the artefacts (e.g. dress code, furniture, meetings), what the unwritten rules are, what kind of behaviour they do or do not appreciate and the nature or their motivation (4). Gathering this information can be done through surveys, focus groups and interviews with current and former employees, suppliers, consumers, competitors and others who have been in touch with the company over time (Petry 2).

Although observing the processes and procedures in a company is important also in order to access the corporate culture, this implies problems of neutrality and objectivity. If the

---

<sup>25</sup> But according to my investigation among intercultural training providers this is common practice (see chapter 2.6).



observer is from within the company he/she will judge and observe from the perspective of someone belonging to the corporate culture, and this makes objectivity impossible (Schmidt 197). But even if the observer is from outside the company, his/her view and judgement will be based on his/her own cultural framework and therefore will not be objective either (Schmidt 197). As Schmidt points out, every observation is a construction process and constructing something always implies the influence of one's own attitudes, opinions and knowledge (Schmidt 198). Therefore Schmidt suggests in-depth interviews and discussions with the employees in order to access the corporate culture (198). This opinion is shared by Schein.

Schein, who regards the basic assumptions on which a corporate culture is based as its main component, questions the reliability and validity of surveys (Corporate Culture 60). The culture of a company is too complex and implies so many learned and experienced internal and external aspects that it would exceed the capacity of a questionnaire (Scholz 791). Besides, one does not know what to ask and on which basic assumptions the questions should be focused (Scholz 791; Schein, Corporate Culture 60).

Another point of Schein's criticism is that he regards it as contradictory and ineffective to ask employees individually in order to investigate a group phenomenon. Instead, he suggests using individual and group interviews to access the corporate culture according to his model (Schein, Corporate Culture 61). By identifying the artefacts and the values, then comparing them and looking for contradictions between what is appreciated and valued and what is really done, the underlying assumptions can be accessed. This can be done best with the help of an external consultant who is aware of the concept used (Schein, Corporate Culture 68). Although according to Schein it is even possible that the consultant is from the organisation itself (but not working in the group or department to be investigated) (Corporate Culture 68), it seems to be better to choose an external consultant because he/she can be more objective, and it will be easier for an outsider to uncover the unconscious assumptions. It is difficult to work in the culture and share its values and at the same time investigate and criticise them (Smircich 355). Hofstede contradicts this by arguing that "Organizational cultures are wholes (*Gestalts*) and their flavor can only be fully appreciated by insiders. Outsiders need empathy to understand them" (Cultures and Organizations 197). In order to overcome this dilemma of being too familiar to remain objective and being too unfamiliar to understand, it would be advisable to have an external consultant working very closely with one or two insiders. This would guarantee the objectivity of an outsider and the appreciation and understanding of insiders.

In order to get a complete and clear picture of the corporate culture, the above-mentioned process, which should only take four hours, can be repeated with other groups in

the organisation (Schein, Corporate Culture 65-67). This process of accessing the corporate culture does not only help to define areas where theory (e.g. mission statement, corporate guidelines) and practice (e.g. processes, behaviour) drift too much apart, but it is also the basis for collecting relevant facts to use in intercultural training.

#### ***4.8 Different approaches to corporate culture***

In order to make the concept of corporate culture applicable and to be able to categorise different types of corporate culture, researchers such as Hofstede and Trompenaars tried to find characteristics to define the culture of organisations in different national cultures so as to compare them.

As I mentioned earlier, the concept of an identical type of corporate culture within one country is not tenable. Because of the founders and their individual goals and ideas to realise them, and because of the heterogeneous workforce in a multinational company, every company has its individual character which remains unconsidered when assigning companies to a specific cultural dimension (Rathje, Unternehmenskultur 67).

Because I agree with Rathje and do not regard the different studies as applicable and helpful when revealing and understanding a specific corporate culture, I will only mention the study carried out by Hofstede. Although this project cannot be used to operationalise a specific corporate culture in intercultural training, it can to some extent at least help to explain the different ways in which processes can differ.

##### **4.8.1 Hofstede's approach to corporate culture**

Hofstede's statements on organisational culture are based on a research project carried out between 1985 and 1987 by the Institute for Research on Intercultural Cooperation (IRIC). This project covered 20 units (entire organisations and parts of organisations) from ten different organisations in Denmark and the Netherlands (Hofstede, Cultures and Organizations 184).

The study consisted of a qualitative and a quantitative phase. In the qualitative phase person-to-person interviews of two to three hours' duration were conducted whilst the quantitative phase consisted of a survey with precoded questions. They included those asked in the IBM study and others, which were based on the outcomes of the interviews (Hofstede, Cultures and Organizations 184).

The result of the survey showed six dimensions of corporate culture. These dimensions are not globally representative and do not allow general statements on corporate culture because the units investigated were all in Denmark, and therefore the specific national culture will have some influence as well. Another criticism made by Rathje is when assigning companies to a specific cultural dimension, the individual characteristic of an organisation

remains unconsidered (Unternehmenskultur 67). Therefore the six dimensions will neither be explained in further detail nor used for my research.

Another approach by Hofstede is the following: Hofstede concluded from his four dimensions (as already explained in chapter 3.6.2), which refer to the national culture, that there is a strong correlation between uncertainty avoidance and power distance ("Interaction" 351). These two dimensions have, according to Hofstede, a strong affect on the structure and functions of companies because the two main problems an organisation has to deal with are the distribution of power and the control of uncertainty (Hofstede, "Interaction" 352). The different combinations of these four dimensions led Hofstede to a model of four different implicit models of organisations (Hofstede, "Interaction" 352-353): The market model, the well-oiled machine, the pyramid model and the family model. All of these are based on a combination of high/low uncertainty avoidance and power distance indexes (Culture's Consequences 375).

Companies with low uncertainty avoidance and low power distance are similar to a village market: They are implicitly structured, which means that conflicts and problems are solved through horizontal negotiations (Culture's Consequences 375). The daily workflow is coordinated through informal personal communication, and decision-making is decentralised (Kutschker and Schmid 729).

Companies with high uncertainty avoidance and high power distance are comparable to a pyramid of people: Full bureaucracy and hierarchies are very important (Culture's Consequences 375), which means that the coordination takes place at the top and is very rarely delegated. Relationships are informal and decision-making is centralised (Kutschker and Schmid 729).

Companies with high uncertainty avoidance and low power distance are like a well-oiled machine: The established procedures in these workflow bureaucracies enable employees to resolve conflicts and problems (Culture's Consequences 375) and therefore routines and rules are very important (Kutschker and Schmid 729). Decision-making is decentralised and specialist, and technical competence is important. Companies are compartmentalised and discretion is limited by expertise (Kutschker and Schmid 729).

Companies with low uncertainty avoidance and high power distance are structured like a family: Although relationships among employees are strongly influenced by hierarchy, the workflow is not hierarchically determined (Culture's Consequences 375). Decision-making is very centralised and loyalty plays an important role (Kutschker and Schmid 729).

These categories seem very applicable for my research because they are based on the different country indices Hofstede gathered when doing his worldwide IBM study. Nevertheless, the different implicit models of organisations should be regarded as a rough

classification only, because there are more factors than just the specific national culture the company is based in (e.g. experience and background of founders, purpose of the organisation) which have an impact on the corporate culture. Whether these categories can be proved in my case study and whether they have an effect on the integration of in-patriates will be explained later on in chapter 9.3.3.3 on the analyses of the interviews.

#### ***4.9 National culture vs. corporate culture***

By using only one company for his research on cultural dimensions, Hofstede eliminated corporate culture as a complicating factor because all interviewees shared the same corporate culture. This meant that any difference could be put down to national differences, and the fact that the cross-national research at IBM did not reveal any direct information about IBM's corporate culture would support this (Hofstede, Cultures and Organizations 181). This conclusion would require the assumption that no matter where the subsidiaries are based, the corporate culture would be the same as in the headquarters' country. While the IBM study showed differences in the values of national cultures, the IRIC study revealed differences regarding the practices. Hofstede states that, "The values of founders and key leaders undoubtedly shape organizational cultures, but the way these cultures affect ordinary members is through shared practices. Founders-leaders' values become members' practices" (Hofstede, Cultures and Organizations 183).

Trompenaars and Hampden-Turner agree with this assessment and stress the huge influence of the national culture on the corporate culture through the employees (157). There is no doubt that this is correct: the national culture with its political, economical and legal system provides the basic conditions and framework within which the corporate culture can develop. But the exact impact of national culture on corporate culture is still controversial (Hajro 35). The founders of a company are also shaped by the values and norms of their national culture, and that will influence the corporate culture. Additionally, the different occupational groups, of different social status and different ethnic origin, will influence the corporate culture as well. So although corporate culture reflects the norms and values of its members (employees) and of the surrounding national culture, with the norms and values of the population<sup>26</sup>, corporate culture is not congruent with the national culture (Scholz 815). A national diverse workforce is no exception anymore and therefore we cannot assume that employees share the same national values. Nevertheless, the national culture will still have an

---

<sup>26</sup> This is essential in order to gain approval and acceptance from society in order to function effectively. What happens if this approval and acceptance is missing, could be observed when Wal-Mart failed to capture the German market. Lack of a consistent image (different shop sizes with different appearances: from very shabby to very modern) and the reports on the unusual corporate practices (e.g. colleagues having to share a hotel room in order to save Wal-Mart money) was met with strong disapproval by German customers ("Kein guter Einkauf" 58-66).

impact on the company. Business functions (e.g. marketing or human resource management) and the standardisation of processes and work practices (e.g. communication, technology transfer) will be influenced by the national culture in which the company is operating (Welch and Welch 21).<sup>27</sup>

Corporate culture in a national company can be seen as a subculture with its own specific qualities of that national culture, whereas in international companies the corporate cultures of the subsidiaries could be regarded as transnational subcultures because of:

- Norms and values of the national culture of the country where the subsidiary is located, including laws and political restrictions
- Norms and values of the headquarters' corporate culture
- Different national cultures of the employees

Because of this mixture of different cultures, Knapp suggests that corporate cultures should be regarded as 'intercultures' ("Interpersonale Kommunikation" 129). According to Bolten, an interculture arises when members of different lifeworlds act together (Interkulturelle Kompetenz 18). He states that intercultures do not just happen but are constantly being formed. They are a kind of in-between world, which neither totally reflects culture A nor culture B, but in its best performance produces a synergy with totally new qualities: culture C. Culture A would be the national culture in which the company is based, with its political, social, economic and legal system and population. The different national cultures of the diverse workforce would represent culture B. In the best case these two cultures would build a synergy, a new culture, which is better than the individual parts: a corporate culture C, which not only takes into consideration the existing political, social, economical and legal framework but also allows for the different cultural norms and values of the diverse workforce. Admittedly, while it is possible to observe the framework provided by the national culture of the company, to allow for all the norms and values of a diverse workforce seems to be very idealistic because culture B might consist of too many cultures. It is therefore more realistic and desirable to create an atmosphere where people from a variety of different cultures are respected and valued, and at the same time to create and communicate corporate guidelines and mission statements which are adapted to the national culture of the company.

For the company it is essential to find a compromise between matching the various subsidiaries and their activities within the international organisation, and at the same time allowing for the necessary adjustment of the individual subsidiaries to their national culture.

---

<sup>27</sup> It is difficult or even impossible to implement a corporate culture across national borders. Again, Wal-Mart's unsuccessful attempt to enter the German market can serve as an example, in this case illustrating the failure to transfer an American corporate culture to German employees (Welch and Welch 21).

This compromise would allow for differences and support coherence (Rathje “Corporate Cohesion” 118-119) (as explained in detail in chapter 2.4.3). If there is no matching it will be difficult to operate the international organisation (Stahl 12; Schneider 231). But if the adjustment is too pronounced the result is a strong differentiation which is counter-productive to achieving a consistent strategy, economies of scale and synergy effects (Stahl 12). The relationship between headquarters’ corporate culture and corporate culture in the subsidiaries is illustrated in the following chart.



Figure 4-1: Relationship corporate cultures

This chart shows that the corporate culture of a company is influenced by environmental and social circumstances, norms and values of founders and employees and laws of the surrounding national culture. The corporate culture in the subsidiaries is comprised of the corporate guidelines of headquarters and the interpretation of these guidelines through the reference framework of the surrounding national culture of the subsidiary.

It can therefore be argued that the bigger the cultural differences between the country of headquarters and country in which the subsidiary is located (for example high vs. low uncertainty avoidance), the more different the interpretation of the corporate guidelines in the subsidiary will be. For an inpatriate coming to headquarters this means that he/she will be more or less unfamiliar with the corporate culture. Therefore it can be concluded that for the successful integration of inpatriates into the company it is essential to be familiar with the characteristics not only of the national culture but of the corporate culture as well.

The general difference between national culture and corporate culture can be found in the fact that culture in general is changing permanently while corporate culture is more static, because fundamental principles do not change every day or week. If a corporate culture changes then the reason for that change is intended (e.g. by a change in the market situation or a new chief executive), which means that corporate cultures can be the object of deliberate change, or in other words corporate cultures are manageable.

The second difference is that I cannot choose the culture I am born into but I can choose the corporate culture by not working for that specific company. By the age of ten a child has acquired most of the basic values through family and environment (Culture's Consequences 394). The practices of a specific corporate culture are learned through socialisation in the workplace (Culture's Consequences 394) and at that point the basic values are internalised. Although an employee will not change all his values every time he/she starts a new job in a new company, he/she will adapt to the new practices. And for adapting to these practices and supporting them he/she has to know and understand the values they are based on.

#### **4.9.1 Summary**

This chapter has shown the impact corporate culture has on a company. By illustrating the different functions it has been shown how a corporate culture that is communicated and rationalised by the management and understood and supported by the workforce provides organisational cohesion. Especially for multinational companies, a common corporate culture which allows for differences as well as encourages similarities is essential in order to hold the organisation together across borders.

Without a doubt it is neither possible nor advisable to follow the ethnocentric strategy (for a detailed discussion refer to chapter 2.4.2) and have exactly the same corporate culture in all subsidiaries worldwide, because the different national cultures in which the subsidiaries are based have an impact and must be considered as well.

The conclusion to be drawn from this has to be that it is necessary to prepare inpatriates for the 'unknown' corporate culture in headquarters. Addressing the topic of

corporate culture is not only helpful for the inpatriates but also for the home-country nationals. It helps the inpatriates better to understand procedures and the behaviour of their colleagues at headquarters. It eases the integration of inpatriates into headquarters, ensures that home-country nationals benefit from easier cooperation and helps them appreciate diversity.

Before it can be illustrated to what extent corporate culture – and the unfamiliarity with it – plays a role for the inpatriates at company X, it is necessary to explain in detail one of the main topics in intercultural training: communication.



## 5 Communication

Having shown the impact and functions of corporate culture and the different situations of inpatriates and expatriates, it is now important to take a closer look at the actual intercultural training employees receive. For this purpose it is necessary to explain the different forms of preparation, define their goals and discuss first the other main topic of communication.

### 5.1 Introduction

Communication plays a very large role when dealing with people. Wahren states that managers spend 70% of their daily work time on communication in the sense of all kinds of human interaction (qtd. in Knapp, "Interpersonale Kommunikation" 109). This is particularly true in an intercultural setting and communication is needed especially for the implementation and elaboration of corporate culture (Schmidt 153), because in order to presume a collective knowledge it is necessary to communicate and apply this knowledge via communication (Schmidt 57).

According to Bolten, the success of intercultural business is no longer only dependent on 'hard' skills, such as finance, taxes, cost accounting and procurement systems. 'Soft' skills such as cultural and communicative skills are gaining more and more importance, and it is assumed that their competent use can have an influence of up to 70% on the success or failure in the international market (Bolten, "Interkulturelle Wirtschaftskommunikation" 14).

Language (spoken language, body language, sign language) transports meaning or puts a message across and is the most important communication medium (Lewandowski 3: 994). All languages fulfil two main functions: firstly they serve human communication and secondly they ensure a reference to reality (Hansen, Kultur 67). That means our language provides us with the possibility of putting our reality into words, and vice versa, the picture we have of our reality determines our language and choice of words.

But our language does not determine our view of the world (Ehrhardt 143), nor does the structure of a language reflect the values of a certain culture (Ehrhardt 144). Therefore it can be concluded that statements about the structure of a language do not allow direct conclusions about the speakers of that language, their norms and values, because our view of the world is not determined by our language, by its structure and grammar, and our language is not a product of our norms and values. This realisation replaces an earlier view voiced by Edward Sapir and Benjamin Lee Whorf at the beginning of the twentieth century (Lewandowski 3: 886), according to which our thinking is influenced by our language ('linguistic determinism') (Lewandowski 2: 687) and our language influences our view of the world, our thoughts and perceptions ('linguistic relativism') (Lewandowski 2: 688). If this

were the case, communication in a foreign language would be much easier because by learning the structure of a foreign language the learner could draw conclusions about that culture by being able to understand their perception and view of the world. That would make intercultural communication in the language of one of the participants much easier. Unfortunately that is not the case, as will be shown later in the analysis of the interviews. The Americans, communicating in their native language, English, which is the corporate language of company X, experience the same problems as those in-patriates who communicate in a foreign language. The only aspect of language where an influence of norms and values cannot be denied is when it comes to the communicative style, the different levels of communication. But this does not refer to language itself, but to the way it is used. That becomes evident in the statements made by the interviewed in-patriates.

Consequently, to understand how communication and especially intercultural communication works, the key questions to consider are: What is communication? How does intercultural communication differ from communication in general? What role does culture play when communicating?

Therefore this chapter will first give a brief overview of communication in general and then move on to intercultural communication in particular. The leading question will be: What cultural aspects are involved when communicating, or in other words, how does our culture influence our communicative behaviour? The diversity of communication and the problems that can arise when not knowing or not understanding this diversity will be illustrated.

## ***5.2 Defining the term ‘communication’***

Before the questions outlined above can be answered it is vital to define clearly the term ‘communication’. Every type of human interaction (e.g. a letter to a friend, a TV commercial, a handshake with a colleague or a presentation one gives) can be regarded as communication. Lewandowski defines communication as human, reflexive action mainly through language, as a specific and fundamental form of social interaction (Lewandowski 2: 551; Burkart 17).

Specific components are necessary for communication to take place: First of all in order to communicate there must be something that needs to be communicated, the message. Then there has to be someone who wants to communicate it, the sender, and the person who should receive that message, the receiver. So message, sender and receiver are the basic

requirements for a setting where communication can take place.<sup>28</sup>

In addition to these basic elements the actual process of communicating involves an encoding process by the sender and a decoding process by the receiver. Coding is the assignment of words or sentences to objects and facts, and is based on the conventions of a language community (Bolten, Einführung 14). First, what the sender feels, thinks or wants to convey has to be given symbolic form by using language or non-verbal communication. This process of transferring the message into words and behaviour is called ‘encoding’ (Adler, “Communicating” 247). The receiver gets the encoded message and then has to decode it – has to put meaning into the received words and behaviour. The complexity of this process means that “the sent message is never identical to the received message” (Adler, “Communicating” 248). This transfer problem can create a difference in content, in that the content of what the sender wants to communicate through words and behaviour is different from what the receiver perceives and transfers back into a meaning. The risk of misunderstanding is very high because there is no guarantee that what the sender has encoded will be decoded in the way the sender intended it to be (Gertsen 346). Everybody participating in the communication process is both sender and receiver. Therefore there is a process-related variable which can change (e.g. view, opinion) during the communication (Bolten, Einführung 19).

The medium or, in Samovar and Porter’s terminology, the channel (11) is what actually carries the message; it is the means of transport which conveys the meaning between sender and receiver (Burkhart 21). Not only spoken language in face-to-face communication can serve as a medium to transport meaning, but also body language in the form of gestures and facial expressions, letters, newspapers, books and any other written documents (e.g. company websites and documents), movies, radio and TV. The term ‘medium’ is used for the transportation of meaning in personal interaction and for communication through technical aids such as computers, TV and radio (Burkart 35; Lewandowski 2: 557). The type of chosen medium does not only make the transport of meaning possible in the first place, but also influences the form (e.g. written, spoken). The form will become visible by the choice of signs used.<sup>29</sup>

---

<sup>28</sup> I will not include the debate on the voluntary nature of communication or, in other words, the unwillingness to communicate (supporters of this approach are Samovar, Porter, Adler, Watzlawick, and an opponent is Ehrhardt). Although it is an interesting discussion, it is not relevant to my research because the issues raised by the interviewees refer to communication in general, no matter if voluntary or not. Besides, in the context of intercultural communication it is unfeasible to use Ehrhardt’s model because it makes the analysis of communication much more complicated without furthering understanding.

<sup>29</sup> Although I am familiar with Burkart’s distinction of signs into signals and symbols, it was not evident in the analysis of the interviews that it had an impact on the perception of communicative behaviour. Any irritation regarding communication was not caused by the use of symbols and the repertoire of meaning given to this symbol. Therefore it was decided to omit this discussion.

The basic requirements for communication to take place at all (receiver, sender, medium, and the activities of encoding and decoding) can be regarded as identical for all cultures.

But the repertoire of meaning (all the ideas, images and thoughts we link to a symbol) (Burkart 53) and the different areas of communication are directly influenced by one's culture, which is based on the collective knowledge.

### 5.2.1 Areas of Communication

Before I explain the different areas of communication in detail let me summarise the complex process of communication in the following illustration:

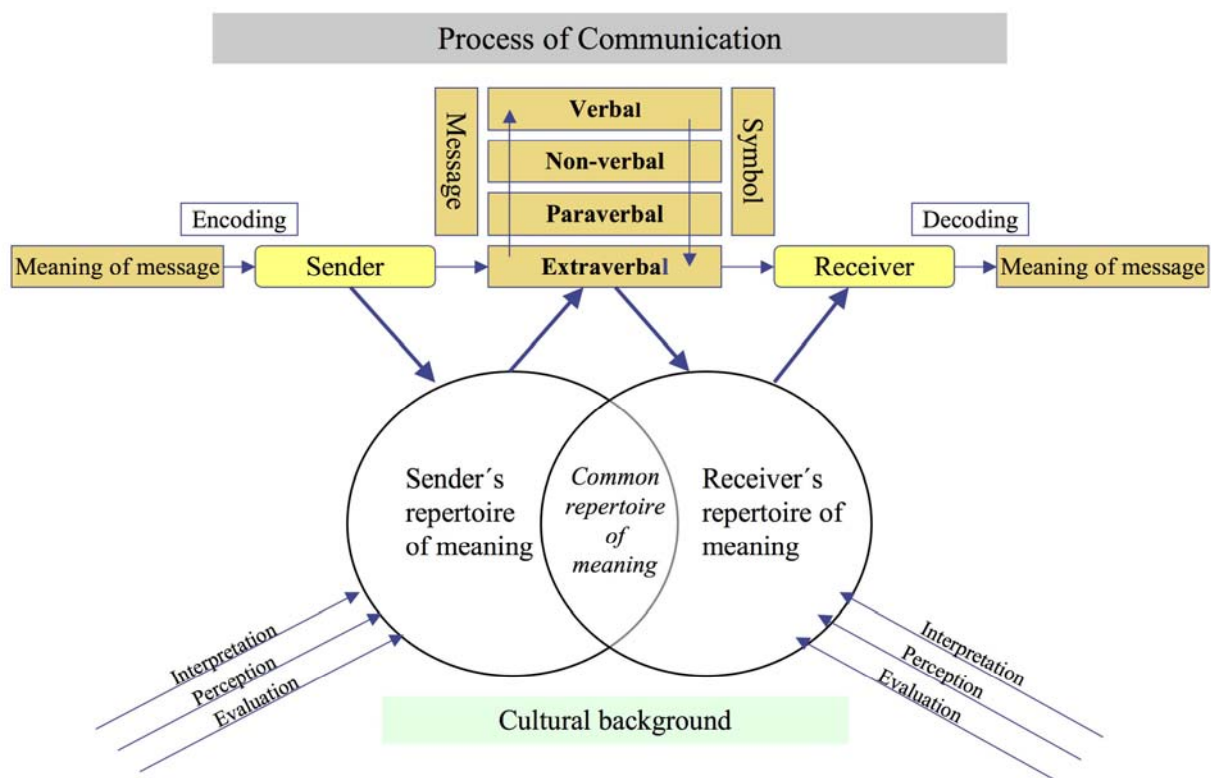


Figure 5-1: Process of communication

Included in the diagram above is the division of communication into four different areas (Knapp "Kulturunterschiede" 59):

- Verbal communication
- Non-verbal communication
- Paraverbal communication
- Extraverbal communication

Verbal communication includes the semantics of words, i.e. the denotative and connotative meaning of words. The bigger the difference in cultural background, age and situation of sender and receiver, the more the connotations of their words will differ; even if

they agree about what the word means at the denotative level, their associations, emotions and interpretations regarding that word might differ totally. For instance what one associates with the word 'moonlight' can range from the romantic notion and starry sky to a cold and astronomical concept. Verbal rituals such as greeting and small talk conventions and speaking sequences also form part of verbal communication (Knapp, "Kulturunterschiede" 59).

Non-verbal communication includes body language such as gestures and facial expressions, body contact (e.g. kissing or shaking hands as greeting), eye contact and the body distance between sender and receiver (Knapp, "Kulturunterschiede" 59). In written communication the non-verbal aspects are visible in, for example, pictures, drawing, colour, layout, and quality of paper (Bolten "Interkulturelle Wirtschaftskommunikation" 10)

The third category of communication refers to paraverbal behaviour, that is the volume level in a conversation which is regarded as normal, the intonation and pitch, the amount of speaking and the speed (Knapp, "Kulturunterschiede" 59; Maletzke 78; Schugk 102), and in written communication it refers to punctuation, spelling, and print space (Bolten "Interkulturelle Wirtschaftskommunikation" 10).

The fourth category in my diagram is the one added by Oksaar: Extraverbal communication (17). This category refers to the setting of communication, which requires specific culturally determined behaviour rules. Sub-categories of the extraverbal dimension are time, place, clothing and context of communication, for instance a conversation at a funeral displays a totally different setting and clothing than one in a pub. In written communication the extraverbal category refers to time (e.g. frequency of publication) or target group orientation (Bolten "Interkulturelle Wirtschaftskommunikation" 10).

These four layers of communication, which do not only exist in spoken but also in written communication, interact with each other and build a communication system (Bolten, "Interkulturelle Wirtschaftskommunikation" 16). And the way we use and combine these levels can be regarded as the communicative style of the culture in which we have evolved, and it takes place unconsciously.

"Culture controls behaviour in deep and persisting ways, many of which are outside of awareness and therefore beyond conscious control of the individual" (Hall, Silent Language 25). Therefore we are not aware that communicative styles are different in different cultures. We just expect most of our norms and values to apply generally until we become aware of them when in contact with other cultures and experience differences. As we shall see, one of the key training features of intercultural training is to learn about and gain insight into the uniqueness of our own culture in order to better understand our own way of communicating, because as Gertsen states: "Culture, to a great extent, decides with whom we communicate, how we communicate, and what we communicate" (345). This will be evident when

analysing the in-patriates' statements because the irritations mentioned by the interviewees were mainly caused by 'how' the Germans communicate.

### ***5.3 The repertoire of meaning***

Repertoire of meaning includes all the ideas, images and thoughts we link to a symbol (which has the purpose of replacing or representing concrete objects or abstract things such as feelings, states or conditions) and the reactions which are caused (Burkart 35). As mentioned earlier, it can be argued that the repertoire of meaning the sender links to a symbol will never be exactly the same as the one the receiver attributes to that symbol.

This repertoire of meaning is rooted in our culture (Schugk 16; Burkart 35; Hansen 51) or, as Bolten calls it, in our collective memory (Interkulturelle Kompetenz 34). The collective memory of a culture includes knowledge supplies gained over time and provides a pool of interpretations (Bolten, Einführung 64). It could best be imagined as a storage container placed in every human being, which is filled during the years of socialisation. Whatever one learns in school, from parents or friends, in one's job, whatever experience one gains will enter this collective memory storage box.

Not all members in one culture have the same content in their boxes because some experiences may be universal and some individual (e.g. growing up in a single parent home, travelling a lot during school holidays, spending two years of school abroad, losing a close friend early in life). These individual experiences are the reason why it is illegitimate to talk about a typical representation of a specific culture (e.g. the typical German). But by growing up and being socialised in one country with the same laws, institutions, and organisations, members of that culture will share a large common basis. All this knowledge goes into our personal storage box and forms our collective memory. And whenever we do, say or think something we use what is stored in our personal collective memory.<sup>30</sup> The combination of the collective knowledge gained through socialisation and the individual realisation of this knowledge enables a cultural dynamic (Bolten, Einführung 68).

When communicating we fall back on what we have learned, on the repertoire of meaning stored in our minds. And by being socialised in the same system in the same culture, our repertoire of meaning will correspond at least to some degree. But coming from different cultures means that the intersection of repertoire of meaning is smaller and the smaller the intersection is, the more difficult the communication will be (due to e.g. miscommunication).

---

<sup>30</sup> It must be stressed that the collective memory as Bolten describes it, is different from what Jung calls the 'kollektive Unbewußte' (the collective unconscious). According to Jung the 'kollektive Unbewußte' is part of one's psyche which is not based on personal experience and therefore is not acquired personally. The 'kollektive Unbewußte' is of a general nature and identical for all people; its content is inherited (45).

In the worst case there is no shared repertoire of meaning at all and no communication will take place (Burkart 35).

This leads to the conclusion that receiving a message and perceiving the paraverbal and nonverbal signals is one thing which can be managed easily, but understanding and interpreting the meaning correctly demands knowledge of the concepts and the collective knowledge, which becomes more difficult the less we know about that culture. Vice versa, the more one knows about the sender's culture and collective knowledge, the easier it is to interpret the message correctly.

However, there is no denying that a completely accurate interpretation is nearly impossible because it would assume that one shares the totality of collective knowledge of another culture, which is not possible when one has not been socialised there. And in addition to the collective knowledge, which contains a collective's total stock of, for example, ideas, proverbs, opinions, judgements (Hansen, Kultur 90), the individual's memory and experience further complicates the situation. This already becomes obvious from the difficulties of communicating successfully within one's own culture, one's subculture or even within families and between friends.

#### ***5.4 Communication and culture***

Evidently there is a strong interdependence between culture and communication. Gudykunst and Ting-Toomey stress this fact in the following statement: "Communication and culture reciprocally influence each other. The culture in which individuals are socialized influences the way they communicate, and the way that individuals communicate can change the culture they share over time" (117). Hall goes even further than this. He not only confirms the influence that culture and communication have on each other, he even sees them as interchangeable: "Culture is communication and communication is culture" (Silent Language 118).

Culture does not only have an impact on communication, it also influences the perception, thinking, evaluating and behaviour of its members. What is more, culture also functions as a filter which helps us select, decide and deal with our environment. As Adler highlights: "Perception is the process by which each individual selects, organizes, and evaluates stimuli from the external environment to provide meaningful experiences for him or herself" ("Communicating" 251).

There are too many things happening around us, too many visual, audible and emotional impressions that would overwhelm us if we were to perceive all of them. Therefore

we perceive what we expect to see or hear and that is determined by our culture, by what we have learned but also by our individual personality.<sup>31</sup>

Not only does our culturally determined behaviour and thinking influence our perception, but also our stereotypes and our clichés about other people. And this perception of our world influences our communication because what we perceive as ‘normal’ will not be a topic for a discussion and even if it were, we could not easily understand any other opinion about it.

For instance, when a German academic listens to a Chinese speaker opening his speech using expressions of modesty and humility, the German listener is likely to perceive it as inappropriate, unacademic, and a strong understatement, whereas a Chinese audience would perceive it as completely normal and appropriate in an academic context. The Chinese and German audience would both have a totally different perception of the beginning of the speech because of their cultural background. The result would be what Adler calls “cross-cultural misperception“ (“Communicating” 251).

Another source of problems in communication can be interpretation, when one interprets one’s perceptions according to one’s culture. Because we try to make sense of what we perceive and to understand it, we match it with our experiences and expectations. However, one cannot transfer the assumed explanation from one context to another (Bolten, Einführung 117). In the above-mentioned situation, the German audience would interpret the opening as a sign of insecurity and ignorance. The Chinese listener would appreciate it and would interpret it as the speaker’s way of showing appropriate modesty. Adler calls this “misinterpretation“ and gives the following reason for it: “It can be caused by an inaccurate interpretation of what is seen; that is by using *my* meaning to make sense of *your* reality“ (“Communicating” 257).

Finally, our culture influences our evaluation of people and situations. The above-mentioned situation would be evaluated by the German audience as unprofessional and not appropriate for the academic world because people should be certain about what they are going to say or publish. The speaker would probably not get very much attention from the German audience because they would judge it as questioning one’s own credibility. For Chinese people showing modesty and awareness of one’s own imperfections has top priority. A discussion on modesty in academic papers or speeches would reach no agreement because modesty has a different value for each of them. This is an example of cross-cultural misevaluation (Adler, “Communicating” 265).

---

<sup>31</sup> Lewis regards the individual as the smallest cultural unit (When Cultures collide 4).



In summary this means that the repertoire of meaning we use to encode or decode messages is influenced by our values, perceptions and interpretations, which are in turn based on our culture, our subculture and even our individual culture.

### ***5.5 Intercultural communication***

Before discussing intercultural communication it is necessary to differentiate between intracultural and intercultural communication.

Intercultural communication is sometimes also referred to as cross-cultural communication and, according to Adler, “occurs when a person from one culture sends a message to a person from another culture” (“Communicating” 249). It can also be defined “as cultural diversity in the perception of social objects and events” (Samovar and Porter 12).

As the prefix ‘intra’ (‘within’) suggests, in Bolten’s view intracultural communication refers to the interaction between members of subcultures within one culture, whereas intercultural communication (inter = between) refers to the interaction between different cultures (Interkulturelle Kompetenz 18). In his usage of the two terms Bolten equates cultural borders with national borders – admittedly not an ideal solution (“Interkulturelle Wirtschaftskommunikation” 13).

Ehrhardt on the other hand argues that intercultural communication takes place when receiver and sender belong to different language communities, or at least one of them uses a language other than his/her native tongue (140). He sees membership in a language community as the most important manifestation of cultural affiliation. Ehrhardt admits that both do not always appear together but he does not see any other criteria which might have the same importance (140). Even if this sounds reasonable and applicable it manifests some weaknesses: According to Ehrhardt’s definition British and American people would, since they belong to the same language community, communicate intraculturally. But there is no doubt that British and American English is not the same and there are words which have different connotations in both nations: for instance the word ‘compromise’. For British people a compromise is something good and it is an agreement both parties can appreciate, while for American people it is an agreement where both parties lose, revealing a significant difference in cultural attitude (Maletzke 143). Consensus on the percepta level (e.g. language) can cover and even hide differences on the concepta level: by using the same language and expressions it is assumed that the same meaning is comprehended (Bolten, Einführung 170).

Looking at these distinctions and the difficulties in defining cultural communication, it becomes obvious that the borders between intracultural and intercultural communication can only be vague, and the distinctions do not say anything about the degree of agreement on the range of meaning between sender and receiver.

The context and topic of communication play an important role as well. A discussion between two German managers working for different German companies (one for a car manufacturer and the other for a bike manufacturer) on the economic situation in Germany might be seen as intracultural because they belong to the same subculture according to their occupation, different subcultures according to their corporate culture and to the same national culture because they are both German. But if they are talking about the need for cars they might have nothing in common and totally different opinions about the matter. So is communication between these two people of an intracultural nature simply because they belong to the German culture? And what type of communication is it if the German manager from the bike company talks to a manager from a French bike company about the same topic? That would be regarded as intercultural communication even though they probably have more in common on that topic than the people in the first example.

### **5.5.1 Differentiating intercultural vs. intracultural communication**

There are two reasons for the difficulties in narrowing down the definitions. The first reason is based on the fact that the terms culture and subculture cannot be applied with universal precision, and therefore it is not possible to distinguish unequivocally between communication in or between cultures and subcultures. How intercultural and intracultural communication is defined depends on how we approach the terms culture and subculture, and the definition of culture necessarily forms the basis for defining intercultural communication.

The second reason is that because of our ability to belong to multiple cultures and subcultures our repertoire of meaning is shaped not only by one but also by many subcultures. In addition, the question of which norms and values – the ones of a subculture or the ones of the national culture – play the more important role in a conversation depends on the topic and is subject to change. So for my case study this means that communication between an in-patriate and a German colleague is not only influenced by the different national cultures of sender and receiver and by the fact that they belong to at least one identical sub-culture (the corporate culture of company X), but also by the topic and communication context.

It cannot be denied that language and its usage has a great impact on communication, but the national culture, too, is very important because it influences the different levels (verbal, non-verbal, paraverbal and extraverbal) involved in the communication process. One cannot work without the other, or in other words, simply knowing the language will not definitely result in successful intercultural communication because, for example, using unaccepted body language can lead to misunderstandings or even to a failure of communication; and only knowing the non-verbal and paraverbal aspects of a different culture without knowing the language is not enough either.

In order to work with the term ‘intercultural communication’ it therefore seems appropriate to combine Ehrhardt’s and Bolten’s approaches to intercultural communication and to define as the preconditions for intercultural communication the involvement of different national cultures and therefore different communicative styles, no matter what the native language of these communities. Consequently, intracultural communication would refer to communication within one language community and within the same national culture. Then communication between British and American people would be intercultural even though they belong to broadly the same language community.

### **5.5.2 Problems in intracultural vs. intercultural communication**

As mentioned earlier, language is a very important aspect of communication. Using the above-mentioned working definitions, intracultural communication involves a sender and a receiver belonging to the same national culture, therefore having a similar range of meaning and knowing the culturally conditioned verbal, paraverbal, extraverbal and non-verbal norms of communication. In intercultural communication, on the other hand, either sender or receiver might know only some of those aspects and will most likely not be very familiar with them because he/she has not acquired them as part of their socialisation. This is what makes intercultural communication so difficult. A good knowledge of the language of the different culture is necessary but knowing the paraverbal and non-verbal rituals is essential as well. In order to communicate effectively it is not enough to have a near native command of, for instance, the English language, you also need to be familiar with the communicative style of British people or Americans. But often it is overlooked that linguistic knowledge does not inevitably produce cultural knowledge.

It often happens that people talking in a foreign language simply transfer the communicative style of their native language into the foreign tongue, in other words they for instance speak Chinese with the kind of directness that is normal in their native language (Knapp, “Interpersonale Kommunikation” 122). Therefore speakers of a foreign language need to know that situational interferences (behavioural rules, e.g. who has to greet first or small talk phrases) can have a bigger impact on interpersonal relations than linguistic interferences (pronunciation or grammar mistakes) because the former concern the personalities of the communication partners more directly than the latter (Oksaar 20). Consequently, a common corporate language does not guarantee successful intercultural communication (as will be evident in my case study), but it provides the basis for it. In addition, the workforce needs an equal and good competence in the corporate language in all four areas: verbal, non-verbal, paraverbal and extraverbal.

In summary, one significant difference between intracultural and intercultural communication is that in intercultural communication the knowledge of and familiarity with the other communicative style, together with the collective memory of the foreign language community, may be missing on at least one side, whereas in intracultural communication the probability of a shared communicative style and collective memory is, to some extent, much higher.

## ***5.6 Communication in the business context***

As mentioned earlier, managers spend 70% of their daily work time on communication. Communication is so important because together with understanding it is essential in order to make a decision (Harzing and Feely, "Language barrier" 56). The following questions arise: How does business communication differ from communication in general? And where does communication play a role in companies?

### **5.6.1 Business communication vs. general communication**

The differences between business communication and general communication (referring to both intercultural and intracultural communication) can be summed up in the following four categories:

- Purpose of communication
- Setting/place of communication
- Risk of communication failure
- Consequences of failed communication

The purpose of business communication is usually clear before the conversation has even started: Contract negotiations, appointments, price discussions, product presentations, etc. The communication is target-orientated (Müller 29) and the interaction partners are under pressure to succeed and therefore have to act and cooperate (Müller 27).

The second difference refers to the place and setting in which the communication takes place. Every communicative interaction takes place in a specific situational context in which specific culturally conditioned behavioural rules apply, such as clothing or movement (Oksaar 16). It can be assumed that in general communication these rules are more flexible and the range of tolerance is much greater.

The risk that communication problems can arise is much higher in intercultural business communication than in general intercultural communication, for instance tourism (Müller 27). The reason for this is that different culturally conditioned communication procedures are not noticed as such, because of a common lingua franca and because negotiation topics tend to be very similar or even identical (Müller 27). Therefore one could expect that communicating in a common corporate language eliminates all communication

problems because of the business related topics and the lingua franca. That has been proved wrong in my research because of the unequal language competence.

Failed business communication can have far-ranging consequences for international co-operations because it can result in a failure to establish further business contacts (Müller 30) and the strengthening of ethnocentric attitudes (Müller 30). These outcomes can then result in direct financial losses (through missed contracts or break-ups of business partnerships) or indirect financial losses (dismissal of employees).

### **5.6.2 Linguistic vs. cultural competence**

Although in business communication all the interacting partners are more or less familiar with the topic of communication (such as a specific product or contract), the cultural context is only known to one of the parties (Müller 33). Furthermore, as mentioned earlier, a good competence in the foreign language can help but is no guarantee for successful communication because cultural ignorance has a much higher impact than linguistic deficits (Müller 32). Obviously, German companies are not aware of this, as the results of my survey have shown, because the number of language classes offered as part of intercultural preparation is nearly twice as high as the number of actual intercultural training courses (see chapter 2.6). This allows the conclusion that companies regard the linguistic competence as much more important for successful communication than the knowledge and awareness of cultural differences. Although companies are right when they stress the importance of language competence and provide language classes, it can be assumed that the language classes are very general and focus on grammar and vocabulary, the verbal area, but neglect the non-verbal and the extraverbal. That is a widespread phenomenon in language courses due to a lack of time and the need to achieve the desired goal (being able to understand and communicate) quickly (Gnutzmann 68).

So for intercultural preparation purposes this means that much more stress has to be placed on the cultural aspects in the communication process than on the linguistic dimension, because when the communication partners come from different cultural backgrounds the danger of cross-cultural misinterpretation, misperception and misevaluation is much higher than in intracultural communication.

Companies cannot rely on a common corporate language eliminating all communication problems. At first glance this assumption is comprehensible but it ultimately proves to be incorrect. Knowing the grammar structure and having a large vocabulary is only one aspect of language (verbal) and the other areas must not be disregarded. Therefore the linguistic awareness of culture has to be raised as well.

### **5.6.3 Corporate communication**

Following Stöckl's approach, the range of corporate communication can be divided into two categories: internal and external communication (Stöckl, 18 Feb. 2002; Schmidt 148). Internal communication includes management discourse, leadership discourse and communication between employees; external communication refers to marketing (brand) communication (commercial, products), public relations (building and supporting the company's image) and journalistic discourse (press releases, consumer criticism, tests) (Stöckl, 18 Feb. 2002). Internal as well as external communication can be written and spoken (e.g. internal written communication via email or internal spoken communication at a meeting; external written communication in form of a company report or external spoken communication with a customer).

Stöckl names the following functions of corporate communication (3):

- Socialisation (recruitment of new staff, negotiating social roles of employees)
- Efficiency control (motivation, setting objectives)
- Decision making (group decisions, participation)
- Conflict management (relationship management, negotiating)
- Coping with stress, social help
- Dealing with cultural diversity
- Outward communication
- Technical development, innovations

Although it is not disputed that all these functions are important, I will only concentrate on the inward-looking functions, those which directly influence the cooperation of employees, but not on outward communication and technical development. Moreover, in order to limit the different possible settings of corporate communication (e.g. in a company with employees and customers within only one national culture or in a company with customers and suppliers abroad but employees from the culture of location), only corporate communication in multinationals with subsidiaries all over the world will be focused on in further detail.

#### **5.6.3.1 Corporate communication in multinational companies**

A company doing business internationally and having subsidiaries around the world has to deal with an even more complicated range of communicative aspects.

As has already been established, corporate culture is influenced by the founders of the company, their aims, norms and values, as well as by the national culture of the employees. It can be assumed that the more diverse the cultural background of the employees, the more

important a common corporate culture is as a unifying factor in order to build a corporate image and formulate a mission with which the employees can identify.

In a subsidiary we will find a compound of the headquarters' corporate culture and the national cultures of the employees, as well as the national culture of the location (through environment, laws, customers) (as illustrated in chapter 4.9). All these different types of culture influence the corporate culture and consequently influence the communicative style as well.

The aims of corporate communication (e.g. achieve an increase in turnover, convince customers, introduce new products) will be the same in the country of the headquarters and the location of the subsidiary because these targets are mainly set by the headquarters and are influenced by the corporate culture (e.g. emphasis on financial or social aspects). But the way and process of achieving these goals are mainly influenced by the communicative style of the subsidiary, which has to take into account the communicative style of the customers' national culture.

The interdependence of communication and corporate culture can be summarised as follows: The instrument to assure the inward-looking functions of corporate communication is the corporate culture, and corporate culture needs communication to be constituted and concretised (Schmidt 153). In order to ensure that the corporate culture can be communicated effectively and diffused widely, a common corporate language is not essential but very conducive for internationally operating companies. In addition, a common corporate language provides the basis for standardised forms, documents, reports and information systems. Provided that the language proficiency of staff is high, the standardised corporate literature allows easy access for all employees (Harzing and Feely, "Language Management" 45). Furthermore, a single corporate language supports group cohesion and eases intra-company communication between employees all over the company and within multicultural teams (Harzing and Feely, "Language Management" 45). Besides, it can be argued that a single language strategy would allow the management to concentrate and focus on providing language training in just one language, which would save costs.

But for all that, the downside of a common corporate language should not be ignored: It takes a long time to adopt this strategy effectively and it often encounters resistance and refusal from staff if many employees lack knowledge of or sufficient competence in the chosen language (Harzing and Feely, "Language Management" 45).

Decisions about corporate language, about the language chosen for internal correspondences and about the names given to processes and products are best made in cooperation with the employees. But before deciding on how to communicate, the employees must all be aware of what should be communicated according to the corporate culture.

However, since the corporate culture may be too intangible to be so clearly defined, people are often not fully aware of it and in most cases the employees are not really involved in the decision making process. Thus the situation described above is without a doubt a very idealistic one.

In summary, it can be said that in the same way that the headquarters' corporate culture has to be adapted to the subsidiary culture (instead of just being implemented), the communicative style of the headquarters has to be adapted to the subsidiary culture. Trying to implement the German communicative style with all its verbal, non-verbal and paraverbal layers into a Chinese subsidiary with mainly Chinese and Japanese employees would not work. Instead, a synergy of the different styles has to be established: A combination which leads to a better and more effective style than the sum of the involved styles, which is acceptable to all participating cultures and which tries to take into account the overall aims, norms and values of the corporate culture and the culture of the customers. What is more, because corporate communication is an essential part of corporate culture it is absolutely necessary for in-patriates to be aware of the communication style in the headquarters, and therefore I am convinced that this topic has to be addressed in intercultural training. Just listing general communication style differences such as directness as opposed to indirectness is not sufficient. Instead, participants have to learn about the different areas of communication and how these are realised in the host country, in order to raise awareness of the underlying linguistic concepts of the culture.

## ***5.7 Summary***

The aim of this chapter was to shed light on the different aspects of communication. The interdependence between culture and communication was illustrated and the impact culture has on communication through our way of perceiving, interpreting and evaluating communication behaviour was explained. This has been done for two reasons: First, communication is a main topic in intercultural training; second, communication constitutes the main point of contact between the in-patriates and the local workforce. In-patriates spend most of their time at the company and they communicate in 70% of their daily work time.

Moreover, the benefits and downsides of a common corporate language have been illustrated because company X follows this strategy. In the analysis of my interviews I will illustrate in further detail what impact a common corporate language has and which problems can be caused by an unequal distribution of language resources, or, in other words, which problems arise if the corporate language chosen by the management differs from the one actually spoken.



The detailed description of the different areas of communication has shown how big the potential for conflict is when communicating with other cultures, and that a helpful intercultural preparation requires more knowledge than just a superficial introduction to some basic communication differences. How the topic of communication is addressed in intercultural training will be illustrated in the following chapter.

## 6 Intercultural training

As shown in the previous chapter, many problems such as misperception, misevaluation, misinterpretation and misunderstanding can occur in the course of communication, when people of different cultural backgrounds interact. Failed interactions do not only happen in daily life (e.g. talking to a tourist) but especially in business when working in another country or in a multicultural team, or when doing business internationally.

What can go wrong is well illustrated in “The Case of the Floundering Expatriate” (Adler, “Case” 4-15). This is the hypothetical case study of Donaldson, an American manager who is sent on an assignment to Europe in order “to create a seamless European team – to facilitate communication among the different European parts suppliers” (Adler, “Case” 4). In his earlier career Donaldson had worked in Cairo for five years. Because of this international background the American headquarters regards him as perfect for the European assignment, and he is sent overseas without any preparation for what to expect in Europe or how business works over there. In the Europe branch Donaldson stumbles from one pitfall into the next, and finally there is no chance that his assignment can come to a successful end. All problems arising are related to cultural differences and the fact that ways of doing business are different in different countries. They could all have been avoided or at least have been made easier to manage if Donaldson and his family had been prepared for his assignment by attending an intercultural training programme.

The intention of intercultural training is not to instil a feeling of security when interacting with other cultures but the opposite: Intercultural training should prepare for uncertainty and unknown situations (Kainzbauer 23). This means that the aim of intercultural training is not to avoid uncertainty but to explain where it comes from and how to deal with it and consequently to equip the learner with the right tools and attitudes to endure feelings of uncertainty, alienation and ambiguity.

As a result, the goal of intercultural training is not to adapt the expatriate or inpatriate to the new culture but to give him/her the necessary knowledge to understand what the local conditions are and why they have come to exist. With this knowledge he/she can then find a way of fulfilling the expectations of the sending division in consideration of the local conditions. One way to gain that knowledge would be by trial and error; first assuming that everything works the same way as in his/her own culture and behaving as he/she would do there. If this is not successful he/she can observe how the locals deal with the situation and then he/she can change his/her behaviour until it produces the expected results. But this can be a difficult and time consuming process and bears the danger that some of the mistakes or trials or experiments are so severe and unsuccessful that they cannot be corrected (IFIM, Interkulturelle Auslandsvorbereitung).

In order to save time and avoid mistakes which can never be corrected, it is an essential part of intercultural training to encourage training participants to reflect on their own cultural values and prejudices. This is necessary in order to realise how differences can be an enrichment (Stehr 1) and how we can benefit from cultural diversity. Unfortunately, the majority of training programmes aim to instil a proper knowledge of the target culture in order that the trainee may adjust to that culture or capture the market or learn strategies for conflict avoidance, instead of accepting diversity and plurality (Bolten, Einführung 161). So instead of regarding diversity as an opportunity for building synergies, there is a tendency to try and overcome the differences.

Reflecting on one's own culture requires cultural awareness, which means an awareness of the cultural conditionality of thinking, behaving, perceiving and evaluating (Knapp-Potthoff 201). Cultural awareness "requires all of us to become fully aware of our own cultural conditioning and fully cognisant of the assumptions and values that lie outside our awareness but influence every part of our conscious lives" (Kohls and Knight ix). The point is not to explain and name the specific factors (that would be cultural knowledge), but to develop the general awareness that all thinking, perceiving, behaving and evaluating is based on cultural standards. An awareness of one's own cultural conditioning makes it less likely that we regard our own behaviour as normal without questioning it and see the behaviour of the other culture as strange or even wrong. An ethnocentric view does not support the equal interaction between different cultures and needs to be challenged.

Both types of managers, inpatriate and expatriate, will need sufficient intercultural training to provide them with the necessary knowledge to function properly in the other culture, to deal with culture shock, alienation and uncertainty and to fulfil the assignment. Although there are no reliable figures concerning the failure of international projects and assignments due to the lack of what is known as intercultural competence (which will be explained in more detail later), it is undisputed that the rate is between 40-70% (Meckl 18).<sup>32</sup> Black and Gregersen state that 10-20% of American expatriates returned home prior to completion of assignment because of cultural adjustment problems and job dissatisfaction, and of those who completed their assignment nearly 33% did not come up to the superiors' expectations (53). This is particularly significant, as a prematurely terminated assignment on the senior management level can cause costs of 0.1 to 0.25 million dollars (including dual relocation expenses) (Bolten, Einführung 218).<sup>33</sup> In most cases the international assignments

---

<sup>32</sup> The high failure rates are controversial and Harzing and Christensen doubt that the failure rates are as high as originally claimed. They regard the lack of a common understanding of what constitutes an international assignment failure as the reason for that, because not every premature end of an assignment can be interpreted as a failure (616-619).

<sup>33</sup> The cost of an expatriate is two to three times as high as the equivalent position in the home country (Black and Gregersen 53). A recent study by Mercer states that the costs can be even four times as high (Paus).

fail because of intercultural or social reasons, for example no social integration, cultural differences, or family problems (Huber).

When business with another country is unsuccessful because of a lack of knowledge and understanding of the other culture, a lot of money is involved and jobs and the image of the company are at stake. As mentioned earlier, it has been argued that communicative and cultural skills can have an influence of up to 70% on the success or failure of international market performance (Bolten, "Interkulturelle Wirtschaftskommunikation" 14). For successful intercultural interaction it is necessary to create common transactions without violating or crossing the boundaries of acceptance of one of the parties involved (Bolten, Einführung 139). Therefore it is essential for people interacting globally to know and understand not only their own cultural norms and values, but also the ones of the other culture. This knowledge of one's own and other cultures and its practical application is commonly referred to as 'intercultural competence'.

In order to pass on this knowledge and understanding to business people many different methods have been developed. In the following part of this chapter a short overview of the history of intercultural training and a detailed definition of intercultural competence will be given, followed by a brief overview of different intercultural learning methods and a detailed description of intercultural training and coaching. Problems for the trainer will be considered and different requirements for different target groups will be analysed.

### ***6.1 History of intercultural training***

North Americans developed most of their current training methods during the 1960s and 1970s (Bolten, "Interkultureller Trainingsbedarf" 61). However, the first extensive work on intercultural studies, methods and effects, Landis and Brislin's Handbook of Intercultural Training, was not published until 1983 (Kainzbauer 7).

During the 1960s and early 1970s, US American researchers started to think about intercultural communication and to develop training approaches because they were looking for ways to improve the cooperation between American social workers and their clients, who were mainly from ethnic minorities and had their own value systems. In addition, the US army was looking for better ways to collaborate with military, political and civilian partners in Vietnam because of the escalating war. And the third reason for the increased research in this field was that some US American companies saw the need to train their employees who were going abroad (IFIM, "Entwicklung").

The methods which were developed during that time (e.g. critical incidents, simulation games, intercultural case studies, contrast culture) are still influential today and are the main methods used nowadays in intercultural training in Germany (Berardo and Simons 14)

During the 1980s and 1990s intercultural training gained more and more importance and interest. In 1980 Geert Hofstede's book Culture's Consequences was published and it revolutionised thinking by suggesting dimensions through which different national cultures could be compared. As more international mergers took place and more employees worked in multinational teams, training programmes based on Hofstede's research results were developed.

Although many other researchers have published work on intercultural training methods, Hofstede's influence is still significant in both intercultural training (e.g. his dimensions still are the number one training tool according to a SIETAR study by Berardo and Simons 44) and research (e.g. in the dimensions used in the GLOBE study). New research in this area has produced few new insights.

## ***6.2 The need for intercultural preparation***

In advanced industrial countries, manufacturing industries employ ever fewer personnel in the manufacturing process itself while service functions and service industries grow. This leads to a higher demand for qualifications to meet market requirements. Therefore the human resources of a company increasingly become one of the most important factors for success (Götz and Bleher 11). As a consequence of internationalisation and international trade, specific qualifications are required.

The German company Siemens annually sends 1800 expatriates to 70 different countries (Stehr 1). For their training, mentoring and reintegration Siemens has set up the International Delegation Centre. Although all companies are under pressure to send expatriates into the world, only consolidated companies can afford in-house solutions to support their expatriates (Stehr 1). But as Bittner (CEO of the Institute for Intercultural Management IFIM) points out, intercultural preparation is not only important for expatriates (qtd. in Stehr 1). He argues that the majority of participants in his trainings are employees based in Germany but working together with colleagues abroad (qtd. in Stehr 1). For them the situation is particularly difficult because while being based in Germany they have to 'switch' between their home culture and the different cultures of the colleagues they are working with (qtd. in Stehr 1).

Experience has shown that being a successful executive in one's home country does not guarantee the same success abroad (Graf 26-29; Gertsen 347). The expectation that being successful in the home country ensures equal success abroad can be explained by the assumption of many managers that the rules of good business are identical all over the world. Companies choose people for international assignments mainly because of their specialist skills and ignore their cultural adjustment capacities (Black and Gregersen 53).

Asked if there are countries which are more difficult for Germans to adjust to than others, Bittner states that supposedly 'exotic' cultures are often regarded as a challenge and employees see the need for intercultural preparation (qtd. in Stehr 1). But when it comes to countries which seem to be similar, such as other European countries, the intercultural challenge is underestimated and expatriates often do not see the need for preparation or foresee any possible source of problems.<sup>34</sup> So in countries where they feel "safe" or think the culture does not differ much from their own culture, expatriates just reproduce behaviour patterns which were successful in their own culture (Bittner qtd. in Stehr 1) and do not see the danger of intercultural misperception or misunderstanding.

### ***6.3 Intercultural competence***

Which abilities are necessary for being successful in intercultural situations? The essential competencies that an executive needs have been classified as falling into the following skills categories: Individual, social, strategic and professional (Bolten, Interkulturelle Kompetenz 86). These competencies and their mutual interaction are a requirement and precondition for being a successful manager. But being socially competent in one's home country does not inevitably mean that one is socially competent abroad; leadership qualities are part of social competence (Bolten, Interkulturelle Kompetenz 88) but leadership requires different strategies and skills in different cultures. Therefore being interculturally competent requires more than the four above-mentioned core competencies, it also requires intercultural competence.

Definitions and points of view on what constitutes intercultural competence are diverse. Rathje distinguishes between three different approaches: Intercultural competence as culture specific, as cross-cultural and as general social competence ("Interkulturelle Kompetenz" 5-8).

Regarding intercultural competence as a culture-specific competence would mean that for every culture a specific competence is necessary. That would imply that instead of intercultural competence there would be China-competence, France-competence, etc. Although many of the intercultural trainings are culture-specific (Knoll 86), such a limited approach is neither justifiable nor reasonable because of the heterogeneous character of cultures.

Proponents of the cross-cultural approach regard intercultural competence as a general skill for dealing with the 'Other' and for assimilating the experience of alienation. Unfortunately, as Rathje rightly points out, these authors do not explain how this assimilation is achieved ("Interkulturelle Kompetenz" 6).

---

<sup>34</sup> This statement was confirmed in my survey on inpatriate management in German multinational companies (see chapter 2.6).

A third approach regards intercultural competence as a general social competence because the different subsidiary skills named in different models are very similar to the subsidiary skills of a general social competence (e.g. empathy or communication skills are regarded as subsidiary skills of intercultural competence and at the same time they are subsidiary skills of a general social competence). This approach equates social professional competence with intercultural social professional competence, without taking into account the different area of action (intracultural vs. intercultural). However, having effective communication skills within your own culture does not mean that you will interact effectively in a foreign culture. Therefore one needs the ability to transfer the knowledge and skills from working within one's own culture to the foreign culture, i.e. from the intracultural to the intercultural setting (Bolten, Interkulturelle Kompetenz 87).

In contrast to the above-mentioned approaches, Bolten regards intercultural competence as a reference dimension for all other behavioural competencies, meaning that a person who is able to use the four core competencies in a new cultural setting can be seen as interculturally competent ("Interkulturelle Kompetenz und ganzheitliches Lernen" 190). To regard intercultural competence as a reference dimension and not as another core competence is a reasonable and very logical approach, because although one can be individually competent without being professionally competent or one can be strategically competent without being socially competent, one cannot be interculturally competent without being individually, socially, strategically and professionally competent. Therefore I completely agree with Bolten's approach and define intercultural competence as the result of a synergy built from the interdependence of individual, social, strategic and professional competence: the interplay of all competencies builds the basis for intercultural interaction.

The different subsidiary competencies named in various models (Kealey; Mendenhall, Dunbar, and Oddou; Baumer) can again be categorised into three dimensions: knowledge (cognitive dimension), motivation (affective dimension) and skills (behavioural or conative dimension) (Graf 26). The first area includes the knowledge of traditions, customs and behaviour patterns of a culture and the mastery of its language. Motivation refers to the degree of willingness a person has to interact and work with people from other cultures. Communicative competence and the ability to react appropriately in a situation belong to the area of skills (Graf 26). All three dimensions are interdependent and pervade each other (Antor 143-144). According to Antor all three dimensions, the cognitive, affective and behavioural dimension, are essential for acquiring intercultural competence: the cognitive dimension (knowledge of cultural differences and similarities) is a prerequisite for accepting what is other and different and encountering it with openness, respect and curiosity (affective dimension), which then makes intercultural interaction (conative dimension) possible (Antor

143-144). But transferring the cognitive, affective and conative dimensions can be difficult, particularly when under the physical and psychological stress which executives often experience (Schneider and Hirt 137).

Intercultural competence is not an ability one is born with (Gertsen 352), nor is it necessarily acquired during school or university education. Even knowing a foreign language does not mean that one automatically has the communicative competence when interacting in that culture. Learning a foreign language helps with being more sensitive to other cultures, and that is an essential step for gaining intercultural competence, but it is definitely not enough (Glaser, "Fremdsprachenkompetenz" 91).

Taken together, intercultural competence does not mean adjustment; it is not an instruction manual for other cultures and does not automatically occur through culture contact, but is a learning process. Intercultural competence is a multi-layered concept which, depending on one's knowledge, perception and behaviour, uses diversity synergistically, consciously looks for common ground, and helps to mediate every interaction anew.

#### ***6.4 Intercultural learning***

So where can intercultural competence be acquired? According to Layes, intercultural learning takes place whenever one has to deal with a foreign culture, for instance as a tourist or exchange student. These unplanned and often unconscious intercultural learning and adaptation processes are generally summarised as 'acculturation' (Layes, 126). Layes supports the culture-contact hypothesis (126), which argues that the meeting of different cultures will activate the learning process and result in the deconstruction of national stereotypes and prejudices. Even though at the beginning of the 1970s this hypothesis was called into question, because these culture contacts are often very superficial and often enforce prejudices by eliminating conflicts and promoting unreflective behaviour, there are still proponents of this concept.

Thomas rightly rejects the premise of this uncontrolled and accidental learning process ("Interkulturelle Handlungskompetenz"). Even knowing that the communication partner is from a different culture does not necessarily result in intercultural learning. According to Thomas the following requirements have to be fulfilled to make intercultural learning possible:

- Active search for explanations for and understanding of the differences between one's own and the other cultural orientation system.
- Use of critical interactions as stimulation for exploring and reflecting on the differences.



If one adapts to or accepts and tolerates cultural differences without reflecting upon them, one will neither benefit nor profit from the intercultural interaction; one will not learn anything about one's own or the other culture and will not test different behaviour strategies. Although acceptance, tolerance or even ignorance of critical situations will partly provide general guidance for appropriate behaviour, the person will neither see reasons for nor develop an understanding of that behaviour (Thomas, "Interkulturelle Handlungskompetenz"). Thomas' approach seems to be much more realistic and comprehensible because if Layes were correct in suggesting that the intercultural interaction itself already activates the intercultural learning process, nearly everybody would be interculturally competent at least to some degree. Nowadays, people travel abroad, work with colleagues from other cultures or have some other form of contact with different cultures, and yet many of them do not have any intercultural competence at all because they do not experience these intercultural interactions consciously. It is obvious that travelling to many different countries as a tourist is certainly not enough to acquire intercultural competence. Although numerous and diverse experiences of alienation will result in more flexibility in intercultural situations (Bolten, Einführung 120), they do not make one interculturally competent or automatically stimulate the learning process. Learning can be defined as a lasting change of behaviour caused by experience (Arnold, Eysenck, and Meili 1239) and this process requires a conscious experience and an awareness of intercultural situations, in which different cultural systems intersect.

Consequently, I strongly believe that intercultural learning is more effective and lasting when it is directed, and it should be acquired before intercultural interaction takes place in order to minimise the risk of failure.

### ***6.5 Acceptance of intercultural training***

In summary it can be said that researchers on intercultural training all agree that it is an essential process to undergo for everybody doing business and working with people from different cultures. However, in contrast to the general agreement among researchers companies have a markedly different opinion of intercultural training. According to Bittner only 20% of German employees going abroad are interculturally prepared ("Interkulturelles Training"). But why is this number so small if the importance of intercultural competence seems to be obvious and comprehensible?

The objections to intercultural training cited by companies are that the culture determined difficulties are caused by the other party, and therefore they need intercultural training, or that it is assumed that mutual understanding will arise automatically after some time (IFIM, "Interkulturelle Trainings"). Another reason mentioned is that although

companies realise the existence of cultural differences, they underestimate their significance and do not regard them as jeopardising success (IFIM, “Interkulturelle Trainings”). In addition, companies are convinced that their employees are widely travelled and experienced and therefore do not require any training (Mendenhall and Oddou 39). The reasons for these objections to intercultural training can be found in the following areas: missing theory, costs and results.

### **6.5.1 Missing theory and lack of quality standards for trainers**

Regrettably, up to now a basic theory of intercultural learning that could explain which processes lead to which effects, and how these could be created in training, has not been formulated (Kammhuber 26). Kammhuber regards this as an essential precondition in order to guarantee the quality of intercultural training (26).

In addition to these quality assurance problems, specifically trained intercultural trainers are rare because courses at German universities in subjects such as ‘Intercultural Communication’ have only recently been established in the 1990s (Bolten, “Interkulturelle Kompetenz und ganzheitliches Lernen” 191). Therefore 53% of the trainers observed as part of the SIETAR study felt that a clear set of professional standards should be developed for the intercultural field (Berardo and Simons 14).

The current situation leads to a lack of quality standards and the arbitrary use of the occupational title of intercultural trainer. There are only a very limited number of institutions (e.g. IKUD, [interculture.de](http://interculture.de) or Stöger & Partner) that offer certified trainer’s education. Although the DGikT (Deutsche Gesellschaft für interkulturelle Trainingsqualität e.V.) addresses issues of standard training guidelines and quality assurance, the respectability of this association is doubtful because it was founded by employees of IKUD and Stöger & Partner, two institutions who offer train-the-trainer workshops. It can be assumed that as soon as the market has developed certain quality standards for this profession, the term will probably have a more distinct definition (Knoll 90).

Both aspects lead to a lack of clarity about the subject and this results in disapproval by the employees and the human resources departments, who simply do not know what exactly intercultural training is and therefore think that because many employees frequently travel abroad it is not needed (Gibson, Tauber, and Münster 13). Bittner states that it is often wrongly assumed that intercultural problems are generally caused by a lack of sensitivity and openness, resulting in the belief that one just has to be open-minded and sensitive and intercultural training will then be unnecessary (“Interkulturelles Training”).

### **6.5.2 Costs**

The next possible reason for not providing intercultural training is the costs. Training measures, no matter in which field, are always expensive because the trainer has to be paid and the loss of working hours compensated. In contrast to other trainings, such as language or presentation skills training, the results and the success of intercultural training are difficult to measure. Because of the absence of theory and of quality standards for intercultural training, the costs are often overestimated and the costs of a failed assignment and the importance of intercultural interaction are underestimated. The lack of quality standards, in particular, can result in hastily arranged training, which does not meet the expectations and requirements of the employees because they do not receive any practical orientation in respect of their specific working and management problems (Thomas, Kinast, and Schroll-Machl 116).

In order to reduce the costs of intercultural training but still prepare the future expatriates at least in some way, some companies regard it as helpful to use the experience of former expatriates in order to prepare future ones. The problems which arise here, according to Thomas, Kinast, and Schroll-Machl, are that the former expatriates take the position of culture experts and present not only their own experience, prejudices and stereotypes but also their method of problem solving and its consequences as orientation guidelines for others (118).

### **6.5.3 Results**

The results of intercultural training are difficult to evaluate and to measure, and to quantify intercultural competence is not possible at all (Bolten, Einführung 218). This is because intercultural competence, as mentioned before, is not an independent core competence but can best be defined as a synergy of the other core competencies (individual, social, strategic and professional competence), and is therefore constantly in the process of being developed. How this process runs depends on a lot of factors concerning the persons involved (e.g. age, context, place, hierarchy, power distribution), and therefore it does not follow a specific pattern but is unpredictable and new every time.

This fact serves as another reason for companies not to offer training. If an expatriate who attended intercultural training sessions before he went abroad does a very good job, it is very difficult to prove that he would have been less successful without training. And even if an expatriate who did not get intercultural preparation fails in his assignment abroad, it is not possible to be certain that things would have turned out differently had he attended an intercultural training programme, because there are too many variables which have to be taken into consideration. These include command of the language, economic circumstances

and family situation. Intercultural training is no guarantee for a successful assignment and lack of intercultural training does not inevitably mean an assignment will fail.

#### **6.5.4 Lack of time**

In some cases there is no time for training because the assignment abroad was arranged at such short notice that there is no time left for intercultural preparation (Gertsen 351; IFIM, “Wirkungen”).

Macfarlane, CEO of Berlitz Business Seminars Frankfurt, recommends starting the intercultural preparation six months prior to the assignment (qtd. in Stehr 2). The first step should be to read the relevant literature (travel guides, guidebooks, etc.) in order to get a feel for the country, and a couple of weeks before departure it is advisable to conduct intercultural training for the employee and his family (in case they join him abroad) (Macfarlane qtd. in Stehr 2). In addition, four weeks after arrival in the country another training session should take place and within the first six months regular coaching sessions are suggested (Macfarlane qtd. in Stehr 2). Unfortunately the practice looks quite different: Sometimes the executive has only a couple of months’ or even weeks’ lead time before going abroad. During this time he has to finish the project he is working on, train his successor, make contacts with the subsidiary, professionally prepare for the new position and rearrange his private life (Kinast “Interkulturelles Training” 185-186). So there is often no time for cultural preparation, as is confirmed in my case study, and because of the general perception that the success of intercultural training is doubtful, it is at the bottom of the priority list. Moreover, sometimes the expatriates are unaware of the availability of training measures.

### ***6.6 Phases and categories of intercultural training***

The preparation and revision of intercultural training has to be well organised in order to assure the greatest possible effectiveness and to evaluate to what extent the set targets have been achieved.

#### **6.6.1 Training phases**

As Kamhuber points out, to make intercultural training effective it is essential to conduct it in three phases: Needs assessment, intervention phase and evaluation (26-30).

The needs assessment shows the organisation’s advancement in terms of the internationalisation of strategies, processes, staff and products. Knowing the level of internationalisation (as explained in chapter 2.4.2) is important in order to find the right point for commencement of training. Are the employees used to interacting with other cultures because the staff is multicultural or because they work closely with an overseas subsidiary via

the internet? Is there at least the awareness that different cultures do business differently? Or is intercultural interaction a totally new topic for the personnel?

In the intervention phase, the form, contents and methods of the training are defined. In doing this it is important to take the culture of the participants into account (Kinast, "Interkulturelles Training" 184), because different cultures prefer different styles of learning (e.g. interaction, didactic teaching, group work).

The last essential step is the evaluation process. This step examines how far the training approach is accepted by the participants (formative evaluation) and assesses the actual outcomes for the participants (summative evaluation) (Kammhuber 30).

### **6.6.2 Aims of intercultural training**

"The purpose of any kind of intercultural training is to enhance the participants' intercultural competence" (Gertsen 351). According to Götz and Bleher there are three possible aims of intercultural training: Cognitive aims, affective aims and behaviour-orientated aims. This ties in with Graf's three dimensions of intercultural competence. If the training is cognitive-orientated, the participants are supposed to learn that their own culture and their opinions about others have a significant influence on any kind of interaction with the foreign culture. Knowledge about their own culture as well as the target culture will be acquired.

Affective-orientated training has the intended effect of developing the ability to control one's emotions while interacting with other cultures, and encourages openness without feeling a sense of threat. In behaviour-orientated training the participants learn to develop methods and ways of adapting their own behaviour to the behaviour expected in the foreign culture (Götz and Bleher 34).

It can be argued that all three aims are of equal importance: To aim at the cognitive level only is not sufficient because knowing that culture has a huge impact on everything and everybody does not help when actually dealing with other cultures. Therefore it is also necessary to engage in behavioural training and learn different behaviour strategies. But a training participant would not be willing to learn new behaviour if he is not open to foreign cultures and lacks flexibility and tolerance. That means that all three dimensions are in interaction with each other and are interdependent. Therefore an effective intercultural training should target the cognitive, the behaviour-orientated and the affective aim in equal measure.

### **6.6.3 Training format**

In addition to categorising intercultural training according to its aims, it can also be categorised according to its format, content and techniques used.

There can be two different training formats: On-the-job and off-the-job (Kammhuber 28). Off-the-job training has the advantage that participants can concentrate intensively on the topic without any distraction. On-the-job training involves a specific task or situation such as a difficult transaction or contract negotiation. This is situation-orientated and participants immediately see the reason why intercultural training is necessary and can be helpful (Kammhuber 28). Bolten raises the objection that even if off-the-job training is very process and work-orientated, it cannot reflect the complex situation of the assignment on location. Therefore he regards on-the-job training as essential because ongoing care for the expatriates can focus on the real situation, on the international team building process and can deal with individual problems (“Interkultureller Trainingsbedarf” 75). Another reason for the upward trend in on-the-job training is the fact that often the assignments abroad are realised at such short notice that there is no time left for intercultural preparation in advance (Lüsebrink 81; Gertsen 351). Exactly the same valid arguments can be applied to training for inpatriates.

The company in my case study offers off-the-job training only. While taking Bolten’s criticism about the missing complexity of the work situation into account, it can be argued that off-the-job training is still better than having no intercultural preparation at all. In addition it has to be mentioned that for external trainers it would be more difficult to conduct on-the-job training because they are not familiar with the complex work situation at a specific company. Therefore it is not only a question of what would be the better training format for a specific situation, but also which format is realistic and practicable.

## **6.7 Training content**

The content of intercultural training can be either culture-specific or culture-general, with neither form excluding the other but instead acting as a complement and forming a synthesis (Kammhuber 29).

### **6.7.1 Culture-general training**

Culture-general training is based on improving cultural self-awareness, which involves recognising and understanding one’s own cultural norms and values as a basis for generally accepting and understanding the cultural differences and cultural standards of others (Kainzbauer 21; Gertsen 353). The disadvantage of culture-general training is that increasing one’s self-awareness is time-consuming (Kainzbauer 21) and does not really prepare one for the actual, culturally determined requirements of the new task (Kammhuber 29) in the new

culture. The advantage is that such training sensitises the participants to the relativity of cultural standards.

### **6.7.2 Culture-specific training**

Culture-specific training concentrates on information and standards of only one specific culture and is the most commonly offered training type (Knoll 78). This type of training provides the participants with advice and information which enables them to adjust their behaviour and understand the different cultural standards, and also gives them help with decision-making (Kainzbauer 23). The danger here is that dealing with a specific culture can increase stereotyping because not all the identified characteristics and norms apply to all those belonging to that culture (Kainzbauer 23). And according to Götz a good training should not 'pigeonhole' cultures, because the concept of national culture as dominant orientation pattern is not accepted anymore (Stehr 1). The reason for that is the pervasive, heterogeneous character of culture. This means that the line between successful training and training that only enhances stereotypes and false expectations is very thin.

## **6.8 Training techniques**

The training techniques can either be based on a didactic method or on learning by experience (Götz and Bleher 35).

### **6.8.1 Didactic approach**

The didactic approach, or informative method as Bolten (*Einführung* 224) calls it, is based on the passing on of facts-orientated knowledge (Götz and Bleher 35). This method is mainly used in staff development courses in Germany today (Bolten, "Interkultureller Trainingsbedarf" 73) because it is research-based and is of equal relevance to all styles of leadership.

Knowledge is passed on through lectures, discussions, videos and language courses (Götz and Bleher 36). On the one hand this technique seems to be helpful because participants receive much information and background knowledge (e.g. history), but on the other hand it is very abstract and theoretical, and when it is only a description without the necessary explanation it results in 'Do's and Taboos' instructions (Bolten, "Interkultureller Trainingsbedarf" 73), which do not help the learner to accept and respect the other culture. Although 'Do's and Don'ts' enhance tolerance, they do not help to break away from one's usual thought patterns (Kumbruck and Derboven 120), which is necessary for understanding and respecting other cultures.

## 6.8.2 Learning through experience

The other method is learning through experience, or as Bolten puts it, the ‘interaction-orientated method’ (“Interkultureller Trainingsbedarf” 73). It is based on the assumption that knowledge is gained most effectively when acquired through personal experience (Götz and Bleher 35).

Through simulations, role-plays and communicative workshops participants imitate situations that may occur in the new culture. The emphasis is on affective and behaviour-orientated aims such as tolerating ambiguity and empathy (Bolten, “Interkultureller Trainingsbedarf” 73). The trainer tries to involve participants as much as possible and to influence participants’ feelings, attitudes and behaviour directly (Gertsen 353). Although simulations are used by 84% of the trainers researched in the SIETAR study (Berardo and Simons 14), it has to be noted that because simulations are often fictitious and deal with non-existing, artificial cultures, they are sometimes not taken seriously; moreover, because of their lack of management related aspects they are rarely accepted by executives (Bolten, “Interkultureller Trainingsbedarf” 73). According to the author’s own training experience, however, it is this fictitious and artificial character which makes simulations very interesting for training participants. They can try out different strategies in a fictitious setting, which provides the feeling that everything can be tested because it is not real. In addition, simulations have the advantage that because they do not present existing cultures there is no danger of stereotyping.

## 6.9 Training types

In summary, these categorisations result in four different training types:

- **Didactic culture-general training:** This very theory-based training form deals mainly with basic questions such as ‘What is culture?’ ‘What are my own norms and values?’ ‘Where do stereotypes come from?’ ‘What cultural dimensions do exist?’ This training type wants to give participants an understanding of the concept of culture and make them aware of their own cultural background and its impact.
- **Didactic culture-specific training:** This training form tries to provide information on history, economy, political situation, climate, social structure, religion, legal framework and national culture; it is a compressed overview of the foreign culture.
- **Experience-orientated culture-general training:** Culture-awareness training is a popular form of this training method which deals with the participants’ reactions towards fear of alienation, ethnocentrism and stereotyping by using simulation games.
- **Experience-orientated culture-specific training:** Typical examples of this training approach are contrast-culture training with bi-cultural trainer teams who give the



participants the chance to engage in role-play with somebody from the other culture, and bi-cultural or multicultural team training where participants from different cultures interact with each other (IFIM, “Verwirrende Vielfalt”; Gertsen 355-356).

### **6.9.1 Online training**

Another method of intercultural preparation is online training (e.g. the Culture Trainer of Volkswagen Coaching – a web-based training tool for trainees at Volkswagen). Online training usually uses a culture assimilator which consists of “several dozen episodes depicting potentially problematic situations“ (Albert 158). The learner reads the description of the situation that has the potential for causing misunderstanding between two cultures and then has to choose from a couple of possible explanations for the misunderstanding or problem. The learner is expected to choose the best explanation considering the context, and afterwards he receives feedback. A well-designed online training adjusts the content to the previous knowledge, to the information needs and to the learning objective of the learners (Latten 67).

Although e-learning should be utilised when providing training because it is cost-efficient and the trainees can do it whenever and wherever they want, it should not entirely replace face-to-face training. However, it can be a useful add-on. Learning objectives such as change in behaviour or developing and testing different strategies can only be achieved if the online training is accompanied by face-to-face training (Latten 68). The culture assimilator on the other hand only focuses on the acquisition of knowledge or information, but fails to address the affective and behavioural dimension.

### **6.9.2 Coaching**

Another type of intercultural learning is intercultural coaching, which is a specific area of coaching. The term ‘intercultural coaching’ was coined in the 1970s by Singer in the Anglo-Saxon world and first used in Germany at the beginning of the 1980s (Kinast, “Interkulturelles Coaching” 218). It is based on research in coaching, psychology and cultural studies (Kinast, “Interkulturelles Coaching” 218).

Rogers defines coaching as follows: “The coach works with clients to achieve speedy, increased and sustainable effectiveness in their lives and careers through focused learning. The coach’s sole aim is to work with the client to achieve all of the client’s potential – as defined by the client” (7). Or as Hendricks puts it: “Coaching is high-level leadership; it’s communicating the what, the why and then helping with the how –whether behavioural or attitudinal” (1).

As a specific field of coaching, intercultural coaching supports executives in solving communication problems in intercultural management (Clement and Clement 155). Or in short: intercultural coaching is work-orientated self-reflection. According to Kinast, we speak

of intercultural coaching when an executive has an individual coaching session of generally three to four hours to prepare him for intercultural interaction abroad or in the home country in order to gain intercultural competence (“Interkulturelles Coaching von Fach- und Führungskräften” 25). The coach helps the individual to recognise problems and find solutions. The learner should become able to develop his/her own problem solution strategies and to realise them in interaction with foreign cultures (Kinast, “Interkulturelles Coaching” 219).

Intercultural coaching mainly differs from intercultural training regarding:

- The context of time: Whereas training is often at short-notice and punctual, coaching is medium term and accompanies the employee for a specific period (Kraxenberger 3).
- The context of space: Intercultural training can take place either on or off-the job. But coaching is an on-the-job method only (Kraxenberger 3).
- Context of topic: Topics of intercultural training are intercultural communication and interaction with a specific culture or with foreign cultures in general. Coaching concentrates on the concrete intercultural problems occurring in everyday working life. So whereas training aims at improving behaviour in hypothetical intercultural situations, coaching aims at improving behaviour in real situations (Kraxenberger 3).

One main difference to intercultural training is that coaching takes into account the coached person’s personality and his/her feelings at work (Kinast, “Interkulturelles Coaching von Fach- und Führungskräften” 22). Because coaching always results in change, including change in personal behaviour, it should only take place when done voluntarily (Kinast, “Interkulturelles Training” 220), at the executive’s own request.

### **6.9.3 Critical evaluation of training types**

Bolten sees a problem in the fact that none of these training types can deliver the desired, complex outcome of intercultural competence (“Interkultureller Trainingsbedarf” 74). In didactic training the participants learn about intercultural interaction, but without experiencing it. Although experience-orientated training can create interculturality, its characteristic fictitious simulations are less realistic when compared to professional life.

And whether culture-specific or culture-general training is the better way to enhance intercultural competence is debatable to the same extent. Supporters of culture-general training argue that understanding one’s own culture is a prerequisite for understanding other cultures (Gertsen 356). But culture-specific training has its proponents as well because participants going into a specific country need some culture-specific information (Gertsen 356).

To receive only culture-general information might not be satisfying for the participants and will probably not fulfil their expectations and their need for some specific orientation patterns, because it might be regarded as too abstract and may not relate to their professional life. On the other hand, culture-specific training carries the danger of being too simple and superficial because a one or two-day training can never give participants a profound understanding of a specific culture (Gertsen 356). In addition, participants might get the impression of being experts in that culture when they have only learned some aspects of that culture (Gertsen 356). So the specific orientation patterns are more or less useless without general knowledge about the complexity of culture. Participants might be prepared for the different behaviour and communication styles, but without appreciating and accepting the new culture as equally valuable. That then can result in misunderstanding, misperception and misevaluation, as will be confirmed in the analysis of my interviews.

In summary, to make participants aware of their own cultural background and to encourage them to reflect on their own norms, values and cultural conditioning, and at the same time get some insight into and some information about the specific culture, it would be best to combine both contents and both methods: starting with a culture-general introduction to be used as a basis for the following culture-specific information (cognitive level), and alternating between a didactic (lecture, culture model, etc.) and experience-orientated method, giving them the chance to try out the knowledge gained by performing role-plays and simulations (behaviour-orientated level). And if this is done in consideration of the learners' needs and requirements, it is more likely that the affective level is also addressed. As a result of the training, the participants understand that their reality is only one among many and they start to appreciate diversity by being more open and less biased towards the new culture.

But there is no denying that a combination of the training methods would be more time consuming than following only one approach, and of course it has to be taken into consideration what the participants want and need for their specific situation (e.g. problems in a multicultural team cannot be solved through didactic culture-specific training). Nevertheless, a lot of authors recommend a mix of methods and state that it is common usage (Pauls and Krause 5; Lüsebrink 81).

According to Bolten, intercultural coaching is not yet used very much ("Interkulturelle Kompetenz und ganzheitliches Lernen" 197). According to a study by Deller and Kusch, only 10% of German expatriates make use of coaching (26). One reason could be that the initiative has to come from the executive himself; he/she has to ask for it. And some executives might regard that as a confession of their own inability, as a sign of weakness or incompetence and therefore prefer to deal with the matter on their own. Another reason might be that hitherto coaching has not been researched in depth because the researcher would interfere with the

intimate consultation atmosphere (Gerhardt and Webers 10-11) and every coaching situation is so specific and individual that a general set of criteria would not be applicable (Gerhardt and Webers 10-11). But because of the shortage of time in which international assignments often have to be realised, and the lack of time for advance intercultural preparation, Lüsebrink sees an upward trend in coaching (81). Another reason for this shift from formalised intercultural training to specific advisory measures is, according to Lüsebrink, that intercultural knowledge is nowadays often already imparted in university or other educational institutions (82). Therefore it can be assumed that there is greater cultural awareness and intercultural knowledge than two or three decades ago (Lüsebrink 82).

So a company's decision to adopt either the conventional training type or to use coaching depends on the time available and on how important intercultural training is regarded in the company. If a company regards intercultural preparation as necessary for all types of international assignments, they will arrange intercultural training. But if a company does not see the relevance and tries to save money, they will opt for coaching only when problems arise.

### ***6.10 Time for intercultural learning***

When is the best time for intercultural learning? Bittner says that general measures in management training cannot replace intercultural situation-related training because it operates at a purely theoretical level and needs to be combined with practical experience. It is therefore futile when learned too early, before interacting with different cultures ("Interkulturelles Training"). He seems to be right in so far as general cultural knowledge can never replace culture-specific knowledge, and it is obvious that one cannot gain specific knowledge about all cultures. But it cannot be doubted that general cultural knowledge learned during management training would at least be a starting point. It would be even better to acquire an understanding of culture and cultural self-awareness much earlier, indeed as early as possible. In everyday life one has to interact with all kinds of different cultures and subcultures, and this does not only start at work but already in kindergarten or school. So it would definitely be helpful and make interaction easier if we were all sensitised to the relativity of our own culture. And it would be much less demanding to build on this general culture knowledge when needed in future, because a foundation would already be there.

#### **6.10.1 Time for intercultural training**

If intercultural training takes place shortly before going abroad, the participant is probably too stressed and distracted by other things (organising work and private life) to concentrate (Kinast, "Interkulturelles Training" 185). But if the training is attended too far in advance, the participant does not see the seriousness of the situation and does not yet realise

the need to deal with cultural differences (Kinast, “Interkulturelles Training” 185). Therefore Kinast suggests the best time for intercultural training should be six to eight weeks before the departure (185).

But to make such a general statement about the right time for intercultural training does not seem to be reasonable, because not only should the time frame of the in-patriate and expatriate be taken into account, but their travelling experience as well. In-patriates and expatriates with little or no travelling experience will not see the need for intercultural preparation and therefore will not benefit very much from pre-departure training (Selmer 51-52). Someone with travelling experience who is aware of the culturally conditioned way of living and working will probably be more aware of the need for intercultural preparation and therefore be more willing and motivated to learn prior to departure (Selmer 51-52). From this it can be concluded that the best time for intercultural training is when the expatriate or in-patriate is most motivated to learn. So for someone with travelling and intercultural experience the best time for training is before his/her departure and for someone with little or no travelling experience it might be better to offer training after arrival, when the first problems and irritations have occurred and the first differences have been faced. As an even better but more expensive solution for inexperienced travellers I would recommend offering culture-general training before departure in order to gain cultural awareness, and a culture-specific training after arrival in order to address specific differences and problems.

### **6.10.2 Time for coaching**

To set the right time for coaching is more difficult. Because the executive has to ask for coaching he/she probably does not see any necessity at the beginning of a project, when the behaviour of the team members is cautious and thoughtful, and everything runs smoothly. After a while these international team members build an interculture with its own rules and routines. Problems in intercultures can arise when their members do not realise that although they think they are talking about the same thing, they in fact mean something different (Bolten, “Interkulturelle Kompetenz und ganzheitliches Lernen” 197). The existence of this disagreement is often recognised too late to be solved by coaching. But because such misunderstandings cannot be foreseen and do not necessarily arise, executives are unlikely to ask for coaching ‘just in case’.

## **6.11 Evaluation of intercultural training**

The aim of evaluating intercultural training is to ascertain its effects and the benefits for participants and organisations, so as to check if the participants gained intercultural competence. This is only partly manageable because of the tripartition (cognitive, affective and conative dimension) of intercultural competence mentioned earlier. The cognitive

dimension can be tested because it refers to the knowledge gained. This can be done by questionnaires or interviews.

To verify that a change has taken place on the affective level is much more difficult. The participants could be asked before and after the training how they regard their level of tolerance, but because that would only be self-assessment it is questionable how reliable this would be. Someone who attended an intercultural training workshop would be sensitised to the topic and therefore might overestimate the level of intercultural competence gained.

And testing the behaviour-orientated dimension is impossible, because up to now there is no reliable method to check if the behaviour really changes. Role-plays or simulations in a training workshop are a good tool to practise different strategies and to observe and reflect one's own behaviour, but although these methods try to imitate situations that may occur in reality they are not real, they take place in a safe environment and participants are prepared for them. In reality they might not have the time to prepare for the intercultural interaction and factors such as physical and mental state and setting (time, place) have a huge impact. Therefore, even if participants in training deal very well with fictitious situations this is no guarantee that they activate this behaviour in reality as well. Because of these aspects, it is hardly possible to test if someone gained intercultural competence and rather than just knowledge. This is attributed to the stress level in real business situations (IFIM, "Wirkungen"). The training participants do not only want to reach the goal, they need to (IFIM, "Wirkungen"). As a result of this, the participant has two possibilities: Either to behave and act in the way which worked in monocultural situations or to try out a new strategy he has just learned through training and is not yet familiar with (IFIM, "Wirkungen"). And why would one try out new behaviour in an important business deal, when he can just stick with what he regards as most successful (IFIM, "Wirkungen")?

In the research on the evaluation of intercultural training up to now there are 50 studies worldwide which confirm the effectiveness of intercultural training (Kinast, "Evaluation" 204). According to Kinast the evaluation can fulfil four functions ("Evaluation" 205):

- Legitimation: If the efficiency of intercultural training is proved then it is easier to justify the costs to the corporation.
- Deciding on training methods: It is possible to decide which methods are best and to modify existing training methods.
- Control and organisation: It can be identified which parts of the training are accepted by the participants and which are neglected. These can then be changed or omitted.
- Understanding: Theoretical knowledge about the effectiveness of intercultural training is gained and can be implemented into the trainer's professional praxis.

It is difficult to evaluate the quality and success of intercultural training because it cannot be ascertained for sure which criteria made an assignment successful or caused its failure, and which of these criteria were learned in intercultural training or were already present.

Computer courses give immediate results, showing whether the participant is able to work with the new programme; language classes show immediate results when the learner is able to use aspects of that new language, and even courses on improving sales strategies will show their effectiveness when the sales figures rise – or do not improve. To evaluate the results of intercultural training is different because intercultural competence cannot be measured in numbers or immediate action.

It is nearly impossible to identify one specific aspect as responsible for the failure of an assignment. Let us assume that an executive has to go abroad and work in one of the company's subsidiaries. His leadership style does not meet the expectations of the staff there, and more and more employees hand in their notice. Because they are from a culture with high power distance, the employees will probably not admit the real reason for quitting their job. The executive becomes more and more worried and stressed because he does not know what the problem is. His stress at work has an influence on his private life and because of problems arising in his marriage his wife decides to return to the home country. After a while the executive decides to follow her and quits his assignment. The assignment has failed, but why? Because of private or work problems? If the executive were to admit that his marriage is more important to him than the assignment he could be seen to behave unprofessionally. And if he admits that he returned because of the stress factor at work it would seem that he is not able to manage his job properly. If that executive had attended intercultural training before his departure and the assignment had failed nevertheless, would that have proved the failure of the training? Or was the training good but the problems were caused by the executive's personality and the fact that he underestimated the requirements? And even if he had not attended intercultural training, how could one say for sure that the assignment would have been successful with training?

Because of these variables it is impossible to make definite statements about the sense and non-sense of intercultural preparation. Nevertheless, it still should be evaluated in order to show and prove results and effects of training. Although a positive evaluation is no guarantee for a successful assignment abroad, it maybe could help to raise awareness for

interculturalism and convince the management to continue the training programme.<sup>35</sup>

For this purpose Kinast describes a useful evaluation model designed by Kirkpatrick. It includes: Reaction, learning, behaviour and results (Kirkpatrick and Kirkpatrick 21-26). The reaction of the participants is tested by asking what they think they have learned, and if they liked the training. Using case studies and alternative answers, the participants' knowledge of a specific culture is tested. In order to evaluate their behaviour, the expatriates are interviewed after their return from their assignment and asked if they have used what they learnt (Kinast, "Evaluation" 205). But it is doubtful that if an assignment fails the executive would admit (assuming that he/she is aware of what caused the failure) that he/she did not use anything he/she had learnt, because that would make him/her responsible for the failure of the assignment.

And evaluating the results is the most difficult part because it is almost impossible to say what the organisation has gained by offering intercultural training. If fewer assignments fail who can be sure that this is because of the training?

The above-mentioned problems in evaluating intercultural training are one reason why it is hardly ever evaluated in organisations (Kinast, "Evaluation" 204). The other reasons are that these projects are very expensive and employees with the necessary skills are not available or do not have the time. It can be argued that if the evaluation of intercultural training were easier, and effectiveness and results could be proved by statistics (e.g. higher profits, lower costs through fewer failed assignments), it would be much easier to convince the people responsible in a company to set up intercultural training. But the lack of an overall theory of intercultural learning and the fact that intercultural trainer is not yet an officially recognised occupation that requires specific training both contribute to the inadequate acceptance and performance of intercultural training in organisations.

## ***6.12 Training problems***

When deciding to prepare their workforce interculturally, the company and the trainer are confronted with some problems and challenges.

### **6.12.1 Problems for the company**

If a company decides to offer intercultural training it has to face the problem of finding a good trainer. Because of the dearth of qualified intercultural trainer training

---

<sup>35</sup> This was how intercultural training became mandatory for students at the University of Rhode Island, USA, who were undertaking an overseas placement. For three consecutive years intercultural training workshops were offered on a voluntary basis for all students going abroad. These workshops were evaluated according to Kirkpatrick's 4-level model (with those students who took part in the intercultural training and a control group who did not attend). It appeared that participation in the workshop made a significant difference: Prepared students proved to be culturally aware, they evaluated their own and the host culture more critically, and they had fewer problems adjusting to life in the host country (Henze 153-163).



programmes for intercultural trainers and the wide range of training offers, the situation can be very confusing for companies and it can be difficult to make a choice. Firms can only rely on their own quality requirements such as the good reputation of the trainer, excellent references, and experience in different cultures or training in psychology. But because the necessity for and effectiveness of intercultural training is difficult to measure, they usually want to keep expenditure on such training to a minimum.

### **6.12.2 Problems for the trainer**

Then there are the problems for the trainer. As mentioned earlier, needs assessment is required before a training concept is set up (Kammhuber 26-30). But how should the external trainer gain enough insight into the organisation when he/she does not actually work there? It is doubtful that the management will allow an outsider, the trainer, to spend a couple of weeks in the company in order to learn details about the corporate culture, the corporate language and to interview executives to find out what they need. This consumes time and money and is therefore not very practicable. But in order to establish work-orientated training which takes into account the actual working situation, it is essential for the trainer to have insight into the organisation, the way decisions are made, problems are solved, into the strategies used and the culture of that specific organisation (Thomas, Kinast, and Schroll-Machl 116).

Two other aspects which influence the effectiveness of training lie in the personality of the trainer himself/herself and in his/her qualification for performing intercultural training.

The first problem is that all of the topics dealt with in training are performed through language. If the trainer is not totally aware of his/her language and his/her use of language due to a lack of training, he/she might talk about the danger of stereotypes and at the same time contradict his/her message and reinforce stereotyping by saying 'the Germans in general' (Kammhuber 28).

In addition, the trainer should not just address the topic of communication in general but be more specific and should go into more detail. It is essential that he/she is aware of the communication process and the different areas of communication (as illustrated in chapter 5.2.1). Moreover, he/she should prepare participants for the possibility that although a common corporate language exists, it does not mean that everyone in the workforce has the same language competence.

The other aspect which cannot be ignored is the trainer's own culture. His/her culture will influence the methods and content he/she chooses. If trainer and learner are from the same culture their expectations of how to learn might be the same, but what if the learners are from a different culture and the trainer is not familiar with their style of learning? The contrast-culture method, which is the preferred training form of IFIM ("Contrast-Culture-

Training”), takes advantage of the fact that the German culture prefers a specific analytical approach regarding problem solving: We tend to polarise, look for alternatives, their differences and advantages and disadvantages, and this behaviour is used for the contrast-culture method. But what happens if the learners are not Germans and do not use this method of analytical thinking? Then the whole training concept will be less successful or not useful at all. Therefore the trainer has to be cautious not only to address concepta and percepta level (as explained in chapter 3.4) of the target culture, but at the same time he/she has to take into account the concepta and percepta level of the cultures the participants are from. The more heterogeneous the participants are, the more difficult it will be to cover the span between the target and the different background cultures. Unfortunately, an intercultural theory which takes into account the conditions, topics and methods of intercultural learning in different cultures is still missing up to now (Kainzbauer 7).

The choice of content (including the definition of culture and the models used) is influenced by and dependent on the trainer as well. But it is essential that the trainer keeps in mind the requirements and needs of the training participants and does not prioritise the topics, methods and models he/she regards as most important. As already explained in chapter 3.5.1.1.3, for a culture-general training the open definition of culture might work well, whereas in culture-specific training the closed definition is more suitable and appropriate. A detailed needs assessment can avoid possible disagreement on content.

### **6.12.3 Different requirements for expatriate and inpatriate managers**

As a consequence of their role, expatriate and inpatriate managers enjoy a different reputation in the new work environment. The expatriate manager is at least formally accepted in the subsidiary because he/she comes from the ‘superior’ headquarters, whereas the inpatriate might be regarded as an outsider and as less qualified because he/she does not know the corporate language and culture and does not know how business is done at headquarters (Harvey 55).

The inpatriate’s obstacles (as explained in chapter 2.5.3), such as lack of acceptance, lower status than in his subsidiary, different remuneration compared to other managers, as well as the ‘new’ corporate culture, are therefore an addition to what the expatriate manager will experience (Harvey 55). Because these factors have to be addressed in intercultural training, it is not possible to use the same methods and strategies in the intercultural training of inpatriates as with expatriate managers.

It has to be taken into account that the target groups are different and will be confronted with different problems. Apart from the differing roles and problems of these two groups, it is obvious that a group of inpatriates from different subsidiaries is less homogenous

than a group of expatriates from the headquarters. Therefore the learning styles differ and the distance to the host country's culture can vary from very different to quite similar. This requires a professional trainer who is able to create a tailored training programme according to the needs of inpatriates of different cultures.

Intercultural training which generally addresses the topic of national culture and highlights some basic communication differences is under no circumstances sufficient, as will be shown later in the analysis of my interviews. In addition, intercultural training should aim to raise awareness of problems caused by a corporate language, which is a foreign one to the majority at headquarters.

Due to the inpatriates' obstacles mentioned above, this group of training participants needs coping strategies and possibilities to address problems. They need to know for example how to talk to superiors or what better not to communicate to them, or what role superiors have at headquarters. Because answers to these aspects strongly depend on the corporate culture, it is essential to address in training the specific corporate culture and how it is practised in the national culture of the headquarters. Only with this knowledge is it possible for inpatriates to understand why things might be done differently in headquarters, and not to misinterpret or misevaluate behaviour of their colleagues.

As mentioned earlier the acceptance of intercultural training in companies is not very high but the acceptance of training for inpatriates is even lower. Just taking a look at the vast amount of literature on expatriates and the growing number of training providers proves that companies are aware of the topic's relevance and are interested in making sure that those employees who are sent abroad are well prepared in order to do a good job. But inpatriates who have been sent from the subsidiaries are not of very much interest.<sup>36</sup> Sometimes the headquarters just do not see the necessity because they expect the inpatriate to have been trained in the subsidiary and the subsidiary expects the headquarters to take care of that. In the end the inpatriate does not get any training at all because neither subsidiary nor headquarters feel responsible for it.<sup>37</sup>

As stated in chapter 2.1, the directions of international assignments will change and as inpatriates gain more importance they should hopefully no longer be a neglected group when it comes to intercultural preparation.

---

<sup>36</sup> This is confirmed by the trainers' answers in my survey illustrated in chapter 2.6: Only 10% of the participants in intercultural training are inpatriates, the other 90% are expatriates, multinational teams, students and others.

<sup>37</sup> This cannot be empirically proven but is just the personal impression I gained from talking to various human resource departments.

### **6.13 Summary**

As it has been illustrated in this chapter, companies have different possibilities for intercultural learning: Intercultural training as preparation for an assignment abroad or for intercultural cooperation at home, or intercultural coaching for a consulting process or solving arising problems. Both forms of intercultural learning aim at gaining intercultural competence, which is a reference dimension that helps to transfer the other four competencies (individual, social, strategic, professional) from the intracultural to the intercultural setting.

Preconditions for this transfer are the knowledge of the complexity of culture (cognitive dimension), openness, flexibility, empathy and so on (affective dimension), and communicative competence, change of perspective, strategies for conflict resolution and so on (behaviour-orientated or conative dimension). In order to address all three dimensions in intercultural training, a mix of culture-general and culture-specific topics in combination with didactic and experience-orientated methods, is regarded as most effective.

Nevertheless, the acceptance and effectiveness of an intercultural training does not only depend on a good mixture of topics and various methods, but also on the needs and requirements of the training participants. They must be able to identify with the examples used in training, must accept the teaching style and must see the relevance for their individual situation.

### **6.14 Recommendation**

In order to take the above-mentioned points into account, I regard it as essential for tailoring an effective intercultural training to have some insight into the organisation in order to take the actual work situation of the participants and any other peculiarities of the company into account. For being a good trainer it seems important to be aware of one's own culture and how it influences the choice of content and the preferred method of learning and teaching.

To get the most out of intercultural training it is therefore recommended to have internal trainers who are familiar with the corporate culture, the work situation and the national culture of the employees, and who at the same time have enough knowledge about the specific culture they train combined with work experience in that culture. Being an internal trainer and being familiar with the company would allow for very authentic material because instead of using general case studies or critical incidents, the trainer could collect authentic situations from his actual experience in that company. This authenticity would enhance acceptance on the side of the participants because the relevance of these exercises for their own work situation within that company would be obvious and they would probably regard the trainer as a well-informed insider.

## **7 Research methodology**

### ***7.1 Initial situation and research questions***

The following conclusions can be drawn from the previous discussion:

1. In order to meet the requirements and needs of international customers, suppliers and business partners in today's global market, it is of key importance for companies worldwide to internationalise their business.
2. A key element of this internationalisation process are Foreign Direct Investments which first lead to economic relations with foreign countries and then to the exchanging of some employees with other locations of the organisation, thus resulting in a diverse workforce.
3. A diverse workforce needs intercultural competence in order to benefit from the diversity and to utilise the synergetic effect. Intercultural training plays a vital part in building this competence.
4. Although intercultural competence and intercultural communication skills can be conveyed in intercultural training, companies should not overlook the fact that different target groups have to face different problems and challenges and therefore need tailor-made training concepts.
5. Inpatriates and expatriates cannot be equated for different reasons:
  - a) Even though inpatriates are as important as expatriates for the internationalisation process of a company, the former not only have to deal with an unknown national culture but also with the corporate culture of the headquarters which might differ totally from the one in their subsidiary.
  - b) According to my survey on inpatriate management in German multinationals (as explained in chapter 2.6), inpatriates are expected to contribute to the globalisation of headquarters, a task which does not represent a reason for expatriation.
6. My survey confirmed the widespread assumption that the number of inpatriates will increase in the future (Moosmüller 43; Reiche 1573; Peterson 61). Therefore inpatriates and their specific situation should be researched in detail.
7. The majority of topics in intercultural training deal with intercultural aspects and general theory, as my survey on training topics and practices among intercultural training providers in Germany showed (as illustrated in chapter 2.6). Even if corporate culture is addressed in training, the understanding of it is rather vague because it is usually gained from the company's website. This means that a substantial knowledge of the specific headquarters' culture the inpatriate has to deal with cannot be imparted.

In order to gain theoretical insights from the results of a case study it is important to have at least a broad idea of the initial research question (Eisenhardt 536). Therefore the following investigation is based on these leading research questions, which arose from the survey on inpatriate management in German multinationals (as explained in chapter 2.6):

1. What kind of problems do inpatriates, working in the headquarters, face?
2. Are these problems linked to the corporate culture of the headquarters?
3. Could these problems be avoided by addressing these aspects in the intercultural preparation?

The interest of my research lies in possible sources of conflicts caused by differences in corporate culture between headquarters and subsidiary, and in determining if these conflicts could be avoided if intercultural training were focussed not only on the different national culture but on the different corporate culture as well. Therefore the aim of this research is to gain an authentic picture of the situation of inpatriates. To do this and to be able to draw conclusions it is necessary to prove that although the survey population is very small, it is representative of inpatriates in German multinationals. Therefore it was decided firstly to conduct some research on inpatriate management in German multinationals in order to have a well-founded and reliable basis for a larger sample, and to prove that the inpatriates at company X do not differ from other companies. The following chapter will outline the methodology adopted for this research.

## ***7.2 Qualitative vs. quantitative research methods***

There are two different ways of conducting research: The qualitative and the quantitative method. As Silverman stresses, the choice of method should depend on what the researcher wants to find out (25). If the intention is to uncover deeper levels of meaning on the subject through interaction between interviewer and interviewee, qualitative methods will be used (Oishi 206). But to provide results which can be measured and analysed statistically, quantitative methods will be used (Oishi 26).

As Silverman points out, quantitative research “simply objectively reports reality” (25) and involves little or no contact with people (31) or the human being behind the answer. The focus of quantitative research lies on reliability, whereas qualitative research focuses on authenticity (13). Whilst quantitative research methods concentrate on analysing written material in order to produce reliable evidence for a larger sample (12), qualitative research aims at gaining an “authentic understanding of people’s experience” (13). Silverman rightly sees the invaluable advantage of qualitative research in the possibility of gaining a deeper understanding or picture of the phenomenon (32) than “the variable-based correlations” (18) of quantitative research would provide.

According to Oishi the main purpose of qualitative research is not to try to test the validity of a hypothesis or find statistical evidence, but to describe, analyse and interpret experience and to get more information in order to be able to generate a hypothesis, gather opinions and gain insight into the experience of others (173).

The aspect of gaining an insight is stressed by Flick as well. He states that qualitative research is aimed at understanding the researched phenomenon from the inside (95). Therefore the views of one or more subjects, the processes of social interaction (e.g. conversations, meetings, workflow) or the applicable cultural or social rules build the centre of research (Flick 95). This means that the individual case and its analysis are very important. The researcher starts from the individual case and its analysis, and only later on are comparisons drawn and generalisations made (Flick 95). In other words, the researcher is pursuing the inductive approach in contrast to the deductive approach.

In order to get some insight into inpatriate management in German multinationals in general, and to confirm the assumption that the situation of inpatriates cannot be equated with the position of expatriates and that the number of inpatriates will increase in the future, a survey was conducted as a knowledge base for further research. The aim of this survey followed the quantitative approach in order to get results which can be measured. Questions were asked about the number of inpatriates, their duration of assignment, their operational area and their intercultural preparation. The results served as a quantitative reliable basis for the following qualitative research on a smaller sample.

In addition, by conducting the survey on inpatriate management first and then conducting the case study, the deductive and the inductive approach are combined to allow for more substantiated results.

The original plan, to investigate the inpatriate management in two comparable German multinationals, with special focus on the intercultural preparation of their inpatriates, could not be implemented because of the unwillingness of the companies. Comparable companies operating in the same industry, one offering internal and the other external training with inpatriates from the same countries, refused to take part in my investigation because of a shortage of time and/or personnel on their side, or because of a work and questionnaire overload on the inpatriates' side. There is no doubt that the weak German economy, the harsh market conditions and the tough competition all play an important role in the companies' unwillingness to reveal any internal information or practices. Another reason stated by a number of people from the HR departments of German multinational companies was that the willingness to participate in research has dropped because of the huge number of requests.

Therefore it was decided to focus the research on only one German multinational company and use this as a case study. According to Eisenhardt, a case study is defined as “a

research strategy which focuses on understanding the dynamics present within single settings” (534). Although I am aware of the fact that without further verification similar problems and findings in other headquarters can only be speculated about at this point, the research will still allow us to compare the different views and problems of inpatriates with different national backgrounds and with varying intercultural preparation measures, and to generate hypotheses and ideas about inpatriate management. And because there has not been much research on inpatriates and, to the best knowledge of the author, none at all on the influence of corporate culture on inpatriates, case study research is appropriate because “theory building from case studies does not rely on previous literature or prior empirical evidence” (Eisenhardt 548). So for an undiscovered topic or for research on a topic in the early stages, a case study is an appropriate research method because its goal is new theory (Eisenhardt 548). Therefore I will aim to find a new theory which can help to expand the understanding of the specific situation of inpatriates and which can improve their intercultural preparation. The necessity and justification of research on inpatriates and their specific situation was substantiated by the findings of the survey on inpatriates in German multinationals (as explained in chapter 2.6).

In order to meet the typical requirements of a combination of data collection (Eisenhardt 534) and interviews with the inpatriates, a large amount of other data was collected, including the company’s international assignment policy report, corporate brochures and website contents, as well as interviews with the international assignment manager of the company and the training provider. This data triangulation helps to avoid misunderstandings, clarifies facts and makes it easier to substantiate claims (Eisenhardt 538). Because of the very limited research on this topic, the author does not aim to propose and then test a hypothesis (as it would be done in quantitative research), but simply to generate some research.

Although the initial survey on inpatriate management in German multinationals followed the quantitative approach, the aim of this survey was not to test a hypothesis but to gain some insight into inpatriate management, to justify the need for further research on inpatriates and to get some fundamental knowledge on the actual situation in German headquarters. In addition, the results of the survey were used to set up the questionnaire for the inpatriates.

Another fact that should not be ignored is that individuals from different cultures react differently to questionnaires. Thus the measurement used by the researcher in one language may not measure the same thing in the language of the interviewee (Oishi 186), because different cultures use different response styles. One cannot totally rule out the danger of ‘misunderstanding’ or ‘misinterpreting’ questions, or answering them according to one’s culture. But in personal interviews this danger can at least be reduced because the personal



interaction offers the possibility of probing (e.g. for clarification, specificity, completeness and relevance (Oishi 114)) in order to get even more information.

In summary, the reasons for choosing the qualitative method<sup>38</sup>, in addition to the results of the quantitative survey, are that the author aims to gain a deeper understanding of the in-patriate's situation and experience in the German headquarters. Therefore it is essential to get as much information as possible from the in-patriates and to get them to speak freely and in detail about their experience in adjusting to and coping with the corporate culture at headquarters.

### ***7.3 Survey population***

When analysing qualitative results on the basis of a solid theoretical framework even a small survey population (in my case ten interviewees) can be very significant and lead to new insights (Flick 50). Therefore the quality of the sample and why it has been chosen are more important than the quantity. Although one might rightly argue that because of the small survey population no generalised conclusions about in-patriates in German headquarters can be drawn, it will still be possible to analyse the situation of in-patriates at headquarters of company X and generate hypotheses about problems arising through the interrelation between the headquarters' corporate culture and the intercultural preparation of in-patriates. By considering the individual thoughts and opinions of the interviewees and by comparing their answers, it is possible to develop a theoretical approach which may warrant further research in other headquarters in order to verify the findings of this study.

The target population was decided by the fact that only one company was willing to participate in my survey. Therefore no piloting and pre-testing with a group of respondents from the target population (Oishi 185) could take place. However, in order to meet the requirements of validity, to ensure that the interview questions were clear, unambiguous and concise, and to reveal any possible problems with the interview itself (Oishi 206), the questions were nevertheless tested on a small number of native speakers of English.

Because of the limited number of available in-patriates in the headquarters of company X (27 in-patriates in total, ten working in the headquarters) there was no need for random selection in order to guarantee representativeness (Flick 157). Instead, all available in-patriates working in the headquarters were interviewed on the basis of a problem focused guided interview. Problem focused interviews are based on an interview guide which consists of

---

<sup>38</sup> It should not be ignored that qualitative research raises the issue of the subjectivity of the researcher, because a researcher is deeply involved in the research process and his/her feelings, emotions and reflections have a huge impact on the process (Schofield, Nov. 2004). So qualitative research is rather a construction of reality based on the author's understanding and interpretation of the interviews rather than an absolute truth. But being aware of this issue helps to keep it in mind and trying to be as objective and unbiased as possible.

questions (focused on the knowledge of issues or socialisation processes) and narrative stimuli (Flick 210), and encourages a subjective discussion (Flick 213). The interview outline focused on the intercultural preparation of the persons concerned, on differences between their original subsidiary and the headquarters, and on frequently occurring problems.

The wide scope and fluid structure of this type of interview, which makes it possible to move back and forth between questions (omitting some and pursuing others in more detail) while still dealing with the set topics, guarantee a certain flexibility and offers a broader view on the subject (Flick 222; Oishi 175). This method allows the interviewer to take full advantage of the opportunity to explore opinions and issues raised by the interviewees during the interview through the use of immediate follow-up questions. Moreover, the consistent use of problem focused interviews increases the comparability and structure of the data (Flick 224).

#### ***7.4 Applied methods***

The main research objective of this thesis is to establish a foundation and a starting-point for further investigation into this topic and to raise awareness of the significance of corporate culture for the intercultural preparation of inpatriates.

In chapter 4, the importance of corporate culture and how it differs from national culture was discussed. On the basis of these differences, and using the results of the initial survey on inpatriate management in German multinationals, a questionnaire was developed to collect information about the daily work problems inpatriates have to face. The research about experiences and problems of inpatriates was carried out in the form of problem focused guided interviews, which mainly consisted of 15 questions which can be grouped into six categories (a full copy of the interview guide can be found in appendix 8 and a detailed description of the categories will be given in chapter 9.1.1). The interview guide is a list of all the topics or questions to be explored during the interview and it is used as a kind of 'checklist' (Patton 280) to ensure that the same topics are covered when interviewing different people.

Schein defines three areas of corporate culture: Basic assumptions, values, and artefacts (for a detailed discussion of these areas refer to chapter 4.3). Although all three levels are important for the culture of an organisation, it was decided to address only the level of artefacts (this summarises the accepted behaviour in the company and includes working hours, dress code, jargon and language, the correct way of addressing supervisors, as well as attitudes to hierarchy and authority (Schein, Organisationskultur 60-68)). The level of values was not regarded as important for this research because the goal of the interviews was not to define the corporate culture of company X but to identify problems of the inpatriates and then

to find out if they are caused by the different corporate culture or the different national culture. The third area tries to identify the basic assumptions of leaders, founders and employees. If one wants to identify the culture of an organisation then dealing with this area is essential. However, as this is not the aim of this research, this level of corporate culture will not be considered.

Following a list of important factors identified by Schein (Organisationskultur 75) and a detailed review of the company's corporate culture documentation (see appendix 3-7), the decision was taken to ask questions about the following topics:

- ⇒ Language/jargon
- ⇒ Power / distribution of power
- ⇒ Leadership / communication of leadership
- ⇒ Process of decision-making
- ⇒ Ways of control and control instruments

All five areas, which will be explained in further detail in chapter 9.3.2.1, are important for communication to run smoothly and to ensure a problem-free workflow through coordinated action. Besides, all five areas are implicitly addressed in the company's documentation of their corporate culture:

Language: "We communicate openly and actively. We regard information as something belonging to everyone." This statement stresses the importance of communication, which implies the knowledge and use of a shared language in order to make communication possible in the first place. "We make knowledge accessible throughout the corporation, enabling managers and employees alike to adapt quickly to changing environments, and to anticipate and shape markets." Again, a pre-condition for the access to knowledge is a common language mastered by everyone to the same extent.

Power / distribution of power: "To build the spirit of cooperation, we break down bureaucracy and hierarchies." Breaking down hierarchies means a flat distribution of power and cooperative management.

Leadership / communication of leadership: "We expect managers – in all areas and at all level – to foster a cooperative management style that encourages delegation and accountability." This statement implies that the responsibilities of employees and leaders should be clearly defined.

"Leaders embrace a role model function and are judged according to our exacting management standards." In order to regard leaders as role models and their behaviour and actions as exemplary, it is necessary to know who the leaders are.

Process of decision-making: "We promote a culture that encourages delegation and rewards entrepreneurship." "Employees at X take full responsibility for their actions and

performance at all times.” These two statements from the corporate spirit of company X illustrate and promote the individual responsibilities of each employee and suggest a fast and smooth workflow.

Ways of control and control instruments: The topic of control is addressed in the company’s Code of Conduct (see appendix 6):

“Within their scope of authority, all managerial staff are obliged to provide for a suitable system of internal controls. They must take any action they deem appropriate to protect capital assets; to ensure that business is carried out and documented in compliance with corporate guidelines and other internal rules; ...”

This statement asks the managers to exercise control by setting up a system which guarantees that all business corresponds to the corporate guidelines. Another instrument which can be regarded as a medium for exercising control used by company X is the Compliance & Anti-Corruption Hotline (see appendix 7).

This brief analysis illustrates that the five areas of corporate culture identified by Schein (Organisationskultur 75) and chosen for the interviews are an important part of company X’s corporate culture. Addressing them in the interviews will allow for conclusions about how the corporate vision published on the company’s website is put into practice, and how it is perceived and understood by the inpatriates. The consistency between corporate vision and reality, as well as the understanding and knowledge of corporate guidelines, can be regarded as a pre-condition for the inpatriates’ ability to fulfil the task of acquiring corporate culture. This constitutes an objective which was mentioned by half of the researched companies as a reason for inpatriation (for details see chapter 2.6).

In addition, these five aspects represent areas which enable the inpatriates to draw direct comparisons between the perceived corporate culture at their subsidiaries and at headquarters.

The final part investigates to what extent the interviewees believe they could have been better prepared for the differences between corporate culture of subsidiary and headquarters in their intercultural training.

In order to identify problems connected to the different corporate culture in headquarters, the answers were collected according to the above-mentioned leading research questions and then analysed in order to make recommendations for improvement of intercultural training for inpatriates. One characteristic of the analysis of qualitative data is the interpretability: The collected data does not serve to contradict or confirm previously made hypotheses but as basis for the acquisition of hypotheses (Lamnek 511). Therefore it is of

specific importance to have no prior hypotheses or assumptions because they might bias, influence and limit the results (Eisenhardt 536).

### ***7.5 The participants***

In view of the central aim of this survey, the selection criteria were that the interviewees should be inpatriates from a subsidiary outside of Germany, working in the headquarters of company X. The participants were recruited via personal contact with the international assignment manager. He was very supportive and appreciated the cooperation in a study on inpatriate management because this study offers the possibility to improve the mentoring and support of inpatriates. According to the international assignment manager some of the employees at company X were already involved in different groups to exchange experiences regarding inpatriates with other companies, but that had not been very effective because the different parties prefer to profit from the results of others without giving any internal details themselves.

A total of ten interviews were carried out. The ten interviewees (one female, nine male participants), within an age range from 25 to 40 years, come from different subsidiaries (six from different locations in the USA, two from South Africa, one from Hungary, one from Japan) of company X and working on an international assignment in the headquarters for a period of between two and three years. Therefore they all qualify for the intercultural training which is offered only to those inpatriates staying at least two years in Germany. Respondents represented the employee and middle management level of the company, which are the typical deployment areas for 98% of inpatriates according to the initial survey on inpatriate management in German multinationals, and all interviewees had been living in Germany and working in the headquarters for at least six months prior to the interview. So it can be assumed that they had been working in the headquarters long enough to be acquainted with daily work routine and processes.

### ***7.6 Data collection and analysis***

In order to fulfil the criteria of scientific reliability all findings established through empirical research have to be replicable (Lamberti 14), meaning that every researcher interested in the topic can repeat the study under comparable conditions (Lamberti 14). In order to ensure this it is necessary to include all parameters which might affect the interview and to specify the method of data collection in some detail (Lamberti 14). Therefore in addition to the following general interview setting (e.g. place, time), other factors which might influence the answers (e.g. privacy, recording of interviews) will be taken into account.

All interviews were carried out in a meeting room at the headquarters. This was important so that the interviewees were not removed from their daily working environment or

routine, and the spatial distance from the workplace did not distract them from their working experience, while still ensuring the necessary privacy. Because the international assignments manager's support and the anonymity of the interviewees were granted, the atmosphere in the one-on-one interviews was very open and friendly.

Nine of the interviews were conducted in English (the native language for seven of the inpatriates) and one in German, depending on the preference of the interviewee and his/her knowledge of the German language.

The interviews lasted on average between 30 and 45 minutes, and to ensure an efficient analysis and evaluation all interviews were taped with the agreement of the interviewees. The interviewees had no problem with the recording of the conversation and it did not seem to affect their behaviour at all. The use of a tape recorder secures the accuracy of the data collection and permits the interviewer to concentrate entirely on the course of the interview (Patton 349). All interviews were transcribed (see appendix 9 for transcripts of the relevant, analysed parts of the interviews) because transcripts are very useful in data analysis, or later on in replications or independent analyses of the data (Patton 349). Strict confidentiality was ensured for all interviewees.

The analysis of the interviews followed a two-step approach: data reduction (assigning the data into research relevant and irrelevant categories) and interpretation (attaching meaning and insight to the answers of the interviewees). In order to generate theories and frameworks, Coffey and Atkinson suggest being creative with the data by trying to go beyond it (30) and see the hidden interrelations and the implicit patterns. For this reason a number of questions were set out: What issues and problems re-occur in the interviews? How can the mentioned problems be categorised? What are the underlying norms and values for the answers? Is there a connection between the training measures and the occurring problems? These questions will help to group together similar or differing statements and ideas according to themes or categories that seem to be emerging from the interview data (Eisenhardt 540).

The final step will be the shaping of hypotheses from the data analysis. This is done by looking for relationships in the findings. In order to prove the internal validity of the findings it is essential to discover the underlying theoretical reasons for the relationships (Eisenhardt 542). As Eisenhardt puts it: "Case study theory building is a bottom up approach such that the specifics of data produce the generalizations of theory" ( 547).

### ***7.7 Limitation of applied method***

One limitation of this study concerns the interview population, which consisted of nine male and only one female interviewees. Although this confirms the existing empirical literature which shows that the majority of inpatriates and expatriates are male, the gender

imbalance in my research makes the drawing of any comparison between male and female inpatriates and the problems they face in the headquarters impossible.

Another limitation and point of possible criticism is the small number of interviews. But as mentioned earlier, the interview findings should only serve as a window of insight into the problems and experiences of inpatriates in this specific German headquarters, and are not supposed to represent the problems and experiences of inpatriates in German headquarters in general. Nevertheless, it has to be stressed that company X represents an average German multinational company. In addition, the qualitative research complements and interacts with the quantitative survey on inpatriate management in German multinationals. This survey proves the importance of corporate culture because the acquisition of corporate culture was mentioned by half of the companies as a reason for inpatriation, and serves as justification for more in-depth research. Furthermore, the questionnaire sent out to intercultural training providers confirms that although corporate culture as a topic is covered or addressed in a great deal of intercultural training, the treatment of it can only be very general because corporate culture is too difficult to access for external trainers.

In summary, the research project was designed to cover all areas of interest on the basis of two preliminary surveys involving various German multinational companies and intercultural training providers. Written questionnaires were used to gain initial results on the training situation and on intercultural management in Germany. These questionnaires offered some insights into inpatriate management, the status-quo of inpatriate assignments and the training procedures of the companies, as well as the perspective of the trainer. All this confirmed the need for a more detailed discussion of this topic and helped to define areas to be addressed in the qualitative research. Equipped with the findings of the questionnaires, it was possible to approach the interviews with the relevant background information on inpatriates' tasks, intercultural preparation in other German multinationals, and topics dealt with in the intercultural trainings.

The following chapter will describe the company that was investigated and give details about the general conditions of inpatriate management in that company. The findings of the interviews will then be presented and substantiated with the statements made by the companies and the training providers in the questionnaires.

## **8 Company background**

In compliance with the wishes of the company in my case study, I will not use their real name but will refer to them simply as ‘company X’ in my thesis.

In order to understand fully and analyse the data it is necessary to know more about the company and their international assignment policy. Therefore, before the interview guide was designed a meeting took place with the international assignment manager. The reason for this meeting, which lasted three hours and took place in the headquarters of the company, was to gather some inside information about the company, which was not available on the company’s website. Information on the international assignment policy of the company is especially important in order to draw a comparison between the target and the actual practices regarding intercultural preparation.

To get a picture as objective and complete as possible, it is important to consider not only the company’s own view on their intercultural management, but the view of the training provider as well. Therefore the manager of the training company responsible for the intercultural training for company X was interviewed in June 2005.

The direct comparison with the other German multinational companies taking part in my study on inpatriate management (see chapter 2.6) shows that company X represents a ‘typical’ company, and the facts and figures about inpatriates, the reason for inpatriation, the forms of intercultural training and duration of training on the whole correspond to the statements made by the other companies. So the adequacy of company X as a case study from which to make generalisations is guaranteed because of its similarities with other companies (Flick 169).

### ***8.1 Facts and figures about company X***

Company X, a public limited company, founded in 1871 in Germany, is a multinational company with approximately 150 000 employees (46 000 in Germany, of which 25 000 work at the headquarters) at nearly 190 locations in 35 countries all over the world. They are among the leading suppliers to the automotive industry with specific know-how in tire and brake technology, vehicle dynamics control, as well as electronic and sensor systems. In addition to serving the automotive sector, the company also manufactures products for machine construction and mining, as well as for the furniture and printing industries. The corporate language is English. Although it can be regarded as a unifying and important factor for a multinational company to have a corporate language, because successful communication is based on a shared language, Harzing and Feely argue that a corporate language can actually intensify the polarisation of group identities (“Language barrier” 57). Not being competent in the language of a specific group will cause uncertainty, distrust and anxiety, which then lead



to a lack of interaction with this group and a greater focus on one's own group (Harzing, Feely, "Language barrier" 53).

## ***8.2 Corporate Culture, code of conduct and corporate guidelines***

The following information is mainly taken from the company's website. In general it can be said that the website of company X provides a lot of detailed information about the corporate culture, the code of conduct and corporate guidelines, and the foundation of all business appears to be very transparent. All this information belongs to the visible aspects of the company and is part of its constructed environment (Schein, Corporate Culture 16). Everybody who is interested, from either inside or outside the organisation, has access to this information and can find out what the company is doing and, at least in part, why they are doing it (the underlying reasons and the values of the company). It should be pointed out that although these statements are publicly available, it does not mean that they are always followed in practice. This is because the way a company presents itself and wants to be seen by customers, suppliers and other business partners can differ significantly from what is really practised in everyday business.

Schmidt points out that when looking at company values, philosophies or mission statements presented in brochures and on websites, it seems as if the corporate cultures are already perfect (186). Through an analysis of the mission statements of different companies he found that the four areas addressed are mainly the idea of man (e.g. trust, respect, individuality, creativity), institutionalisation and organisation (e.g. team work, leadership), the environment (e.g. responsible care, sustainability), and values and ethical orientation (e.g. health, integrity, adaptability) (Schmidt 193). This is confirmed by company X's website as well and shows that company X is a company like many others.

By analysing the language and phrasing of mission statements, Schmidt found out that they are not phrased as goals or intentions but as statements about something which is already practised (193). But if everything already complies with the mission statements, why are they still composed and published (Schmidt 193)? Because companies want to present themselves as perfect and ideal in order to attract customers and investors.

From Schmidt's arguments regarding the content and phrasing of management philosophy, mission statements and company values, it is clear that they should be handled with care because they all sound too perfect and appear to have been implemented already. This can be confirmed by the published guidelines of company X. In addition, it has to be mentioned that unofficial and unwritten rules are hidden behind the official guidelines and statements (Scholz 818). According to Scholz, especially these invisible rules and implied statements can cause counter productive results (818).

Company X calls its corporate culture ‘a culture of high performance’ in which high performance and the reward for excellence are the motivational stimuli.<sup>39</sup> Each individual employee is called upon to strive for the best and not to accept anything less. The fact that excellence is rewarded might conceal the invisible invitation to stand out from the crowd and fosters competitiveness. This, in turn, can result in the neglect of the next aspect of the company’s corporate culture, teamwork and cooperation, because the employees are motivated only by self-interest.

The company emphasises cooperation and teamwork because cross-cultural teamwork is an essential part of a global corporation. In order to achieve this, bureaucracy and hierarchies are broken down, individual accountability is encouraged and entrepreneurship is rewarded. Communication should be open and active and information is regarded as something that belongs to everyone. A precondition for open and active communication is an equal distribution of corporate language knowledge.

Responsibility for one’s own actions and performance is expected at company X, as well as openness to constructive criticism and suggestions. Taking responsibility for one’s own actions might conceal the message that everyone’s field of duties should be separate and that everybody should concentrate on his own job only. The consequence of this can be that employees do not want to take any risks.

Company X regards itself as a learning corporation because a competitive advantage is based on knowledge advantage. The unwritten message implied in this statement might be that knowledge is power, and this could result in employees not sharing their knowledge but keeping it for themselves in order to consolidate their own power. According the corporate guidelines, knowledge is accessible throughout the company and it should be exchanged internally and with partners outside the corporation. But again, a precondition for accessing and sharing knowledge is effective and open communication, which is only possible if everybody in the workforce has an equal mastery of the corporate language.

In addition to their corporate culture, company X has a code of conduct and 17 corporate guidelines. The code of conduct provides advice and rules on how to behave and deals with the following two areas: personal ethics (e.g. respect for the law, benefits, internal control) and conflicts of interest (e.g. acceptance of gifts, confidential information, use of company property). Together with the corporate guidelines, the code of conduct represents the foundation of all business and social activities at company X.

---

<sup>39</sup> In 2007 the value-oriented compensation for executives was introduced. A variable bonus component of the executive’s salary is based on a scale structure and increases depending on his/her position ranking. The amount of the bonus is determined by the value created year-on-year by the executive for his/her business unit, the return on capital employed and the attainment of individual goals. This performance-related pay expresses the performance orientation and the orientation on quality (Scholz 824).

The corporate guidelines reflect the vision, values and self-image of company X and were introduced in 1989. These guidelines, which are not accessible on the website, are intended to be developed further on an ongoing basis (so that new areas of activity and new locations can be added) and are used as a framework for the employees' activities across the company. Based on these guidelines, in 2006 company X developed a company-wide tool (survey) for the regular assessment and development of their corporate culture. This survey consists of 37 standard questions and assesses the overall satisfaction, management quality and the attitude of the employees, and is conducted every three years on a voluntary basis. Although this is a creditable thing to do, it is very doubtful if this survey really assesses the corporate culture or the company's efforts to implement it. Instead it can be argued that enquiring about overall satisfaction and such like will only reveal impressions about the working atmosphere which cannot be equated to the corporate culture (for details on the differences between corporate culture and working atmosphere see chapter 4.3).

Another set of guidelines to show that company X is a responsible employer are the ten 'International Personnel Management Guidelines' which describe and explain the guidelines around which the personnel management at company X is structured, such as optimising labour costs, global growth, employability and strategic skills management. In these guidelines the company stresses its openness towards diversity and the importance of a 'fluid organisation', which allows for the smooth and fast adaptability of processes and structures.

In April 2008, company X set up a compliance and anti-corruption hotline in order to help track down any improper behaviour and illegal or dubious activities, such as violations of the company's basic values or criminal activities. Stakeholders and employees can anonymously report any illegal business activities they are aware of through the hotline, for example information about violations regarding theft, bribery, insider trading, money laundering, accounting manipulation, health and workplace safety, or fraud.<sup>40</sup>

### **8.2.1 Corporate Culture from an employee's point of view**

For the author it was of special interest to find out how the international assignment manager describes the corporate culture of company X. His statement can be summarised with the following keywords: excellence, cooperation and teamwork, and life-long learning.

The international assignment manager said that company X's culture wants all employees to strive for the best and accept nothing but the best. Another important aspect of the corporate culture is cooperation and teamwork, which involves open and active communication and good relations among all hierarchy levels. And the last aspect mentioned

---

<sup>40</sup> Although this does not seem as common practise in German companies, it is no singular case because Volkswagen did the same in June 2006.

by the manager is that company X is a learning cooperation, which means that the company promotes the exchange of knowledge and expertise, both internally and externally.

Although these statements sound very informed, it is questionable whether the international assignment manager can really identify with these guidelines, or follow them and behave accordingly. Because they sound identical to what is written on the website and what the company wants to communicate outwardly, it cannot be excluded that he had just memorised them without internalising their meaning.

### ***8.3 Internalisation strategy***

Asked about the internalisation strategy of the company, the international assignment manager said that it is a mixture of various strategies. Thus the headquarters of company X defines the strategies and management concepts (ethnocentric strategy), but the subsidiaries are still very autonomous and can make their own decisions (polycentric orientation). Although the number of assignments abroad is high, with employees frequently moving between headquarters and subsidiaries and between the different subsidiaries (geocentric orientation), the exchange of information between headquarters and subsidiary is not extensive (regiocentric strategy).

From this it follows that company X places value on both difference and coherence, the prerequisites for an intercultural corporate culture according to Rathje (“Corporate Cohesion” 124). Company X tries to create cohesion by defining strategies and management concepts at headquarters, and by sustaining a high number of assignments abroad. At the same time they allow for the autonomy of subsidiaries and maintain certain differences.

Although Rathje argues that this is the only way possible to create corporate cohesion without corporate coherence (“Corporate Cohesion” 124), it will be shown later in the interview analysis that the cohesion in company X is not as strong as may be expected.

This mixture of strategies confirms Bolten’s opinion that the bigger companies choose to combine different internationalisation strategies (Einführung 203) and proves again that company X is a ‘typical’ company, representative of the way multinational organisations work and therefore suitable for this research. Moreover, it also illustrates the change in internationalisation strategies due to the growing importance of international assignments: Only 15 years ago Stahl stated that most German companies follow an ethnocentric approach regarding their staffing policy (18). At the same time a study by a Swiss university predicted that in future companies would more frequently follow a geocentric strategy in their staffing policy (Stahl 18).

## ***8.4 Inpatriates***

The number of inpatriates in the German headquarters is likely to increase in the foreseeable future. But in contradiction to the company's statements made in May 2004 (my investigation on inpatriate management in German multinationals), the number of inpatriates from the USA will decrease. That is because of a change in the tax law.<sup>41</sup> Salaries of locals are always lower than those of American inpatriates. In addition to the higher salary, those American inpatriates coming with a family usually send their children to international schools at the company's expense, which causes costs of approximately 20 000 – 30 000 Euro per year and child (including tax). Inpatriates from other countries usually send their children to German schools and are therefore cheaper for the company. This is one of the reasons why inpatriates will more frequently come from European and, in particular, East European countries. Another reason is that employees from Eastern Europe are very motivated to work in the German headquarters, whereas American employees are more reluctant to work in Germany. This statement is confirmed by the results of a DIHK study in spring 2008: The number of companies mentioning Central and Eastern European Countries as places of investment has risen by 4% to 37% in comparison to the previous year. The reasons for this increase are the lower labour costs, the increasingly better trained employees and the geographic proximity to the home market (DIHK 8-9).

At the time of the interview the company had 320 expatriates in subsidiaries all over the world and 27 inpatriates in Germany, 10 of them working in the headquarters. Most of the inpatriates at company X work on the employee level, whereas those working on the management level are an exception. The main reasons for inpatriation are know-how, knowledge transfer and building networks. The headquarters wants to learn from the inpatriates about the situation in the subsidiary and how processes and procedures work there. The main reasons for expatriation are to transfer the knowledge of headquarters, facilitate personal development and provide local employees with the specialist skills for reporting to the headquarters.

Long-term assignments (one to five years) are organised by the headquarters, whereas short-term assignments (e.g. for training courses) are organised by the incorporating subsidiary. All long-term assignment contracts are prepared by headquarters, except for the US employees which are dealt with by an American colleague.

Two to three months before accepting the international assignment, the employee and his/her family members have the opportunity to visit the host location at the company's expense to view the working and living conditions. This orientation trip normally does not

---

<sup>41</sup> Americans working abroad are still obliged to pay income tax at home and because of a change in the tax code the amount will even rise ("Travelling more lightly" 76). Company X usually compensated their US American inpatriates for the extra tax, and because of this compensation American inpatriates are more costly than others.

exceed six days spent at the host location. During this six-day stay the family can get a first impression of their future location, make arrangements with the relocation service and decide if the whole family is coming to Germany or just the employee (which usually depends on the age of the children, the duration of assignment, the location and the job of the partner). During this stay, a welcome-talk takes place between the in-patriate and the department responsible for organisation and support. Following this talk, headquarters gets in touch with the in-patriate's line manager and discusses suitability or non-suitability of the in-patriate.

When the start date of the assignment is fixed, the incorporating department is informed so that they can plan effectively. The same information is exchanged before the in-patriate returns to his subsidiary, at which point it depends on the subsidiary whether anything is arranged for the reintegration of the employee.

To ensure the same conditions for all in-patriates coming to headquarters and to ensure the best conditions for a successful stay in Germany, company X offers and strongly recommends attending an intercultural training and a language class after their arrival in Germany for all those employees whose delegation is planned for at least two years.

Within the first month of their employment in Germany, the in-patriate, their partner and any children over the age of 14 years have the option to take part in a one-day intercultural training course, offered by an external training provider. Company X neither has the manpower nor the expertise to conduct these training programmes internally. To involve the partner and other family members in the training process is very good because it happens frequently that employees on a foreign assignment return home before their contract expires because the family experience adjustment problems (Gertsen 346).

This training course offers didactic culture-specific training (as explained in chapter 6.9) and mainly deals with the norms and values of German culture, the history of the country, different regional areas, Germany as an industrial location, as well as sights and taboos, and provides a compressed overview of Germany. For reasons of economy these trainings usually take place in groups (although in exceptional cases training for a single individual is possible). This means that the training cannot be company-specific for two reasons: First, because the participants are from different companies it is not possible to focus on the corporate culture of a specific company, and second, the trainings are conducted by an external trainer who does not have an insight into the organisation (as already explained in chapter 4.12.2).

In addition, all in-patriates and their partners have the opportunity to attend language classes (50 units at 45 minutes each). If there is enough lead time (which is often not the case because 60% of the assignments are so called 'fire-fighter' assignments, i.e. the assignment is agreed upon at very short notice and that can result in a lead time of only two weeks until

departure), the language classes take place before departure to Germany and are organised by the subsidiary.

At company X there are neither specific repatriation programmes nor contractual agreements regarding future job levels after the in-patriates' return. Usually the employees' career will continue with company X after returning from the international assignment. The repatriates either return to the pre-assignment job level, remain at the assignment job level or proceed to a higher job level. But no official data exists to confirm this statement because the company does not keep track of the career of repatriates. This is not an isolated case because according to a recent study by Mercer, 41% of the investigated companies in Europe do not know how many repatriates leave the company after returning from an international assignment (Paus). But Stehr contradicts this by stating that insufficiently organised repatriation and further career path problems are responsible for 40% of the returning employees resigning from their jobs (2). And research by Black and Gregersen has shown that 25% of the returning professionals leave their companies after their return, and 61% are not given the chance to use their international experience in their daily work (60). These inconsistent statements about the future of repatriates can be explained by two reasons: First, it might be difficult to establish the actual reason why repatriates leave the company after their international assignment, and second, companies might refuse to admit that repatriates resign from their jobs due to repatriation problems. Therefore, it is even more essential for a company to keep track of their repatriates' careers in order to make sure that they do not lose employees with internal experience of the company.

Although it cannot be proved, because information about internal procedures and practices are neither published on the companies' websites nor made available to non-members of the organisation, it can be assumed that all international companies have a kind of international assignment policy to ensure a consistency of procedures and provide a framework for international assignments.

The main elements of company X's international assignment policy are salary, housing, cost of living, international service premium and relocation allowance.

#### **8.4.1 Salary**

Assignees remain in their home-country salary structure to ensure that their compensation is in line with their home-country salary guidelines upon repatriation.

#### **8.4.2 Housing**

Expatriates should not pay more for housing abroad than a counterpart with the same base salary and family size. However, they are expected to contribute a portion of their salary toward housing costs in the host location, as they would at home. If housing costs in the host

location are higher than housing costs in the home location, they expatriate typically receives the difference between the two as an ongoing housing allowance. In some cases, the host location will provide the expatriate with company-paid housing (typically for assignments of one year or less).

### **8.4.3 Cost of living**

By establishing a relationship between the cost of goods and services in the home country and the host country, the Cost of Living Allowance minimises changes in the expatriate's standard of living if costs are higher in the host location. The Cost of Living Allowance is designed to fill the gap between costs abroad in assignment-location currency and home country costs in home-country currency. These will rise or fall depending on exchange rates and comparative prices in the two locations.

### **8.4.4 International Service Premium**

An International Service Premium acts as an adjustment for differences in the cultural, social and business environment at the host location. It is an incentive payment meant to compensate for the separation from relatives, friends, business partners and colleagues. The International Service Premium (a net payment) is typically 10% of the expatriate's gross base salary, multiplied by the number of years of the assignment. They receive 50% at the beginning of the assignment and the balance upon completion of the assignment.

### **8.4.5 Relocation allowance**

A relocation allowance (a gross payment) is paid to assist in covering incidental expenses incurred during the relocation process. It is equal to one and a half months' gross base salary. Expatriates receive this payment at the beginning of the assignment and upon completion of the assignment.

### **8.4.6 Summary: International assignment policy**

In summary, the international assignment policy of company X looks very well organised and the employees seem to be supported and assisted at all stages. All departments concerned are in constant contact and the whole process appears to be transparent. This is confirmed by the fact that from 2001 to 2005 no international assignment was broken off ahead of time, and even after returning the company did not lose any employees due to repatriation problems. But again, this is a statement by the international assignment manager and no data exists to confirm it. So company X is indicative of the 41% of European companies who do not keep track of their repatriates (Paus).



Taking into account the costs for company X (e.g. international service premium, relocation allowance) it should be in the company's interest that the international assignment turns out to be as successful as possible and that the investment pays off. According to the 2008 Mercers International Assignments Survey of 200 multinational companies, the costs for an international assignment are 1.5 to 4 times higher than for a local employee (Paus).

When asked about any problems or areas for improvement, the international assignment manager said that everything runs smoothly and without any problems due to a well-organised preparation process, a good intercultural and language training programme and a globalised and open-minded workforce. It has to be stressed that this is his personal opinion, which is not based on any evaluation results because company X evaluates neither the training workshops nor the language classes. There is no evaluation because the manpower is missing, the costs are too high and the company does not see any reason for evaluation as long as they are under the impression that everything runs smoothly. In addition, although the statements made in this interview were guaranteed to remain anonymous, it is clear that no one would openly reveal all the negative aspects of the company to an outsider.

In order to get a deeper picture of the intercultural training and to be able to judge if the aspects addressed by the international assignment manager of company X are actually implemented and realised in the training measures and conditions, the manager responsible for the training company was also interviewed and provided the following information.

### ***8.5 Language and intercultural preparation***

The responsibility for the intercultural training and the language classes, which the inpatriate, his/her partner and the older children can receive, lies with a former coaching institution of company X that was outsourced. Its main areas of occupation are coaching, training and consulting. 20 employees work in the two locations in Hanover and Frankfurt. Currently, training for the inpatriates and expatriates of company X account for only 10% of daily business, but this share has recently risen and will increase further. At the time of the interview 80 intercultural training courses per year took place.

#### **8.5.1 General framework of intercultural training**

As soon as the international assignment manager knows the name of the inpatriate he informs the responsible person at the training company, who then contacts the inpatriate and agrees a date for the intercultural training. Company X is not interested in the active shaping and the contents of the training, and allows the training company as much of a free hand as possible in designing the training course.

The time for the training is limited to one day. The training company attributes this to the high cost of intercultural training and the fact that the success or failure cannot be

objectively measured, as well as the fact that no figures about early break-ups of foreign assignments are available. At the time of the interview it was being discussed whether the intercultural training measures for 'difficult' cultures, such as for instance China, should be extended.

In order to tailor the training to the particular needs of the participants, a questionnaire is sent out in advance to gather information on country of origin, function in the company, family constellation, and individual requirements and expectations. On the basis of the answers an agenda is designed which is distributed to the inpatriates prior to the training.

### **8.5.2 Trainers**

Due to a lack of quality standards for intercultural trainers the company has set their own internal standards: Trainers need to have the theoretical knowledge about culture and models of culture, must have worked in the business context and are expected to be informed about current developments and to stay in touch with the country they deal with in their training.

Intercultural trainers either come from the country to which the expatriate is assigned, or from the inpatriate's home country, or they are German but have lived in the relevant country for at least five years. Sometimes they even use a trainer tandem, consisting of one trainer from the country of origin and one from the target country.

Usually, the trainers for the expatriates are non-salaried freelance trainers, whereas the trainers who carry out the intercultural training for the inpatriates are permanent employees. All trainers have a university degree in business, social pedagogy, history or other relevant disciplines and have undergone further education in the specific field. This spectrum of occupational backgrounds is normal and confirmed by the SIETAR survey as well (Berardo and Simons 12).

### **8.5.3 Target group of the intercultural training**

There are two main target groups: Most training courses address the needs of employees who are going abroad, and a smaller number are aimed at those employees coming from abroad and working in Germany, as well as those who permanently work in Germany and have regular contact with colleagues, suppliers or partners in other countries.

Training is usually provided for the employee, his/her partner and children older than 14 years. This confirms that company X's theoretical approach is put into practice by the training provider.

According to the training provider, company X is aware of the necessity for intercultural training for both expatriates and inpatriates. But unfortunately the company often only gets in touch with the training provider when problems have already occurred. It seems

that companies are aware of the importance of culture and of the problems caused by different cultures, but because of their internationality do not really see the need for intercultural preparation. The objections to intercultural training mentioned by companies have been explained in chapter 4.4.

#### **8.5.4 Time of training**

If possible the intercultural training will take place within the first month after arrival in Germany. But because the language classes are regarded as more important by the inpatriates they usually take language classes first, and if there is time left they attend the intercultural training, which is not obligatory. This seems to be a general trend and is confirmed by my own investigation among the 56 biggest German multinational companies: Only 57% of the companies provide intercultural training for their inpatriates, but 91% of the responding companies offer language classes, indicating that the language seems to be regarded as the main key to a successful assignment.

The expatriates attend the intercultural training within 4 months to 4 weeks before departure. The best time for the training is thought to be immediately after the orientation trip, because at that time the participants have already gained a first impression of the country. In general it is up to the employee whether he/she attends an intercultural training seminar before or after departure.

#### **8.5.5 Language of training**

For the expatriates the intercultural training is conducted in German, while English is used for the inpatriates because that is the corporate language. The company is careful to ensure that inpatriates being sent to Germany possess a sufficient command of the English language.

#### **8.5.6 Content and methodology of training**

As a warming-up activity, and in order to raise cultural awareness, the training sessions start with a discussion of questions such as: Why do you take part in this training? What is culture? How do cultures differ? What is your personal cultural imprint?

Following this, the target culture is contrasted with the culture of origin. Because of the shortage of time this comparison cannot deal with all the complex issues, and is therefore conducted in a very simplified way. Although the training provider is aware that this can convey stereotyped thinking, they do not see any other possibility given the time limit.

As long as there is a theoretical introduction into the topic, it is up to the trainer to decide what kind of culture model is taken as a basis for the training (e.g. Hofstede's culture dimensions, Hall's approach to culture, GLOBE).

Depending on the participants (the inpatriate only or the inpatriate and his family), German business life is addressed as well. Topics include, for example, giving presentations, negotiations, conflict management, and teamwork. Corporate culture is not a subject of the training. According to the manager, the reasons for this are the shortage of time and the fact that it has never been requested. If the inpatriate attends the training together with his family, the business topic is illustrated in a condensed form because the issues of the partner and the children (e.g. socialising, school, medical care) have to be taken into account as well. In addition, expectations, problems and fears of the participants are also discussed.

The chosen methodology depends on the preferences of the trainer and is not adapted to the preferred learning style of the participants. The training provider states that one-day trainings are too short to allow for different learning cultures. The activities used vary from role-plays to video sequences and discussions.

### **8.5.7 Evaluation**

At the end of the intercultural training there is always an individual evaluation through a questionnaire. Although participants are quite sceptical at the beginning of the training and doubt the benefit of it, the evaluations usually show that participants are surprised how much cultures can differ, and that they regard the training as very useful. Participants going to China expect cultural differences and are willing to attend training, whereas employees planning to work in Austria are more reluctant and are surprised when they realise how many cultural differences there are between Germany and Austria. This observation is confirmed by Bittner in whose experience cultures that are perceived as 'exotic' are considered a challenge, and therefore the employees realise the need for intercultural preparation (qtd. in Stehr 1). Exactly the opposite is the case with assignments in France, which is regarded as a 'home match' and therefore the cultural differences are underestimated (Stehr 1). It seems as if the geographical distance bears relation to the expectation of cultural differences: The bigger the geographical distance, the higher the expectations of facing cultural differences; the smaller the geographical distance, the lower the expectations of facing cultural differences.

In order to examine the sustainability of the training, it is standard practice to send another questionnaire six months after the training. But because the contact between the participants and the training providing company is often disrupted, or contact details not updated, the return rate is very small. Nevertheless, those who reply share the opinion that attending the training was very useful but the length of the training too short.

### **8.5.8 Language classes**

In addition to intercultural training, all inpatriates and their partners can attend language classes (50 units à 45 minutes). After the 50 units, which take place outside working

hours, company X gets a report on the basis of which it will be decided if further training is necessary. If there is enough lead-time, language classes organised by the subsidiary can take place before departure to Germany. Language classes before and/or after departure are independent and their content is not adapted. But the training provider carries out a placement test in order to find the right level for the learner. The content of the language classes is stipulated: For the in-patriate the main focus is on business and getting around in the company. Although the corporate language is English, there can be a lot of situations during work where the in-patriate has to be able to speak and understand at least some basic German. German language skills for social life and leisure time are not considered important for the in-patriate. The language classes for the partner concentrate on German for everyday life and social interaction. According to my interview partner (and to the international assignment manager at company X), especially in-patriates from the USA and the UK often do not see the necessity to learn German because it is assumed that all Germans know English anyway and, besides, the corporate language is English.

### ***8.6 Problems and criticism on the part of the training provider***

When asked to identify problems or offer any criticism regarding the intercultural training for company X, the training manager states that the company must be aware that intercultural training for in-patriates and expatriates is absolutely essential and should be obligatory. It should not be the choice of the employee whether to attend training or not. It is the responsibility of the company to make sure that all employees are best prepared for the new situation. According to the manager's experience, it has proved to be very difficult for in-patriates to settle in if they have not attended any intercultural training seminar, and in the end the language trainer has often been used for purposes other than intended in order to assist the learner with things such as car registration or finding a doctor.

The manager requests that in addition to the intercultural training, the company should provide an on-site mentor who can assist with daily practicalities and be available for discussing problems and answering questions. Another neglected area identified by the manager is the reintegration of returning employees and the use of their wealth of experience.

### ***8.7 Criticism on the part of the author***

The intercultural training measures of company X provided by an external training company seem to be very organised and reasonable. Nevertheless, from what I have learned in the interviews with the international assignment manager and the training provider, the following points of criticism should be mentioned.

1. *Corporate culture is not a subject in the training.* Although the training provider is a former coaching institution of company X and therefore can be assumed to be familiar with

its corporate culture, it is not a subject in the training. This is understandable if the participants come from different companies, but if they all work in the headquarters of company X it is a startling omission. It should at least be brought up in the training that corporate culture can have a huge impact on the daily work routine and that standards, procedures and behaviour patterns of the corporate culture can significantly differ from those rooted in the national culture. Besides, participants should be informed that the corporate culture of their subsidiary could diverge from the one they will find at headquarters. The fact that this topic is not addressed in the training either illustrates the company's assumption that corporate culture within one organisation is the same all over the world, or that national culture is regarded as being more important. The first assumption is doubtful because, as already pointed out in chapter 4.9, the norms and values of the national culture of the country where the subsidiary is located, including laws and political restrictions, also play a role in shaping corporate culture. The latter assumption is comprehensible because corporate culture can be seen as a kind of subculture of the national culture, but knowledge of the national culture does not automatically imply familiarity with the subcultures (as explained in chapter 2.9).

2. *Only those employees receive intercultural training whose delegation period lasts at least two years.* From the company's perspective it is understandable that they do not want to invest in training measures for inpatriates staying only for one year, because it might not be cost-effective for such a short stay. But good cultural preparation is especially important for short-term assignments, because the employees do not have the time to adjust to the culture slowly or the opportunity to integrate gradually. They usually come without their family, for a limited period of time on a specific assignment, and they cannot afford to suffer from culture shock or deal with integration problems and alienation. Besides, it can be expected that an employee with a two year assignment has a different attitude towards preparation and integration: When planning to live in a country for a couple of years the wish to acculturate fully, the need to have a social life and learn the language might be greater than for a six-month assignment. Someone on a short-term assignment will probably neither see the need to learn the language and be interculturally prepared, nor have the time to do so. The same is the case with a six-month assignment

3. *Company X often only gets in touch with the training provider when problems have already occurred.* A way to correct this deficiency would be to make the training obligatory for all inpatriates. If the company leaves it up to the employee to attend a training it is likely that it will be given low priority, and that the employee will not see the importance of such training and therefore will not attend. Of course the company should not promote intercultural

training as an absolutely essential requirement, but it should at least be identified as a valuable part of the international assignment package.

This point of criticism, and the fact that I was asked to keep all criticism in confidence, demonstrates a lack of communication or at least problems in the exchange of information and facts.

*4. The chosen methodology depends on the preferences of the trainer and is not adapted to the preferred learning style of the participants.* Even in a one-day training it is essential to allow for different learning cultures because every culture has its specific learning style (Hall, Beyond Culture 131; Gert Jan Hofstede 19), especially in a heterogeneous group.

It is contradictory for a training workshop that aims at imparting intercultural competence to neglect formal cultural differences by not taking into account the differing learning styles.

*5. The respondents share the opinion that training length is too short.*

According to the training provider, company X is thinking of extending the intercultural training measures for ‘difficult’ cultures such as China. But if they really want to offer an effective training they should extend all training to two days. The Institute for Intercultural Management (IFIM) in Rheinbreitenbach has proved the correlation between training length and effectiveness of training on the basis of 650 participants from the same company (230 of them took part in a one-day training and the rest in a two-day training). All participants in the two-day training evaluated the effect on their work as being much greater than those in the one-day workshop. In the two-day seminar the participants had more time to practise the different methods and strategies, and could thereby gain more self-confidence in intercultural situations (IFIM, “Trainingsdauer”).

*6. No evaluation of training and language measures is carried out by the company.*

In order to improve the intercultural training measures according to the needs and expectations of the inpatriates, a detailed evaluation is necessary. And the questionnaire six months after training is especially necessary in order to find out if the topics addressed in the training were helpful and if other topics should be included as well. Six months after training the inpatriates have at least gained some experience in headquarters and have already faced situations and problems they were not prepared for, and which therefore should be addressed in the training. Thus company X should evaluate the training by urging their inpatriates to complete the training provider’s questionnaire. It would be even better to set up their own evaluation questionnaire because then inpatriates might feel more obliged to complete it.

*7. There is no repatriation policy*

Having no repatriation programme and not keeping track of the repatriates and their future within the company is very careless. According to Harzing and Christensen, the “lack

of recognition of the value of international assignments is the major reason for repatriate failure, i.e. repatriates leaving the company soon after repatriation” (“Expatriate failure” 624). Therefore it is essential for a company to recognise and value the international experience of the repatriates, in order not to lose those employees who have been promoted cost-intensively and are now internationally experienced and therefore in great demand on the job market (Paus).

## **8.8 Status quo**

According to a brief follow-up telephone interview with the international assignment manager of company X in December 2008, the following facts have been stated:

The number of inpatriates in Germany has only slightly increased: 29 inpatriates are currently working at company X and they mainly come from Central and Eastern European countries.<sup>42</sup> As assumed in the interview in 2005, the number of inpatriates from the USA has decreased because of the costs involved: Company X currently employs only two inpatriates from the USA.

The length of intercultural training has not been changed. Inpatriates and expatriates usually attend a one-day training session. The idea of extending the training for ‘difficult’ cultures has been dropped because of the higher costs of two-day training and because company X could not prove the higher effectiveness of longer training.

Although providing a mentor for each inpatriate was strongly recommended by the training provider, it has not been realised because of the costs and the time involved. According to the international assignment manager, headquarters is not aware of any problems and therefore does not see the need for providing a mentor.

## **8.9 Summary**

The fact that corporate culture is not addressed in training reinforces my assumption that neglecting this topic will cause some problems or at least irritation in the daily working life of the inpatriates. It is a fact that national culture and corporate culture are not congruent, and therefore being prepared only for the national culture cannot be sufficient for a successful adjustment to headquarters

Another point which might cause further problems is the language competence of inpatriates. Although all inpatriates attend a 50 unit language course to learn some basic German, it will be interesting to see if that is sufficient for every day business. Provided that all home-based employees are competent in English, basic German language skills will be

---

<sup>42</sup> This confirms the findings of the DIHK research in spring 2008, which identified the rising attractiveness of Central and Eastern European countries because of the lower labour costs and the increasingly well-qualified work force.



enough. But if not everybody is more or less fluent in the corporate language, successful communication is not ensured and that will unavoidably result in communication problems. So in addition to different communication styles resulting from different national cultural backgrounds, communication is complicated even further due to an unequal distribution of language resources.

In summary, it can be supposed that company X will not change anything regarding their intercultural preparation because despite the problems that have been identified, the company seems convinced that everything is working well. But as long as they do not properly evaluate the training and conduct follow-up interviews with the inpatriates, their judgement is very superficial. The company probably only looks at the short-term goals: The work outcome. But the long-term goals, such as accomplishing diversity in headquarters or setting up networks or building trust with the subsidiaries, are neglected. In order to reach these long-term goals, cross-cultural teamwork, cooperation, mutual respect and acceptance are essential. And that requires more than just a one-day training course on Germany's national culture, as the findings of my interviews will demonstrate.

Having explained the company's background and the intercultural training framework, the interviews conducted in September 2005 will be analysed in the following chapter.

## 9 Case study

### 9.1 Interview analysis

It has already been established that in today's globalised world corporate culture is a unifying element for the culturally diverse workforce in multinational companies. In addition learning the corporate culture is one of the main reasons for inpatriation mentioned by the researched companies of the initial survey (as explained in chapter 2.6). The practices of a specific corporate culture and the values on which these practices are based, are acquired through socialisation in the workplace. But by the time one starts to work for a company, one has already internalised a basic set of norms and values that have been passed on by family and friends and that have proved to be useful through experience. Therefore one will not adapt to new values without careful consideration. This means that the corporate culture has to be comprehensible and openly communicated in order to be accepted and supported by the employees, and to fulfil the functions necessary for the existence and operation of an organisation: Identification with the company, coordination of behaviour, reduction of complexity and continuity (Sackmann, Erfolgsfaktor 28-29). If the corporate culture is not transparent and clear to the employees, and is not understood or taken seriously (or understood only superficially), the consequences for the company can be very serious (Schein, Organisationskultur 175). Because if the employees do not understand or even know the underlying values, they will probably not regard procedures, principles and routines as reasonable and therefore not support the corporate culture or behave according to it. And that might cause problems in personal interaction and daily workflow, and will have an impact on corporate success.

It can be argued that it might be easier for those employees from the company's original national culture to understand the company's underlying values. That is due to the fairly strong influence of the surrounding national culture on the corporate culture (as has been explained in detail in chapter 4.9). For the case study in my research, this means that the German workforce will have fewer problems understanding and following the corporate guidelines of company X than employees from other cultures. Because of the shared national background and the shared norms and values inherent in the same national culture, it will be easier for the German employees to understand the reasoning behind the corporate culture. For those employees from other national cultures, the corporate culture of company X might seem strange, incomprehensible or even ineffective. Although in theory it is beneficial to promote one set of corporate guidelines throughout the organisation, in practice these guidelines will be interpreted differently and according to the national culture of the specific subsidiary (as has been illustrated in chapter 4.9). If a company emphasises regular feedback

as one of their corporate principles, it will depend on the norms and values of the surrounding national culture how this principle is interpreted in the subsidiary; for example, in culture A feedback might be given in private face-to-face meetings, in culture B there will be a feedback meeting once a month with the whole department and in culture C feedback might be given in written form only. So because of this influence of the surrounding national culture and the norms and values of the employees from that culture, every subsidiary will interpret the corporate guidelines according to their cultural norms and values.

Based on what has been discussed previously, the following statements can be made:

1. Every organisation has specific goals and a vision of how these goals can be achieved. In order to ensure that all subsidiaries function internally and externally according to these goals, some form of coordination and cooperation must be established. Corporate culture is the instrument to provide guidelines and principles for coordination and cooperation. Although the corporate culture of an organisation is embedded in the surrounding national culture and, in this way, is influenced by laws and social and environmental circumstances, each organisation has its own, unique culture (Schein, "New Awareness" 9).
2. The corporate culture in the subsidiaries is comprised of the corporate guidelines from headquarters and the interpretation of these guidelines through the reference framework of the surrounding national culture of the subsidiary (as explained and illustrated in chapter 4.9). It can therefore be argued that the bigger the cultural differences between the country of headquarters and the country in which the subsidiary is located (for example high vs. low uncertainty avoidance), the more deviation there will be in the subsidiary's interpretation of the corporate guidelines. This will play a part in determining the in-patriate's familiarity with the corporate culture when coming to headquarters.
3. Because none of the interviewed in-patriates received intercultural training which included aspects of the corporate culture of company X, it is assumed that any arising problems might to some extent be the consequence of not having been introduced to the corporate culture.

The following analysis of the interviews with the in-patriates of company X aims to confirm or refute these statements by finding out what kind of problems are faced by in-patriates working in the headquarters. In addition, it should be considered if any occurring problems are linked to the corporate culture of the headquarters. The final leading research question is whether any of these problems could be avoided by addressing these aspects in the intercultural preparation.

The first sub-chapter will focus on general differences in working life, whereas the second sub-chapter will emphasise areas strongly connected to the corporate culture at headquarters.

### **9.1.1 Interview guide**

As can be seen from appendix 8, the interview guide consisted of 15 questions which have been grouped into six categories. Category A refers to personal information, while category B inquires about intercultural training measures. Problems in everyday life in Germany are addressed in part C. Part D deals with differences in the work place between subsidiary and headquarters. In part E the interviewees are asked to give their impression of different aspects which are related to corporate culture. And the final part investigates to what extent the employees believe the differences between the corporate culture of the subsidiary and of headquarters should have been addressed in intercultural training, in order to be better prepared for them.

### **9.1.2 Theory used for analysing the data**

The analysis of the interviews followed Glaser and Strauss's Grounded Theory, which is a method mainly used to analyse qualitative data (Silverman 71). The stages involved are:

- Developing subject areas
- Finding appropriate statements in order to demonstrate and back up the relevance of the subject areas
- Putting the subject areas into a more general analytical framework (Silverman 71).

In order to develop subject areas the data was first grouped into research relevant and irrelevant categories (this process is commonly referred to as data reduction). Although some subject areas were already predetermined through the different categories in the interview guide (e.g. problems in everyday life, differences in working life, etc.), different sub-areas were developed. In order to group statements and ideas according to sub-areas or themes, the responses were checked for issues and problems re-occurring in the interviews.

The next step was to contextualise the answers of the interviewees and to group together statements and ideas according to sub-areas or themes that emerged from the interview data. So after conducting a key word search, the identified problems and differences were categorised. The final stage was to integrate the findings and themes into a more general framework.

For a rough and more general categorisation of the identified problems and attitudes to cultural characteristics, Hall's approach to culture (as discussed in chapter 3.6.1) turned out to be suitable. Although his categories (concept of time, high- vs. low-context communication, space ratio, speed of information) qualify for a general classification, they do not allow a clear

attribution of specific behaviour or features to either national or corporate culture. Therefore Hall is used only to group the statements roughly together.

To explain the different categories and to be able to distinguish problems caused by the different national cultures in contrast to those caused by differences in corporate culture, Hofstede's culture dimensions (uncertainty avoidance, masculinity-femininity, individualism-collectivism, power distance) are used. Although his IBM study came under criticism because he chose his entire sample from the same corporate background, because he equated cultures with nations and because his findings lacked theoretical foundation (for more details refer back to chapter 3.6.2), his dimensions are particularly suitable for analysing my data and differentiating between problems referring to the national culture and issues referring to the corporate culture. Hofstede describes every dimension in detail and explains how they are visible in different areas of life (e.g. school, work, family), and because of this it is possible to assign the identified problems to a specific dimension and find explanations for them.

Although Trompenaars showed in his research in a very comprehensible way that the management and the behaviour of companies are shaped by culture, it was decided to not use his work as an instrument of analysis for my data because of the missing explanation of the research methodology and his choice of interviewees (see chapter 3.6.3 for detailed criticism).

The last study which was explained in detail in the section on culture was the GLOBE project. Although the results allow a comparison of cultures regarding leadership qualities, the data refers only to the middle management and because this sample cannot represent the total population, the validity of conclusions about the different national culture can be questioned. Besides, the GLOBE study and its results published so far do not allow for a categorisation of national and corporate culture.

Therefore it was decided to combine Hall's and Hofstede's approach and to use Hall's categories for grouping the statements and problems, and then to take Hofstede's dimensions (the different index values for Germany, South Africa, the USA, Japan and Hungary are illustrated in appendix 10) to analyse them further and explain them.

### **9.1.3 Data omission**

Detailed personal and private information about the interviewees is not regarded as relevant for my research, because I am not looking for any coherence between the personal situation or background of the inpatient and the problems or situations he/she has to face. Rather, I am interested in the inpatient in general, regardless of his/her position in the headquarters, length of stay or his/her personal situation. Although it is important not to underestimate the importance of personal circumstances (e.g. one's age, prior international experience, and whether one is alone or in a stable relationship and accompanied by one's

family) in determining stress levels, and one's willingness or ability to deal and cope with the new culture (Stahl 158), this factor will not be considered in my research because taking the personal situation into account would require a great deal of very personal and private information which was not gathered due to the available time for the interviews and the mutual trust necessary for such private information. Not including and analysing the personal and private circumstances of the inpatriates can without a doubt be regarded as a limitation of my study. Therefore, further research should definitely address the individual private situation of the inpatriates in order to get a more complete picture of all the variables influencing the integration process and the perceived problems of inpatriates. In addition, by taking these variables into account it would be possible to identify other factors (apart from the lack of preparation for the corporate culture) which might influence the inpatriates' ability to adapt to headquarters' culture, such as age, personal well-being or prior international experiences.

In terms of their position in headquarters, all interviewees are in a comparable position (employee or middle management) and their scope of duties is very close or even identical to the one they had in their home country.

The part dealing with problems in everyday life will be left out in this analysis as well. The question served as an icebreaker and provided transition from personal life to business life, and was intended to give the interviewee room to talk about any impressions and experiences he/she wanted to mention.

The following sub-chapter will present the findings of the interviews regarding general differences in working life between subsidiary and headquarters.

## ***9.2 Interview findings: Differences in working life***

### **9.2.1 Summary of personal information**

In summary, the ten interviewees were within an age range from 25 to 40 years, all working on the employee or middle management level in the headquarters and with a scope of duties very close or even identical to the one they had in their subsidiary. At the time of the interviews (September 2005), all interviewees had been living in Germany and working in the headquarters for at least six months (i.e. they were not totally new at headquarters and no longer in the 'honeymoon' stage, in which the new culture is experienced as fascinating and exciting and the employee is enthusiastic, curious and open to everything<sup>43</sup>), and were intending to stay at headquarters for two to three years. All of them judged their knowledge of

---

<sup>43</sup> For a detailed description of culture shock theories and models see Elisabeth Marx [Breaking through culture shock: what you need to succeed in international business](#) or the essays by Berry "Globalisation and acculturation" and "Acculturation: Living successfully in two cultures".

the German language as very basic. All inpatriates had already been working in subsidiaries of company X for at least two years.

The answers to the question why they had been sent to Germany only partly correspond to the reasons for inpatriation named by the international assignment manager at headquarters: Personal development was mentioned by seven inpatriates and knowledge transfer was mentioned five times. The international assignment manager only identified knowledge transfer as a reason for inpatriation, but not personal development. Personal development is usually only regarded as a reason for international assignments for expatriates. This different emphasis of reasons can be explained by the fact that all divisions of the company mainly have their own interests at heart; or in other words, the sending division can profit from the personal development of the returning expatriates, and therefore personal development is mentioned as an important reason for expatriation only. The incorporating department can benefit from the knowledge transfer of the inpatriates but not from their personal development because they will return to their original division. Conversely, an expatriate who is sent abroad for personal development reasons will return and share his knowledge and experience, and the sending department can benefit from his development. Although this view is understandable it is also narrow-minded, because in the long run an international company benefits as a whole from an internationally experienced workforce.

### **9.2.2 Intercultural preparation**

When asked about attending intercultural training measures, eight of the inpatriates mentioned that they received intercultural training. Five of them attended sessions in their home country three months to two weeks before their departure and the other three took part in an intercultural training seminar offered by company X's training provider (one of them even attended training both before and after arrival in Germany).

Two of the interviewees did not take part in any intercultural training at all. One of them (Hungarian) mentioned that it was his own decision because he had been to Germany a couple of times and therefore did not see any need for intercultural preparation. The other inpatriate (Japanese) cited lack of time as a reason for not attending any training. He only found out that he was going to Germany one week before he actually left his home country. And when he arrived in Germany the issue of intercultural training was not raised.

All training was culture specific, focusing on everyday life in Germany, medical support, school and, in part, on the business aspect. None of the training programmes addressed the topic of corporate culture (this was confirmed by the training company).

These statements show that there is a discrepancy between theory and practice of the intercultural preparation measures. According to the international assignment manager, all

in-patriates who are coming to headquarters for a period of at least two years are strongly advised to attend training offered by the training provider. But in practice only three of the interviewed in-patriates did so. Although it has to be stressed that at least 80% of the in-patriates received intercultural training, the consistency described by the international assignment manager is not ensured because five training courses, of one or two days' length, took place before departure and were conducted by local training providers in the home country.

In addition, the information about the training length in Germany does not correspond to the actual training length: Two interviewees who attended the training in Germany mentioned that it was a two-day intercultural training course, although the international assignment manager stated that the length of the training is supposed to be only one day.

In summary this leads to the assumption that the international assignment policy of company X is definitive on paper but is applied flexibly in practice. As long as all in-patriates have the opportunity to attend a training workshop, it is actually not a crucial factor if this training takes place before or after arrival,<sup>44</sup> or if it is provided by a local training company or by company X's training provider. It could even be considered preferable to have the intercultural training by a local training company in one's home country, because then the culturally conditioned learning style will most likely be taken into account (which is not done by company X's training provider). The American learning style differs from the German one and Americans are "more likely to learn from an interactive simulation" (Friday 102). However, in the interest of equal treatment and standardised intercultural preparation measures for all in-patriates, it should be ensured that the preconditions for the international assignment regarding language classes and intercultural preparation are identical in practice.

Besides, equal preparation measures would be the basis for reliable evaluation of these offers of training. Although the international assignment manager sees the need for evaluation of the training measures, it is not done currently due to a lack of manpower, time and money. As long as the intercultural training workshops randomly differ in duration, methods and content, because of different training providers and the number and composition of participants (in-patriate only, in-patriate with family, in-patriates from different companies), they are not comparable and cannot be used for statements about the effectiveness and benefits of a successful assignment. In addition, the unequal treatment of in-patriates regarding their intercultural preparation can lead to ill feeling among the in-patriates because they might feel neglected or less important than colleagues from other subsidiaries.

---

<sup>44</sup> Although, as it has been stated in chapter 6.10.1, different preconditions such as international and travelling experience should also be taken into account when deciding between predeparture or post arrival training.



### 9.2.3 Differences in working life

The question concerning general differences between everyday working life in the inpatriate's home country and at headquarters in Germany served as transition and introduction to the more specific question for differing procedures and other aspects related to corporate culture.

From the inpatriates' answers a couple of areas can be identified as being different and causing irritation, and they can all be attributed to Hall's culture categories. To provide an overview, the categories and the topic areas mentioned by the inpatriates are illustrated in this chart:

Hall's categories	Topic areas identified from the inpatriates' statements		
<b>Concept of time</b>	Monochronic vs. polychronic time	Working hours/flexible work time	Attitude towards work
<b>High- vs. low-context communication</b>	Style of communication	Interaction and relationships between people	
<b>Space ratio</b>	Privacy	Set-up of offices	
<b>Speed of information</b>	Time to answer emails	Sharing of information	

Table 9-1: Topics identified according to Hall's categories

Following this classification, the different categories according to Hall will now be described. Afterwards the statements will be analysed using Hofstede's dimensions.

#### 9.2.3.1 Concept of time

Hall's concept of time separates cultures in monochronic and polychronic time cultures. For monochronic orientated people, keeping to the schedule is very important and they try to do one thing after the other and promptly. Time is regarded as linear and the time bar ranges from the past, via the present into the future. People in cultures with a polychronic perception of time do many things at the same time and not according to the set schedule. Time is regarded as circular, and past, present and future are blurred on the time bar (Hall and Hall, Understanding 13-15).

Both Germany and the USA belong to the monochronic time cultures (Hall, "Monochronic" 262). Japanese people are polychronic when doing business within their own culture and when dealing with colleagues (Hall, "Monochronic" 262). This is illustrated in the statement by the Japanese inpatriate:

*"In Japan higher pace and here it is slower. Questions sent via email take at least one week to be answered, in Japan up to 20 minutes, that is frustrating."*

So internal business in Japan seems to be quicker and the pace higher because people do many things at the same time, and when an email arrives it will be answered. In Germany everything is done according to a clearly defined schedule and in strict sequence, and when an email arrives it will be added to the to-do list and answered when the time comes. Japanese people seem to organise their duties according to their importance whereas Germans organise their duties in a sequence and do not interrupt this sequence, no matter if something very important comes up.

Statements about the length of working hours, flexible work time, structure of day and the ratio of work to leisure all fall in the category of dealing with time and assigning importance to time.

**Working hours and flexible work time:** All US American in-patriates mentioned the flexible work time and the shorter working hours as a difference between their home country and Germany.

*“In the States there is kind of an assumed start time and it doesn’t seem to be every person has their own schedule and shows up whenever.” (USA)*

*“To work 14 hours a day in the US is not uncommon; here you work 8-9 hours a day and don’t come in on the weekends.” (USA)*

*“Here it seems to be: I have my hours and now I go home after that.” (USA)*

The first area identified as ‘working hours’ can best be explained by Hofstede’s dimension of uncertainty avoidance. Uncertainty avoidance describes the ability to cope with uncertain situations and how much such situations are avoided by rules, which promote stability or resist new ideas or changes (Hofstede, Culture’s Consequences 145). One characteristic of cultures with a high uncertainty avoidance index is the popularity of flexible working hours (Hofstede, Culture’s Consequences 169-170). And although Germany and the USA are both monochronic countries (Hall and Hall, Understanding 14), they differ regarding their uncertainty avoidance index: The uncertainty avoidance index of Germany is 65 whereas it is only 46 in the USA (Hofstede, Culture’s Consequences 169-170). In other words, the uncertainty avoidance in Germany is higher and flexible working hours are more popular here than in the USA (Hofstede, Culture’s Consequences 169-170).

But that does not mean that the decision to have flexible working hours is only influenced by the national culture, because not all German companies do so. Corporate culture is also of importance. A flexible working system shows trust in employees and supports their personal responsibility. Surprisingly, this system is not implemented in all German locations of company X because the in-patriate from Hungary mentioned that in Frankfurt a time clock is used to keep records of the hours an employee worked. These

differing systems (time clock vs. no time recording) show the inconsistency of corporate culture standards within company X.

In addition, the American culture scores higher (91) on the individualism vs. collectivism scale than Germany (67). Individualism versus collectivism indicates the importance of social relationships (Hofstede, Culture's Consequences 209). In collectivistic cultures the relationship of the individual to his/her environment and to other members of the group is very strong, and the emotional dependence on the company they work for is high. There is a distinctive 'we-feeling' (Hofstede, Culture's Consequences 209) and the social system is the basis for one's identity (Scholz 832). In addition, the pursuit of order and conformity is very strong (Scholz 832). And according to Hofstede, high individualism in the workplace implies a high commitment to the organisation and longer working hours (Culture's Consequences 244). The higher commitment to the organisation is rooted in the fact that one's friends and one's employer "are a matter of personal choice and a source of greater affect" (Hofstede, Culture's Consequences 238). In collectivistic cultures, friends and employers "are predetermined by the social context" (Hofstede, Culture's Consequences 237) and therefore do not require or need a great deal of commitment because they cannot be influenced anyway. This commitment to the company explains the longer working hours in the individualistic USA, whereas in Germany fewer working hours are preferred and the commitment to the company is measured in achievement and does not have to be shown through presenteeism.

**Attitude towards work:** The inpatient from Japan was not irritated by the flexible work time because his country scores very high (92) on the uncertainty avoidance index, which means that the popularity of flexible working hours is even higher in Japan than in Germany. He said:

*"The quality is good but they don't live to work. In Japan there is a tendency to work very very long hours." (Japan)*

His statement about the longer working hours in Japan cannot be justified by the Japanese individualism index either, because it is even lower than in Germany and therefore would rather suggest fewer hours worked. Therefore it cannot be the amount of working hours that surprised him but the whole attitude towards work, which is apparent in the fewer working hours. His statement expresses the different significance of work in Japanese life. Japan has a very high masculinity index (95) in contrast to the USA (62) and Germany (66). The masculinity index describes the distinction between female and male values and the role-specific behaviour in different cultures (Hofstede, Culture's Consequences 279). According to Hofstede, the different masculinity index is visible in the attitude towards work (Culture's Consequences 318). In countries with a high masculinity index the orientation towards tasks

and money is distinctive because achievement and growth is very important: Live in order to work (Scholz 833). In contrast to this, low masculinity countries focus more on the quality of life: Work in order to live (Scholz 833). Whereas Germans and Americans tend to work in order to live, the Japanese live in order to work.

### 9.2.3.2 High- vs. low-context communication

Another area which turned out to be a matter of incomprehension is function and style of internal communication (as already explained in chapter 5.6.3). As already explained in the chapter on communication, the aims of corporate communication will be the same in headquarters and subsidiaries because the corporate goals are mainly set by headquarters. But the way and process of achieving these goals are strongly influenced by and dependent on the communication style of the company.

Hall found that on the national level there are cultures with low-context communication, which means that the majority of information is in the explicit code (e.g. Germany), and cultures where the context is high (e.g. China), so where most of the information is either in the physical context or in the person (gestures and facial expression, communication style, word choice), and very little is contained in the explicit part of the message (Understanding 23). In high context cultures interpersonal contact is very important (Hall and Hall, Understanding 23) and people are deeply involved with each other, whereas low-context cultures are more individualised. From the four different areas of communication (see chapter 5.2.1), only the verbal and the paraverbal area caused irritation for the in-patriates.

**Style of communication:** Although American culture is situated toward the lower end of the context communication scale, they are still above German culture, i.e. German communication is much lower in context than American communication (Hall, Beyond Culture 91).

This becomes evident when looking at the following statement concerning verbal communication. One of the in-patriates from the USA was criticised in a meeting for not having included all details in his Power Point Presentation. According to Hall, business presentations “should be well thought out, carefully researched, thorough, and orderly” (Understanding 43).

*“So I prepared a Power Point Presentation as an overview. For me it was not every detail how this works but what is the system supposed to be and what we think is not working and what are our initial ideas on what we can do to fix it. The purpose was to generate a discussion. I started the presentation and immediately got protest: I hadn’t included ....I had forgotten that...This was missing....and that protest went on and on. In presentations in Germany the presenter doesn’t have to be standing there talking about the presentation. A lot of times you could just sit in the meeting and read the slides, you don’t need anybody there talking about it. In the United States the idea of*

*the slide is to remind the speaker of the topic to cover but not to give out all the information.” (USA)<sup>45</sup>*

In Germany you need all the details, facts and figures, before you can discuss a problem, make a decision or plan the next step: “decision making in Germany requires seemingly interminable discussion” (Hall and Hall, Understanding 36). This was confirmed by another US American in-patriate:

*“In the US it is perfectly acceptable if you have mistakes or wrong information and it is even a common thing to make a decision based on not having all the information. If you wait to make a decision until you have 80% of the information, you waited too long and the opportunity is gone. Here you wait until you have 120% of the information.”(USA)*

And because everybody wants to advance his/her opinion and explain his/her viewpoint in detail, discussions or reaching a decision can be very time-consuming (Hall and Hall, Understanding 19).

*“It can take a long time to discuss something and once a decision is made things are moving very, very quickly.” (USA)*

The necessity to have all information and know every little detail before something can be discussed or before a decision is made can be attributed to the German uncertainty avoidance. Germans want to be absolutely certain and they want to discuss every possible eventuality before a decision is made, and that requires details, facts, figures and long discussions in order to prevent anything being overlooked. But once a decision is reached it will not be changed again and seems to be set in stone (Hall and Hall, Understanding 35). In the USA the uncertainty avoidance index is not so high and therefore the American risk tolerance is higher.

**Interaction and relationships between people:** The above-mentioned long discussions are very focused and do not allow for any excursus or small talk. This surprises the South African in-patriates because their culture is a high context culture, which means that interpersonal interaction is important, and therefore the paraverbal aspects, the ‘how’ something is said, for example ‘normal’ volume level in a conversation, the intonation, pitch, the amount of speaking and the speed (Knapp, “Kulturunterschiede” 59; Maletzke 78; Schugk 102), are very important.

*“Here people don’t waste words unnecessarily.... A lot less talking between the lines, a lot less politeness and unnecessary talk. Without this in between talk I find relations a little bit stiff, because people are very direct and practical.” (SA)*

---

<sup>45</sup> Although it could be argued that the American’s view on slide detail contradicts the need for a lack of contractual ambiguity, I do not regard it as necessary to discuss this issue here because I am concentrating on the inward looking functions of communication, those which directly influence the cooperation of employees, and I regard contracts as external communication between the company and a contract partner (e.g. another company, a customer or a supplier).

*“In South Africa there is more interaction between people, different way of networking.” (SA)*

The South African culture belongs to the high context cultures and therefore the in-patriates regard the German communication style as very direct, practical and unemotional. What appears as coldness and impoliteness to them can be summarised as the German task orientation. This task orientation is a criterion for a high uncertainty avoidance index (Hofstede, Cultures’ Consequences 169). The uncertainty avoidance is lower in South Africa, which means that people are more relationship-orientated (Hofstede, Cultures’ Consequences 169), whereas it seems as if Germans rely on the task more than on people, in order to be on the safe side and eliminate any risk or uncertainty.

Interestingly, South Africa (49) and the USA (46) are pretty close on the uncertainty avoidance scale, but the US Americans are only surprised about the long discussions and the strong need for details, and not about the quality of the relationships or the lack of them. It can be assumed that the high individualism index of the USA is the reason for that. Americans score very high on the individualism scale and because they are low-context as well, they are not offended by the German directness and stiffness. This shows clearly that when working with Hofstede’s dimensions, it is essential to take all dimensions into account and not compare two countries just on the basis of one dimension. All dimensions mutually influence each other and even a huge difference on one dimension can be relativised by the score on another dimension.

In all probability the Germans themselves do not perceive their own communication style as so direct and concise as the South African in-patriates do. This is what Adler calls ‘cross-cultural misperception’ (“Communicating” 251): South Africans and Germans both have a totally different perception of what constitutes a concise communication style. And because the South African in-patriate tries to make sense of what he perceives, and interprets it according to his experience and expectations, he misinterprets the German directness and conciseness as impoliteness (Adler, “Communicating” 257). And this misinterpretation then results in a cross-cultural misevaluation (Adler, “Communicating” 265): Relations with Germans are ‘a little bit stiff’. This example illustrates how our culture affects our perception, thinking and evaluation of communication. Our own way of communicating is ‘normal’ because we have internalised it, and any kind of communication that does not correspond to our ‘norm’ is perceived and evaluated through our ‘cultural glasses’, which can produce stereotypes such as ‘Germans are impolite’.

### 9.2.3.3 Space ratio

The next aspect in which cultures differ, according to Hall, is space ratio. This category describes how members of a culture deal with space (Hall and Hall, Understanding 10-12). What people regard as their privacy (i.e. the invisible space surrounding every person which cannot be entered by another person without permission) and as their territory (all the places and things which are regarded as personal property) can differ among cultures and will influence their interaction and the size of their personal space (Hall and Hall, Understanding 10-12). However, it cannot be overlooked that the available space (depending on the company's finances, recent developments, future prospects) plays a role as well.

#### **Offices and privacy**

*“What was a big difference to me and I still find it difficult to get used to it: In South Africa I didn't spend much time in an office but I had an office of my own anyway. Here I spend a lot of time in my office and I share an office. It is quite normal to share an office here. That was strange. For me it is more important to have a little bit of privacy.” (SA)*

*“In South Africa I had my own office. Here I have an open office with more people, but it is not a problem except when you meet people and talk to them. It is better to talk in private.” (SA)*

*“Structure of the building is different and a lot of closed offices here. Advantage: you can have a meeting in privacy. Disadvantage: there is no cross-communication – so in the US there is a more open work-environment.” (USA)*

In order to analyse these statements it is important to look at them very closely, because although all three in-patriates talk about the same thing, private vs. shared offices, the implications are different for each of them. The South African in-patriates are surprised about sharing an office, because a private office means privacy and that is of special importance, for example when having a meeting. In contrast, the American in-patriate mentions the fact that the office doors are closed, but not the number of people sharing an office. For him privacy is dependent on closed or open doors, but not on private or shared offices, suggesting that a shared office with the door closed can provide as much privacy as a private office with the door closed. So for the South African in-patriates shared offices imply inevitably less privacy, no matter if the doors are open or closed, whereas for the American in-patriate shared offices can be private as well, and in addition they also support better cross-communication. It is normal for Americans to share an office because in the USA open plan offices are quite common (Schugk 95). Movable walls often separate the workplaces, in order to provide some kind of privacy and separation from colleagues while still being in the same room and within communicative range (Schugk 95). And this possibility for communication is not provided when the office doors are closed.

Hall describes doors in Germany as “a protective barrier between the individual and the outside world” (Understanding 40). Closed doors guarantee and allow privacy and constitute a boundary between individuals (Hall and Hall, Understanding 41). Hall states that “Germans compartmentalize time with appointments and schedules to which they adhere faithfully; they compartmentalize space by sealing themselves off from other people behind closed double doors to discourage interruptions and ensure privacy for concentration” (Hall and Hall, Understanding 44). It seems to be obvious that this need for safeness, protection and privacy, which the isolated space provides, originates from the German uncertainty avoidance which is much stronger in Germany than in the USA (Hall and Hall, Understanding 39).

Although in both the German and the North American culture the top officials and executives have their private offices on the top floor (Hall and Hall, Understanding 11-15), it is not normal for employees in the middle or lower management to have a private office. Obviously the number of private offices for middle or lower management staff depends not only on the norms and values of the national culture of the country the company is situated in (in this case the German need for compartmentalising space), but also on the building structure, the available space and the corporate culture of the organisation. Expanding companies which are taking on extra staff might have no choice but to place more than two or three employees in one office for a temporary period. Besides, a building structure which cannot be altered due to architectural or statical reasons might not allow for private offices and many closed doors. In addition to these external conditions, the internal company structure (including factors such as the number of employees and departments, the necessity for cooperation between different departments, and the need for different people working on one project to exchange their knowledge and information) and the corporate culture (e.g. strong or flat hierarchy, support of teamwork) also influence the floor plan.

#### **9.2.3.4 Speed of information**

The last category Hall regards as a distinctive feature for cultures is speed of information. Hall writes: “The rate of information flow is measured by how long it takes a message intended to produce an action to travel from one part of an organization to another and for that message to release the desired response” (Hall and Hall, Understanding 22).

That means that the amount of time needed to encode and decode a piece of information can differ depending on how focused and controlled the information flow is. In low-context cultures information is focused, controlled, compartmentalised and does not flow freely, whereas in high-context cultures information flows rapidly. Due to the need to stay in touch and keep up-to-date, interpersonal contact is very important and information is shared with everybody who is involved (Hall and Hall, Understanding 23).



**Sharing of information:** The Japanese and the South African cultures are high-context cultures, which means that information is shared (Hall and Hall, Understanding 6-7). The American in-patriates and the in-patriate from Japan stated that according to their experience in Germany, people only do what they are supposed to do and pass everything else on to the next department or person, without giving away any information about the problem or task. So in contrast to the USA and Japan, there is no real cross-communication between the different departments.

This can explain the following statements:

*“Here departments don’t work well together. In Auburn Hills it is different in that we are more open to communication across different departments.” (USA)*

*“In Germany you are responsible for this or for that and you only do what your job is. They say: ‘I am responsible for this but not for that. That is your job.’ One does not provide known information if that information is the responsibility of the other department.” (USA)*

*“Germany does a lot of work on the brake system and then they would tell Japan what to do but they won’t send that same data over, so they have to do it again in Japan. That makes absolutely no sense and so it is almost like repetitive work.” (Japan)*

These statements confirm Hall’s correlation of communicating very directly and being more individualised (Hall and Hall, Understanding 6-7). Information in the German headquarters of company X is controlled and does not flow freely, neither between different departments (compartmentalisation) nor between headquarters and subsidiary. One American in-patriate suggested the different building structure and the closed offices as the reason for the absence of cross-communication. This definitely impedes communication but cannot be the only reason, because if there were really a desire to share information and to communicate, the employees would find a way despite closed doors. Therefore it cannot be said that the closed doors are the reason for the missing cross-communication, but rather the individualistic thinking and the tendency not to want to share information, together with the wish for privacy, are the real reasons for the closed doors. Or in other words, the closed doors are not the cause of the lack of information sharing, but the German individualism is the cause of the closed doors.

Although the strong compartmentalisation in German businesses can slow down business transactions, decision-making and other processes, it is “highly resistant to change” (Hall and Hall, Understanding 59). Intellectual and professional knowledge is a prestigious feature for Germans, which becomes evident when looking at the German education and training system (e.g. professional qualification through apprenticeship) (Kieser 609; Friday 97). According to Hall, knowledge is equated with power, and therefore “secrecy is common” (Understanding 41). This can be explained by the high uncertainty avoidance and by German

individualism. The more one knows, the more predictable are upcoming events, and so the fear of uncertainty is reduced. And because of the high individualism index everybody is only interested in reducing his own uncertainty, but not the uncertainty of the whole department or even of other departments.

Although American organisations are highly compartmentalised as well and Americans are not very willing to share information either, they are still informed about what is going on in the company through informal information networks (Hall and Hall, Understanding 160). Information is exchanged during meals, in the kitchenette, in the staffroom, on business trips, on the golf course and during after-work socialising (Hall and Hall, Understanding 160). Another very common way of keeping employees in the USA informed is by written communication in the form of regular reports and interoffice memos (Hall and Hall, Understanding 161).

The importance of and dependence on information flow has long been recognised by American organisations (Drucker 1). The article describes a visible trend in America towards information-based organisations. According to Drucker, the difference between an information-based organisation and a conventional one is that the former has a flat structure with only a small number of management levels, in order to make fast decisions and quick responses and to allow for greater flexibility and diversity (1). The precondition for such an organisation is that each individual and each department is willing to take responsibility for their actions (Drucker 2). This trend to change existing structures when new theories and knowledge are available is typical for countries with low uncertainty avoidance. So although the American culture has a higher power distance index than Germany, and therefore authority is more concentrated and the organisation pyramid is taller than in Germany (Hofstede, Culture's Consequences 108), American organisations are able to adjust to new theories and management insights and are willing to take the risk of changing existing structures. In contrast, Germans are very resistant to change because of their high uncertainty avoidance. They do not only want to influence the future but control it by very formalised and standardised processes and structures (Kutschker and Schmid 720). Hall regards the unwillingness to share information as “probably the greatest handicap for Germans in business” (Hall and Hall, Understanding 45). Although he is right, it can be assumed that a lot of managers know about this handicap but still cannot completely overcome it. Knowledge reduces uncertainty and avoiding uncertainty is deeply rooted in our culture, and therefore I am firmly convinced that the trend mentioned above (towards flat hierarchies, fast decisions, quick responses) will not be visible in German business.

Because of the compartmentalisation in German companies, the respect for privacy and the highly restricted information flow, management mistakes or wrong decisions can be

covered up and are revealed only when the whole company is in trouble (Hall and Hall, Understanding 58). Thus the need for a new approach to information sharing in order to be more flexible and able to make fast decisions and quick responses, is firstly not regarded as necessary, and secondly lies in strong conflict with the German uncertainty avoidance.

#### **9.2.4 Summary**

When asked about general differences in everyday working life between the inpatriate's home country and headquarters in Germany, the answers have shown that all irritations stated by the inpatriates such as relationships, information sharing or working hours can be assigned to one of Hall's four areas where national cultures differ:

- Concept of time
- High- vs. low-context communication
- Space ratio
- Speed of information

The reason why the specific behaviour or characteristic caused irritation or surprise for the inpatriate was then explained using Hofstede's dimensions and the different degree of uncertainty avoidance, power distance, individualism vs. collectivism and masculinity/femininity. These dimensions reflect the values of a specific national culture, and because of one's own egocentric view of the world and one's ignorance (Hall, Beyond Culture 62), behaviour which is unfamiliar to one's own cultural framework can cause irritation, surprise or even shock.

Of course the underlying values are rarely visible, because what is visible is only the behaviour caused by the values. So if one does not share information with colleagues, then the 'not sharing information' is not a value but behaviour. This behaviour might be based on a cultural value which is not easy to decode, or on an individual characteristic or on the specific situation or context.<sup>46</sup> Therefore an attempt was made to categorise the different statements, to find explanations why they were mentioned by the inpatriates and to identify which cultural differences could have caused them.<sup>47</sup>

---

<sup>46</sup> It is clear that determining the exact reason for a specific behaviour is not possible in a study like this. Even in another format, with days or weeks of observation and more detailed interviews (which study the individual's character as well), it would need a team of psychologists and ethnologists to be able to make statements about the underlying rationale, personality, situation and values for a specific behaviour in a specific situation. And even then the researcher could never be 100% sure about his/her analysis. He/she would have to analyse individuals from different cultures in the same situation, taking into account the individual character, in order to be able to make assumptions. Neither the time, nor the scientific background of the author of this work, nor the company situation would allow such in-depth research.

<sup>47</sup> I am aware of the fact that every researcher dealing with culture is a child of his own culture as well. This leads to a cultural bias where the researcher puts emphasis on specific points or oversees or neglects others, or just sees what he/she wants to see because of his own 'cultural glasses'. An attempt was made to keep this in mind and to be as objective as possible when analysing the data.

Of course such a limited number of interviews does not allow for general statements about the different national cultures and their perception of the Germans and the German business style and behaviour. In order to be able to do that, the number of individuals researched would have to be much higher, and other factors such as earlier experience abroad, position in headquarters, and personal situation would have to be taken into account as well.

Although some of the aspects (such as relationships or sharing information) are particularly relevant in the business context, they cannot be limited to it. The way individuals communicate with each other or the extent to which information is shared plays an important role in social life as well. Therefore, the points discussed in this chapter have been assigned to the category of general differences caused by differing national cultures. But although the general perception of work time in Germany can be attributed to a national culture difference, it should be noted that the way in which work time is checked must be ascribed to the corporate culture.

The American, the South African and the Japanese in-patriates were the ones to voice irritation and surprise about certain aspects of everyday working life. The in-patriate from Hungary did not mention anything surprising or unexpected. The reason for this is probably that he had been to Germany a couple of times and therefore was already used to the German communication style or to the German way of sharing information. In addition, his command of the German language is very good, which definitely makes communication easier although not necessarily more successful. He seems to have already been familiar with the German culture because he declined the opportunity to attend an intercultural training before coming to Germany.

Nevertheless, it is difficult to find explanations for the fact that apart from the Hungarian in-patriate, all other interviewees recognised, mentioned and even misinterpreted (e.g. the South Africans on the direct communication style of the Germans) cultural differences, no matter whether they received training or not.

### **9.2.5 Conclusion**

The fact that all in-patriates were irritated and surprised by a number of aspects in the German headquarters can be explained by the fact that the intercultural training focused more on the cognitive aspect (i.e. to gain knowledge), and not so much on the affective dimension (changing the participants' attitude, e.g. being more objective and not judgemental).

The irritation of the Japanese in-patriate can be explained by the lack of intercultural preparation. He did not receive any intercultural training at all and therefore was not prepared for German cultural norms and values. However, the irritated or surprised reaction to cultural differences cannot be solely attributed to the lack of intercultural training because the other

in-patriates who did attend training mentioned similar things, and one would assume that after attending training the in-patriates would be prepared for German culture.

An explanation for this could be that the training received focused more on general social aspects such as schooling, housing and health care, and not so much on specific German cultural norms and values in the business context, or on differences between home and target culture in terms of working life. Another explanation might be that merely gaining knowledge about German culture does not mean that one's attitude will change, or, in other words, that knowing that our perception is culturally conditioned, and that everything is perceived through our specific cultural glasses, does not necessarily mean that one is willing or able to take off the cultural glasses and appreciate the differences, instead of being confused or irritated by them. So intercultural knowledge does not inevitably result in a change of attitude, but a change of attitude is a precondition for changing one's actions. This confirms the interdependence of all three dimensions (explained in chapter 6.3): The cognitive dimension (knowledge of cultural differences and commonness) is a prerequisite for accepting what is other and different, and enables the individual to encounter it with openness, respect and curiosity (affective dimension), which then makes intercultural interaction (conative dimension) possible (Antor 143-144).

The next sub-chapter will analyse the interviewees' statements regarding corporate culture and will explore the question to what extent they could be addressed in intercultural training.

### ***9.3 Interview findings: Perception of corporate culture***

This sub-chapter will deal with the categories which are of significance for the business context (language/jargon, power/distribution of power, leadership/communication of leadership, process of decision-making, ways of control and control instruments) and which can be related to the corporate culture and shared practices of company X. Hofstede describes the relation between national and corporate cultures as follows: "Whereas national cultures differed primarily in their values, organizational cultures turned out to differ mainly in their practices" (Culture's Consequences 373).

It has to be stressed again that although one can adapt practices without supporting or sharing the underlying value, it is essential to at least understand the value behind the desired or even required behaviour. If one comes from a very individualistic culture, in which everybody is only responsible for his/her own work and works very independently without being supervised at all, and then has to work in a company where every employee has to report his/her work progress in weekly meetings, one might regard this as a kind of control or as distrust. This interpretation is normal because we tend to perceive and judge things from

our own cultural perspective, and try to interpret them on the basis of our own values. However, if one understands that this transparency is a precondition for communication and collaboration between the individual parts of the project, for contextual reconciliation and successful completion of the project, one might still not consider the weekly reports necessary from a personal perspective, but at least one will understand why it is essential for the project or department. So one can tolerate<sup>48</sup> the practices and accept<sup>49</sup> them, but the underlying values are just tolerated without necessarily being accepted. This means that in-patriates from a subsidiary with a different national culture, and a corporate culture influenced by this national culture, can adjust to the behavioural requirements of the 'new' corporate culture without modifying their basic values. And this seems to be the most realistic expectation possible because, as mentioned earlier, when someone starts a job, the basic set of norms and values is already there and has been proved to be useful, and therefore will not be changed completely. Maybe new values and norms can be added to some extent, as long as they do not totally contradict the existing ones. But that implies that the new values are regarded as reasonable.

For a general classification of organisation forms it is helpful to use Hofstede's four models of organisations. The interaction of Hofstede's dimensions of uncertainty avoidance and power distance is especially important when thinking about companies (Cultures and Organizations 140). That is because according to Hofstede organisations mainly have to deal with two questions: Who has the power to make decisions about what, and what rules and procedures have to be set up and followed to achieve the planned results (Cultures and Organizations 140).

### **9.3.1 Hofstede's implicit models of organisations**

On the basis of discussions with an American colleague, Hofstede came up with four different implicit models of organisations based on the combination of high/low uncertainty avoidance and power distance indexes (Culture's Consequences 375), which were also revealed by the Aston studies:<sup>50</sup> Village market, well-oiled machine, pyramid and family (for a detailed description of these models see chapter 4.8.1).

For a better overview of these categorisations, the countries represented in my survey and their point score (taken from Hofstede's findings) have been put into a chart according to the organisation model typical of their country.

---

<sup>48</sup> Tolerate: to allow to be done or to exist (Webster's New Encyclopaedic Dictionary 1091).

<sup>49</sup> Accept: to regard as proper, normal, or inevitable (Webster's New Encyclopaedic Dictionary 6).

<sup>50</sup> The Aston study proved that with regard to organizational structures two main dimensions are evident: "concentration of authority" and "structuring of activities" (Hofstede, Culture's Consequences 54). Hofstede related the first dimension to power distance and, after researching the correlation with other questions regarding stress and rules, he used the second Aston dimension to form the uncertainty avoidance index (Culture's Consequences 54).

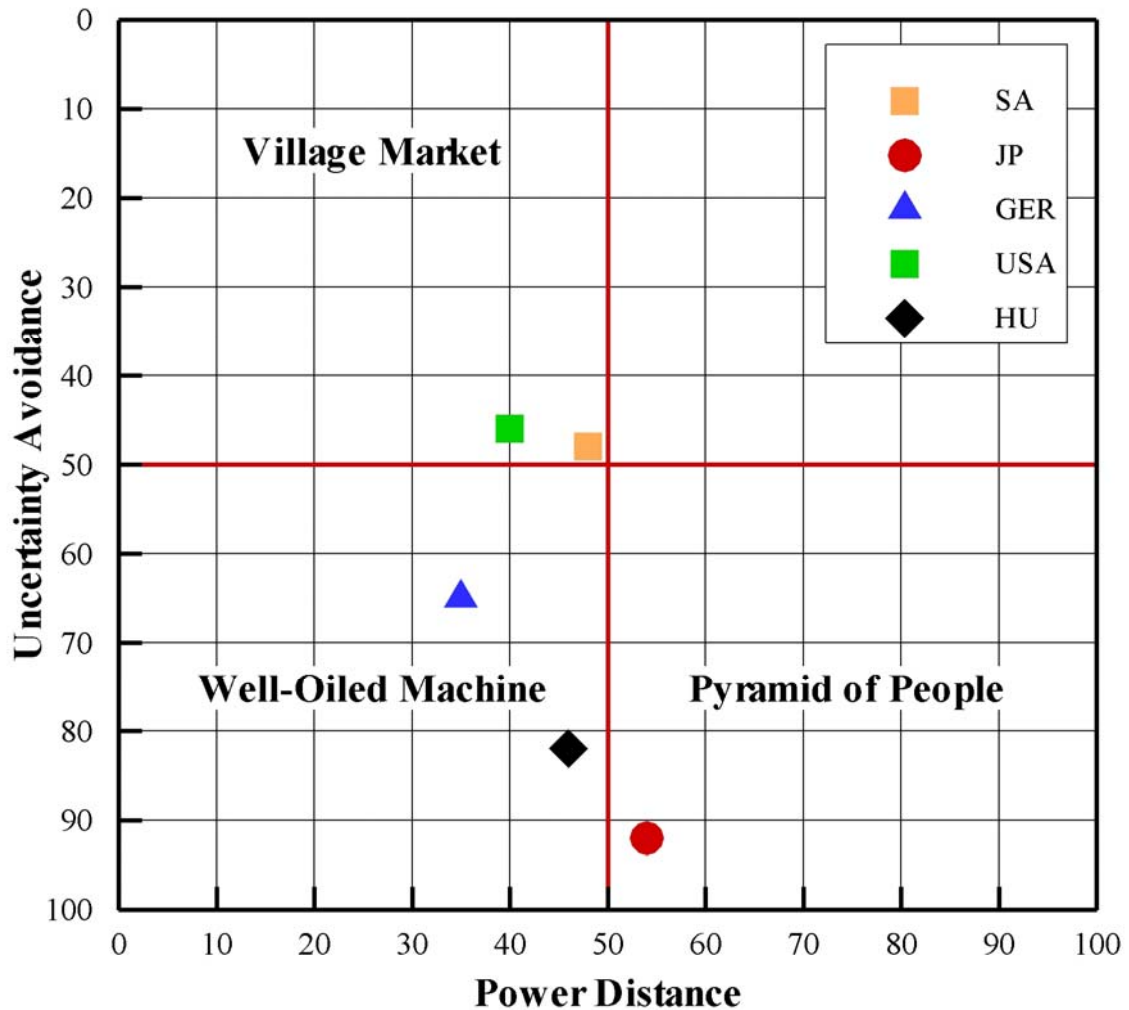


Figure 9-1: Implicit models of organisations

Based on this classification it can be expected that:

- The in-patriate from Hungary will have no or few problems adapting to the corporate culture of company X because both Hungary and Germany belong to the well-oiled machine model of corporate culture and therefore a lot of similarities might exist. Although there are differences in value scores between these two countries, when it comes to the two key dimensions of uncertainty avoidance and power distance they are quite close.
- The American and the South African in-patriates belong to the same model of corporate culture and are very close regarding their scores on uncertainty avoidance and power distance, and therefore might experience and address the same differences and irritations.
- The Japanese model of corporate culture seems to be very different from the German one and therefore bigger differences and irritations can be expected.

The question whether the analysis of the interview statements regarding different aspects of the corporate culture of company X confirm these assumptions and prove or

disprove the categorisations made by Hofstede, will be discussed in the conclusion of this chapter. In addition, this chapter should reveal if perceived problems or irritations are caused by differences between the corporate culture of headquarters and subsidiary, or if they are experienced because of the different national culture.

### **9.3.2 Analysis of interviews**

In order to find out if the corporate culture at headquarters of company X differs from the one at the subsidiaries of the inpatriates, the following areas (Schein, Organisationskultur 75) have been addressed explicitly in the interview:

- Language/jargon
- Power/distribution of power
- Leadership/communication of leadership
- Process of decision-making
- Ways of control and control instruments

#### **9.3.2.1 Areas of corporate culture**

Language/jargon: The knowledge of the spoken language in addition to the knowledge of the thinking enables a better integration into operational procedures and acceptance by colleagues. And acceptance is a precondition for being trusted and inducted into company details and secrets (Schein, Organisationskultur 56). So if the language does not work as a uniting factor but as a kind of barrier, it can distort and damage relationships (Harzing and Feely, “Language Management” 41). According to Harzing and Feely, the negative outcome of a language barrier ranges from causing uncertainty and suspicion and undermining trust, to polarising perspectives and perceptions (“Language Management” 41). This means that a common language and a fluency in this language is essential for all employees in order to mutually benefit from each other’s knowledge, to build networks and to coordinate work processes in terms of the corporate culture.

Power/distribution of power: To understand who has the power, how power is distributed and why these specific people are in power (e.g. because of their knowledge, skills, experience, seniority) is a precondition for accepting power and for identification with the company.

Leadership/communication of leadership: Being familiar with the ways in which leadership is communicated is necessary for understanding procedures and following these procedures, and for properly communicating and adapting one’s own leadership style.

Process of decision-making: To know the process of decision-making is essential for the continuity of the daily workflow and for the coordination of action.



Ways of control and control instruments: To know and to understand the ways in which control is exercised in a company is important for the coordination of actions and for one's own leadership. One has to be familiar with the amount of control expected of employees and with the appreciated and proper control instruments.

### **9.3.2.1.1 Language/jargon**

Although the common corporate language at company X is English, it seems as if the German colleagues do not really see the necessity to communicate in a foreign language when native speakers of German are in the majority.

*“And when I go to a plant I am the only English speaking guy, they talk German and I don't understand. They can speak English but they think that I am the only one so why would they have to speak English. The tendency to switch to the official corporate language is not that quick and easy. They rather speak what they know and let the one person adapt.” (South Africa)*

One reason why the Germans at headquarters refuse to speak English might be that “it is the parent company management rather than the subsidiary management that is compelled to work in its second language” (Harzing and Feely, “Language barrier” 53), and that might give rise to a perception of imbalance and feelings of incomprehension. Other reasons can be:

- Lack of competence in the English language
- Arrogance and ethnocentrism because the German employees expect the inpatriates to adapt to the German culture and language when they work in Germany
- Anxiety about losing respect and credit from colleagues because their English is not as good as might be expected
- Fear of being regarded as incompetent because of the lack of rhetorical skills in the foreign language; not being as convincing, persuasive and witty as in one's native language can lead to a perceived loss of charisma, confidence and leadership skills.<sup>51</sup>

In addition to this obvious refusal to use the corporate language, the German colleagues' lack of sufficient knowledge of the English language was mentioned by almost half of the inpatriates:

*“English is the corporate language but a lot of the workforce does not know the language very well which makes it very difficult because my competence of German is very low.” (USA)*

*“60% of daily work time I speak English and 40% I speak German because not everybody here at headquarters speaks English. Colleagues ask when they get English emails.” (USA)*

*“I don't think there is a corporate language here. ... There are abbreviations and many technical documents in German which makes it difficult for me.” (Japan)*

---

<sup>51</sup> On the management level rhetorical skills are more important than on the operational level (Harzing and Feely, “Language barrier” 53).

The possible consequences of the restricted communication between inpatriates and home-based employees, either due to a refusal to adopt the corporate language or the unequal distribution of language resources, are as follows:

For the inpatriates:

- Uncertainty, distrust and suspicion on the inpatriates' side
- Feeling of exclusion
- Frustration because of ineffective communication and misunderstandings

For the home-based employees:

- Not accepting and integrating the inpatriates because of the communication problems
- Not valuing and appreciating their knowledge and skills due to the lack of communication.

A common corporate language should foster integration and interpersonal communication, it should support and ensure the knowledge flow and make all company documentation (e.g. minutes, newsletter, written correspondence) accessible for everybody. But in order to fulfil these tasks it is essential that everybody in the workforce have a sufficient command of the corporate language. However, determining which level of language competence should be defined as sufficient strongly depends on the position and tasks of the employee, since for a blue collar worker a good command of the English language would be enough whereas members of the management level should be business fluent.

The consequence of a workplace in which the corporate language is not spoken by everybody, or at least not mastered by everybody to the same extent, is a language barrier, which can cause uncertainty, suspicion and distrust (Harzing and Feely, "Language Management" 41) and a polarisation of group identities (Harzing and Feely, "Language barrier" 57). This means that a common language, and a fluency in this language, is essential for all employees in order to mutually benefit from each other's knowledge, to build networks and to coordinate work processes in terms of the corporate culture, because according to Harzing and Feely "language remains the ultimate barrier to aspirations of international harmonization" ("Language Management" 37).

This lack of communication, or its poor efficiency, contradicts the aims propagated on the company website. Company X states that they communicate openly and actively, and that information is regarded as something belonging to everyone. When comparing them to the interviewees' answers these corporate statements attract heavy criticism. On the one hand the company wants everybody to have access to information, but on the other hand there are company documents which only exist in German. How can there be open and active communication within company X if not everybody has a good command of the corporate language?

This language problem not only impedes communication and the flow of information, and therefore contradicts the corporate guidelines, but it also makes integration and diversity difficult if not impossible. It would not even help to address the language issue in the intercultural training because of the discrepancy between corporate vision and corporate reality.

In summary, if company X were really to comply with their statement that they facilitate internal cooperation and strongly support the exchange of knowledge and expertise through a life-long learning strategy, they would make sure that the corporate language competence would be at a similar level throughout the workforce. In fact, the company would be well advised to deal with this language issue by making language classes in the corporate language mandatory for all employees lacking competence in English and by making all company documents available in the corporate language.

### ***9.3.2.1.2 Power/distribution of power***

The second relevant area for corporate culture covered in the interviews was power and the distribution of power. In order to understand who has the power and why this specific person is in power (e.g. age, experience, networks), it is necessary to know how power is distributed. In addition, it is essential to know how power is dealt with, and which kind behaviour towards the people in power is expected and accepted (e.g. never answer back or question them).

Although one must not forget that the acceptance or denial of power is also strongly influenced by the power distance index of the national culture, it can be argued that it depends on the specific corporate culture how power is communicated and the way it is distributed (e.g. groups, individuals). The existing hierarchy levels are an indicator for power and the way it is distributed in a company. All inpatriates from the USA mentioned that they experienced hierarchies in Germany as being much higher than in the USA.

*“Germany is very hierarchical, ‘You need to ask my boss’ whereas in the States you go directly to the person you need, you deal with it.” (USA)*

*“Distribution of power is very strong here, if you want to have something done you have to walk up to the top guy whereas in the US you can just get things done. Hierarchy in Germany is much higher.” (USA)*

*“Germany is very hierarchical. You don’t dare to jump over somebody when you try to get something done. You don’t do it here.” (USA)*

Although the power distance indexes of the USA and Germany differ by five points only (USA 40 and Germany 35), the high hierarchy and the strict adherence to the different hierarchy levels are regarded by the American inpatriates as very striking. The reason for that can be found in the combination of power distance and uncertainty avoidance. Whereas

Germany has an uncertainty avoidance index of 65, the USA scores only 46. In order to keep uncertainty as low as possible and minimise unexpected situations, rules and structures are set up and responsibilities are clearly defined (Scholz 835). Because of that, strictly adhering to the different hierarchy levels and to a specific responsibility provides a structure which minimises uncertainty.

The inpatriates from South Africa expressed a view different from the American inpatriates, and both agreed that hierarchies in their South African subsidiary were stronger.

*“In Germany it is much easier for a subordinate to talk to a superior and it is much closer. I have learnt that in the training... We have stronger hierarchies in South Africa. Here you do not know your position, someone offers you the ‘du’ and you feel comfortable and on a relaxed basis but the gap can still be there. In South Africa you know your position and the one of the other person... In South Africa the senior person can use the more relaxed term but the junior person still uses the more polite term, to show respect. The German way seems to be less respectful.” (SA)*

Clearly the inpatriate has learnt in the training that approaching a superior is much easier in Germany than it is in South Africa, but is still irritated about it and cannot really believe that addressing someone in an informal way is not a sign of disrespect. That can be regarded as evidence that although the knowledge (cognitive dimension of intercultural competence) is there, it does not necessarily result in changing the participant’s attitude (affective dimension) by causing him to become more objective and less judgemental. In addition, it demonstrates that knowing national cultural differences does not help when dealing with a specific corporate culture and proves again that national and corporate culture are not congruent.

Although the South African inpatriate mentions that hierarchies in South Africa are stronger, he actually does not talk about the hierarchy levels, but regards the way of addressing superiors formally or informally as an indicator of hierarchy. This is another example of ‘cross-cultural misperception’ (Adler, “Communicating” 251), since South Africans and Germans both have a different way of expressing their respect when addressing someone. South Africans use the formal address in order to show respect, even if the other person uses the informal address, whereas in Germany the ‘du/Sie’ is firstly a mutual thing and used by both participants, and secondly not necessarily an indicator of respect or disrespect. The South African inpatriate tries to make sense of what he perceives by matching it with his experience and expectations, which leads to a misinterpretation (Adler, “Communicating” 257): He interprets the informal German ‘du’ on both sides as more relaxed and less polite. And this misinterpretation then results in a cross-cultural misevaluation (Adler, “Communicating” 265): Germans do not show respect when talking to superiors and therefore they have a more flat hierarchy.

Hofstede concludes from his experience that a manager from a small power distance culture comes to terms with functioning in high power distance cultures because he/she can easily adopt a more authoritative leadership style, whereas the other way round is more problematic: Executives from larger power distance cultures have problems functioning properly in small power distance cultures because the small power distance between bosses and subordinates is often experienced as lack of respect (Cultures and Organizations 145). This interpretation clearly shows a lack of intercultural competence because if the executive from the high power distance culture were able to reflect on his own norms and values and were aware of the cultural conditioning involved in defining and showing respect, he/she would not interpret behaviour characterised by low power distance as disrespectful.

Although habituation to higher power distance might work easily for an executive, the same situation cannot be applied for other members of the workforce. An executive can delegate, and if he/she cannot find the appropriate style to address a workforce characterised by high power distance, he/she can at least find a local manager who will be able to ‘translate’ and communicate his/her orders or wishes to the subordinates. In contrast to this, the situation for an employee from a high power distance culture is different because being on the same hierarchical level or position can make the communication and cooperation difficult. The employee might misinterpret the behaviour of his colleagues as disrespect, ignorance or incompetence. That is what the above-mentioned quote from the South African in-patriate illustrates.

The other in-patriate from South Africa referred to the clear distribution of power and the assigned and expected tasks.

*“Hierarchy is clearer here, you know who the high and middle management is and there is a clear distinction: High management = decision makers. In South Africa you have the manager but there is much more interaction and cross-decision making between e.g. myself and the boss. I will have my say and that will have an impact on the decision. People who have the power are much more approachable in South Africa.” (SA)*

Whereas the first statement deals with the way of expressing power status and approaching powerful people, the second statement deals with the clear distinction of power.

In general it can be said that the first statement seems understandable because according to Hofstede’s power distance index South Africa indeed scores higher than Germany. But this statement is not well founded because it is based on a cross-cultural misinterpretation. The second statement seems to indicate that the hierarchies are stronger and stricter in Germany than they are in South Africa. Although at first glance this seems to contradict Hofstede’s results, there is a lucid explanation: As explained in chapter 2.6, Hofstede uses the macro-analytic approach which does not take into account the individual case and does not concentrate on details. The South African gives his individual opinion and

subjective perception, which can differ from other South Africans because of his personal background and character, former experiences or momentary situation. But when taking Hofstede's corporate culture model and the correlation between uncertainty avoidance and power distance into account, it seems logical. Both the USA and South Africa belong to the village market category of Hofstede's model and both have similar power distance and uncertainty avoidance scores. That can be a reason why both cultures experience the German headquarters as being more hierarchical.

The inpatriate from Hungary and the Japanese assignee experience the power distribution in the headquarters of company X as more decentralised and the leadership as less authoritative.

*“The distribution of power is very clear in Hungary. There are strong hierarchies. In Germany the hierarchies are less strong and it is ok to disagree with your supervisors.”<sup>52</sup> (Hungary)*

*„Less distribution of power in Japan. Here you have many, many managers responsible for different things. Very well structured here.”(Japan)*

They both come from countries with high power distance indexes (Japan 54, Hungary 46) and are close on the uncertainty avoidance score (Japan 92, Hungary 82). Although Japan belongs to the pyramid category and Hungary (like Germany) to the well-oiled machine, they are closer to each other than they are to Germany. From that it is understandable that their perception of power and hierarchies in the headquarters of company X is very similar.

The topics of power and the distribution of power serve as another example of a contradiction between lived and propagated reality: Day-to-day working life vs. corporate guidelines. In their corporate philosophy company X states that they break down hierarchies in order to build a spirit of cooperation. But what sounds good in theory obviously does not work in practice.

In summary, the national cultures of all inpatriates who were interviewed have a higher power distance index than Germany (Hofstede, Culture's Consequences 107-108). Therefore one would expect all interviewees to regard the power distance in Germany as being lower than in their various home countries. But only the Japanese and the Hungarian inpatriate experienced the German power distance as being lower than in their home country, whereas the US American and South African inpatriates experienced it as being higher than in their subsidiaries. From this it can be concluded that Hofstede is right when he states that companies have two main questions to focus on: who has the power to make decisions about which rules and procedures have to be set up and followed to achieve the planned results (Cultures and Organizations 140). And how these questions are answered depends on the

---

<sup>52</sup> Translated by the author.

correlation between the power distance score and the uncertainty avoidance index of the national cultures (Hofstede, Cultures and Organizations 140).

### **9.3.2.1.3 Leadership/communication of leadership**

The third important aspect concerning corporate culture is leadership and the communication of leadership. To know how leadership is communicated is essential for understanding and following procedures.

Half of the US American in-patriates mentioned that there is no real communication of leadership in headquarters and that one never knows who is responsible for a job or task.

*“I don’t feel there is any communication of leadership here.” (USA)*

*“In Mayfield we know who is responsible at work, here you don’t.” (USA)*

*“More leaders and more activities here. Different types of leaders here, very clearly defined but because of the bigger organization difficult to figure out the leaders.” (USA).*

*“I am working in a team and we have a problem that goes across departments, nobody wants to lead. That makes the customer very unhappy and that is a big problem.” (USA)*

It hardly needs to be emphasised that for a smooth and quick workflow it is absolutely essential that tasks, responsibilities and leaders are clearly defined. If that is not the case, a lot of time is wasted by trying to determine who the right person is to talk to or to negotiate with. This loss of time is a big disadvantage when quick decisions or immediate action are required.

Moreover, it is not disputed that every company needs some kind of internal structure, which allows the smooth coordination of work processes which is necessary in order to reach the corporate goals. This internal structure can be established through internal rules and formalised structures, or through explicit instructions by the management or the leaders. In order to minimise uncertain situations and to decrease the probability of unpredictable future events, a lot of rules exist in the headquarters of company X and according to the interviewees these rules are strictly followed and adhered to.

*“In Germany there is much more paperwork and following procedures: this step and then that step and then...” (USA)*

*“You have a lot of standard ways of doing things.” (USA)*

*“Germans don’t see reasoning, they see rules. Germany is much more rule-bound. I think it is ineffective.” (USA)*

These standard ways and procedures control rights and duties of the workforce and settle all daily problems, and even if the rules are ineffective because they complicate things or make processes too slow, they “satisfy people’s emotional need for formal structures”

(Hofstede, Cultures and Organizations 121). Because of this system of strict rules, the intervention of leaders is only required when decisions have to be made.

The inpatriate from Hungary did not see any differences to his Hungarian subsidiary. The two inpatriates from South Africa differed on this topic. One inpatriate stated that in Germany the question of the leader is always clear and the other inpatriate said the opposite and agreed with the American statements:

*“In South Africa I would know who has the power, who is in charge. Here in Germany when I walk in to a meeting I find it difficult to figure out who are the decision makers.” (SA)*

This statement was made by the inpatriate who misinterpreted the use of ‘du’ as a way of not showing respect, and who complained about never knowing the position of someone. Therefore this answer confirms his statement regarding power and again shows his problems understanding and correctly interpreting the subliminal, but for Germans comprehensible, signs of leadership. The fact that he concurs with the American statements can be explained by the similarity between America and South Africa in terms of uncertainty avoidance and power distance indexes and their belonging to the same model of corporate culture (Village Market).

The other inpatriate from South Africa who mentioned earlier that the German distinction of power is clear, answered:

*“In Germany you always know who the leader is.” (SA)*

Although he has a totally different view from his colleague on identifying the leader, this is not of particular significance because it has to be kept in mind that this is his individual opinion and subjective perception which is influenced by his character, former experiences and momentary situation, and therefore can differ from the reaction of other South Africans.

#### **9.3.2.1.4 Process of decision-making**

In order to ensure a smooth workflow and coordinated action it is essential to know how the process of decision-making works and who is involved in this process and to what extent.

All US American inpatriates agreed that in the German headquarters of company X the boss makes the decisions, and one of the South African inpatriates sometimes perceived the decision making process as autocratic.

*“Germans like marching orders: You tell them, they do it. They listen to what the boss says even if another concept might work better they agree with the concept of the boss. In the US the team makes the decision, here the team gives input but the boss decides because the team is very afraid of taking responsibilities. The team is not paid to take a risk, the boss is paid for that and so he should take the responsibility and the risk.” (USA)*



*“Here the boss makes the decision. In the USA a decision is made by the team, takes less time than here.” (USA)*

*“In the United States people are more wanted to make a decision now than they are here. Here are a lot of delays because decisions have to be made by the superior and not by the people doing the work.” (USA)*

*“I never worked out how it works here. On the surface it is very organised and there is always a decision maker. What I haven’t managed to work out is how democratic the decision-making really is over here. In South Africa – not in general but in my specific plant, so it has something to do with plant culture and not with the national culture – decision-making was very democratic. Somebody would make a decision but he would use input from his team quite a lot. Sometimes here it feels autocratic.” (SA)*

*“Decision making takes longer here. They ask the employees for their opinion but do not take that into account.” (SA)*

These statements clearly illustrate that the boss is paid for taking responsibilities and making decisions and is rewarded for this by a value-orientated compensation.<sup>53</sup> The other employees are neither expected to take on responsibilities nor to make a decision. But although German employees do not want to make a decision, they expect to be at least asked for their opinion. This behaviour is understandable from their point of view because why should they do something they are not paid for, or in the worst case even get in trouble for, because they have overstepped their competence? So the boss does his/her job and his/her team do their job and follow him/her. The company supports this attitude with its policy of performance-based pay which values performance and quality but at the same time encourages competitiveness.

On the one hand I would argue that it can be regarded as positive that everybody only does what is part of his or her responsibility and does not interfere with other areas, but on the other hand it can be very complicated, expensive and time-consuming when the one person responsible for this specific task is not available and when employees waste time and (indirectly) money by shifting responsibilities back and forth and not getting the job done. In addition I contend that this attitude does not foster teamwork but rather supports self-centredness. So if company X really want to foster teamwork and to support cooperation as stated in their corporate spirit (for details see appendix 3), value-orientated compensation for executives only would seem to be counterproductive. It would be much better also to reward regular employees (not only executives) for taking responsibilities other than those that are part of their job. This might lead the individual employee to be more proactive and to identify more closely with the task, which then could lighten the burden of the executive.

---

<sup>53</sup> In 2007 the value-orientated compensation for executives was introduced at company X. A variable bonus component of the executive’s salary is based on a scale structure and increases depending on his/her position ranking. The amount of the bonus is determined by the value created year-on-year by the executive for his/her business unit, the return on capital employed and the attainment of individual goals.

### 9.3.2.1.5 Ways of control and control instruments

A certain amount of control is essential to assure that the different departments within the company function internally and externally according to the overall goals of the organisation. How and why control is exercised in a company is important to know and needs to be understood by the employees so that they can appreciate it and do not perceive it as a sign of distrust or close surveillance.

Control can be exercised by for example checking working hours or dictating a dress code, or by formal and informal rules which are set up in order to control rights and duties of the workforce and settle all daily problems (Hofstede, Cultures and Organizations 121). But these rules have to be communicated and explained to the workforce. Employees need to understand why even those rules or procedures they regard as ineffective or needless make sense and should be followed. Otherwise rules might be boycotted or ignored.

An internalised and common corporate culture also functions as a structure-providing instrument. In addition to this structure, which makes unknown situations controllable, the Compliance and Anti-Corruption Hotline set up by the company in April 2008 can also be regarded as a control instrument, because it encourages the employees to watch each other more closely and this mutual observation probably functions as a kind of obstacle for any kind of unwanted or illegal action.

The South African inpatriates both experienced little control in headquarters:

*“In South Africa you are always being checked. Here there is much less control, you are expected to manage yourself and you are not expected to make mistakes. In terms of time it is much better because you can manage yourself if you are disciplined enough but in terms of the tasks and to make sure that everything is correct it’s difficult because you don’t get help or assistance. To do it on your own is much more responsibility.” (SA)*

This was confirmed by the Japanese inpatriate:

*“Getting your work checked is fundamental because it evaluates your position. I wish I would have more of that here. But this way I can learn to take over responsibilities.... Working hours get checked here in Germany, but not in Japan.” (Japan)*

Although the American inpatriate experienced less control, he mentions structures, rules, and dress code:

*“Less control here. Here they put more faith in my abilities, they trust me more. Things are more formal and structured, dress code.” (USA)*

The statement by the American inpatriate illustrates that although he thinks there is less control in headquarters there actually is some kind of control through structures, rules, and dress code. Structures, rules, dress code or time clock are in fact control instruments even though they are obviously not perceived as such. Therefore I would argue that he regards

being checked on by one's supervisor, so the personal supervision, more as a form of control than impersonal structures such as rules. This illustrates a different interpretation of the meaning of control. This shows that the in-patriates' perception of being under less control at headquarters has to be handled with care because it strongly depends on what they regard as control. Getting one's working hours checked or observing rules and standard procedures are obviously not regarded as control instruments. But getting one's work checked is seen as control, and because that is not done at headquarters the in-patriates perceive a lack of control.

On the one hand the little control in headquarters is regarded as positive because it conveys the feeling of being competent, self-reliant and being trusted. This conforms to the corporate guidelines, which stress that every employee must be accountable and has to take full responsibility for his or her actions. On the other hand it can give the workforce the feeling of getting no help and being on their own, as stated by the Japanese and the South African in-patriates. In addition, especially for new employees or in-patriate newcomers to headquarters, it is essential that they get some kind of feedback because otherwise they do not know if they are doing a good job or if they need to improve. If employees do not get any feedback, it can result in discouragement and frustration. To prevent this it would be advisable to assign a mentor for every in-patriate.

Mentoring promotes the individual and professional development of the mentee, helps to link them with internal and external contacts and supports them to achieve their goals (Gläs, Schröder, and Schermuly 14). Another important aspect, especially for in-patriates, is that mentors can help to communicate the vision and culture of a company effectively and quickly (Gläs, Schröder, and Schermuly 14). Therefore a mentoring programme for in-patriates could assist them to better integrate into the company and would be a good way to provide the company and the in-patriate with regular feedback. This feedback would allow the company to identify problems in his or her performance, or in dealing with colleagues or in adjusting to headquarters, at an early stage and would provide opportunities to improve this performance and to help with problems. It would be perfect if this mentor would have international experience as well, because that would make it easier for him to understand and appreciate the challenges and problems involved in working and living in a different cultural context.

#### ***9.3.2.1.6 Preparation for headquarters' culture***

The last question of my interview addressed the area of possible preparation for the specific corporate culture of headquarters. The question was if the in-patriates would suggest that any of the differences between their subsidiary and headquarters should be addressed in the preparation for an assignment at headquarters.

All inpatriates answered this question in the affirmative, although one of them argued that theoretical preparation alone is not sufficient because ‘learning by doing’ is essential as well:

*“No, you need to experience it. It is good to be prepared but you have to experience and actually deal with it.” (USA)*

The inpatriate is right in saying that actual experience of and engagement with the corporate culture is necessary. There is no doubt that just a theoretical preparation in the form of intercultural training would not be sufficient for understanding the corporate culture, and that practical engagement is necessary as well. But it can be regarded as a fact that not knowing the theory makes it more difficult and time-consuming to understand the practice and to cope with the reality.

The inpatriates from South Africa and Japan, the two countries which are the farthest away from Germany according to Hofstede’s corporate culture model, all agreed in their answers to the question regarding preparation for the corporate culture. And this distance might explain why the inpatriates perceived the corporate culture at headquarters as very distant and therefore would have preferred to be prepared for it:

*“Very different corporate culture, the differences are not so much national driven, South Africa is plant or manufacturing oriented. I found it difficult to get used to the corporate culture here, to feel comfortable and operate comfortably in it. The national cultural differences hadn’t had as much an effect on me but the corporate vs. plant culture had a bigger effect.” (SA)*

*“Corporate culture in headquarters is focused on the bigger picture, too far away from the regions. It is a more global culture, that is pretty overwhelming and it would have helped to be prepared for it.” (SA)*

*“To get used to the corporate culture was more difficult because I usually never get in touch with the national culture. I don’t know anybody here and all I do is to commute back and forth to work. So I spend most of my time in this corporate environment.” (Japan)*

These statements support the general findings of Pauls and Krause, who state that especially management differences can play a significant role in acclimatisation (20). The South African inpatriates and the inpatriate from Japan experienced the cultural differences regarding management as much greater, and found it more difficult to adjust to these than to the differences in national culture.

Two of the American inpatriates argued that corporate cultures are too diverse and specific, and therefore difficult to address in training:

*“Different departments are so different and therefore it depends on the department what should be addressed.” (USA)*

*“Corporate cultures are totally different. Auburn Hills is all about efficiency and about latest innovations, steady processes and best-organised systems. Here they are*

*stuck in time and processes are very slow. You listen to that in training and take notes but when you're hit with it, it is irritating.” (USA)*

These statements clearly show that differences between the subsidiary and the corporate culture at headquarters are perceived by the American inpatriates as well. Although one of the American inpatriates had heard about these differences in training, it was still irritating for him. Reasons for this might be that either this topic was only given superficial attention in the training, or that the part on corporate culture only concentrated on the cognitive aspect. But just knowing about differences does not implicitly result in either a different attitude or in behaviour modification.

In summary, it can be said that all inpatriates regarded being prepared for headquarters' corporate culture as helpful, even if it was not mentioned explicitly by all of them.

### **9.3.3 Summary**

In this sub-chapter, five aspects of corporate culture regarded as being of specific importance have been chosen, and the interviewees' perceptions concerning these aspects have been analysed.

#### **9.3.3.1 Results**

The area of language/jargon has revealed strong discrepancies between the theory and practice of a common corporate language in company X. In theory a common corporate language should reduce the language barrier and its negative effects, and serve as a unifying factor (Harzing and Feely, "Language Management" 41). The practice at company X looks totally different, as can be seen from the inpatriates' statements. Although the corporate language should be spoken at all times, this is not the case. Reasons for that are the refusal of the German colleagues to do so, and a lack of language competence in English.

In summary, the employees' attitude (refusing to speak English) and the company's failure to promote the English language competence of their employees form the biggest barrier to building networks, supporting and ensuring the knowledge flow and coordinating work processes. A common corporate language can be one of the strongest catalysts for diversity, but at company X it serves as an obstacle for accomplishing diversity.

The second area addressed in the interviews was the exercise and the distribution of power. On the power distance index Germany scores the lowest among Hungary, the USA, Japan and South Africa. Nevertheless, the hierarchy levels in headquarters of company X are perceived as being higher by the American inpatriates and, in part by the South African inpatriates. The strong hierarchy levels caused irritation because they were not addressed in the intercultural training. The training focused on national cultural differences only, and

therefore in-patriates expected more flat hierarchy levels because of the lower power distance index. But in headquarters' corporate culture the hierarchy levels are very strong, and that again demonstrates the incongruence between national and corporate culture. This incongruence proves that it is necessary to address the issue of corporate culture in intercultural training. But to ensure that thematising corporate culture in training is helpful and really prepares the employee for the specific business context, it is a precondition that written corporate philosophy and guidelines are consistent with what is practiced and exercised in reality. If corporate vision and corporate reality differ, any preparation would be absolutely useless.

Leadership and its communication was another area explored in the interviews. Nearly half of the in-patriates mentioned that there is no real communication of leadership, whereas the other in-patriates agreed that it is pretty clear who the leaders are. Although one could argue now that for a smooth workflow the leadership should always be clear to everybody, it has to be stated that the existing rules in the headquarters of company X ensure a smooth workflow. There are a lot of standard procedures (e.g. dress code, time clock, all administrative work such as flight planning has to be done by the secretary) at headquarters, and employees follow and adhere to these written and unwritten rules. As a result, the intervention of leaders is not required because the need for structure is satisfied by these standard ways and procedures:

*“Standards make work life easier because same procedures throughout the organization are like a common language.” (USA)*

Although it is obvious that common procedures and standard ways of doing things facilitate the workflow and coordination, company X should communicate the rationale behind the rules. If there is no reasoning and employees regard these rules and procedures as ineffective or cumbersome, then employees will not follow them or will only follow them reluctantly. Explanations and reasoning are especially necessary for employees from national cultures which are not used to a lot of rules, either written or unwritten.

Most of the in-patriates perceived the decision-making process as being almost autocratic: Although the German employees expect to be asked for their opinion, they neglect to make a decision and are happy to leave this job to the leaders. Employees do not want to take responsibilities because that is not part of their job and they are not paid for that. This contravenes the corporate guideline of cooperating with each other. If an employee feels responsible for his/her individual job only and does what belongs to his/her scope of duties only, mutual cooperation and teamwork is not supported. The way in which decisions are made, and the process of deciding who is involved, is a means of exercising leadership. Processes and procedures are structured through rules and standards and therefore employees

are not faced with decisions. And in case a decision is called for which cannot be made on the basis of strict rules, the leaders intervene.

The last area relevant for corporate culture is control and control instruments. In order to ensure that rules and procedures are followed, some kind of control is essential. Control instruments can be obvious (time clock) or less visible (Compliance and Anti-Corruption Hotline), but they have to be communicated to the workforce. Not just the form of control needs to be explained, but also the intention of control should be made clear because otherwise employees do not understand it and feel controlled even when they are not:

*“Too often people do their common procedures as a way of controlling. That is the wrong way.” (USA)*

Although control is perceived as being less present at headquarters, there is no doubt that the Compliance and Anti-Corruption Hotline, the standard procedures and the unwritten rules all serve as control instruments. But interestingly they are not regarded as instruments of control. According to the statements made by the inpatriates it can be concluded that the interpretation of and association with the word control differs between countries. Time clocks, rules, structures and dress code are not perceived as forms of control by the inpatriates, whereas they regard personal mentoring as a control instrument. Due to the lack of intensive supervision they get the impression that there is less control at headquarters.

The last question asked if addressing corporate culture in intercultural training is regarded as necessary by the inpatriates. Some inpatriates explicitly backed this idea and others were implicitly supportive of this idea but voiced doubts about how to implement it. All inpatriates except for the one from Japan took part in intercultural preparation and still believed that addressing corporate culture would have been helpful. This proves that addressing national culture differences and general business topics is definitely not sufficient for being adequately prepared for headquarters' corporate culture.

### **9.3.3.2 Corporate vision vs. corporate reality**

Most of the above-mentioned areas (language, power, decision-making) and their perception by the inpatriates clash with the written corporate guidelines of company X (see chapter 8.2).

In their corporate guidelines company X stresses the importance of an openly and active communication and states that information is something belonging to everyone. A precondition for this is definitely a common language everybody is able to communicate in to the same extent. This is not the case at the headquarters of company X where English is officially the corporate language yet mainly German is used in internal communication. The breaking down of hierarchies as promoted in the corporate guidelines seems to exist in theory only

because most of the inpatriates perceived the hierarchy in headquarters of company X as very strong. The communication of leadership is another incongruent area. Although, according to the corporate guidelines, leaders and their responsibilities should be clearly defined, the identity of the leaders does not seem to be evident for the inpatriates. The perceived reality of decision making processes does neither correspond to the individual responsibility stressed in the corporate guidelines nor to the cooperative management style.

This discrepancy between openly published corporate culture and corporate reality confirms Schmidt's statement that published values, philosophies and mission statements make it sound as if the corporate culture is already perfect (186). But the reality appears quite different and is far from perfect. The difference between what is openly promoted by company X and what is really exercised and experienced in everyday working life constitutes a big problem: How should headquarters' corporate culture be addressed in intercultural training if theory and practice seem to be inconsistent? The only possibility is that the intercultural trainer does not only look at the written statements, but goes a step further and finds out how they should be understood and interpreted, and discovers the unwritten and unofficial rules behind them. It can be argued that this might only be possible for an internal trainer because an external trainer will never gain the insight necessary to experience the unwritten and unofficial rules, and to learn how the written statements need to be understood and interpreted; first, because companies are not willing to reveal internal details to outsiders, and second, because it would be too time-consuming and expensive.

### **9.3.3.3 Evaluation of Hofstede's implicit models of organisations**

From the various statements made by the inpatriates, the categorisations of Hofstede's implicit models of organisations can be applied to a certain extent and the assumptions stated in chapter 9.3.1 partly proved to be correct.

According to the models, the USA and South Africa belong to the same corporate culture model and therefore it was expected that they might experience and address the same or at least very similar differences and irritations. This was confirmed regarding the areas of power, decision-making and leadership.

Because both Germany and Hungary belong to the well-oiled machine model of corporate culture, it was assumed there would be a lot of similarities and fewer irritations. The fact that both countries belong to the same model is most likely partly responsible for the fact that the Hungarian inpatriate did not express any surprise or irritation about differences in daily working life. But in terms of the perception of corporate culture some differences are visible. Although leadership and communication of leadership are regarded as very similar,



decision-making is perceived as being different and hierarchies are experienced as being more flat in Germany than they are in Hungary.

The Japanese culture is very far away from the German one and therefore big differences and irritations were expected. This only partly proved to be the case. The irritations experienced by the Japanese in-patriate were no greater than the ones experienced by the other in-patriates, with one exception. The Japanese in-patriate seems really to have problems with being subject to less control in the German headquarters. He prefers having his work checked because this provides feedback and evaluates his position. It is difficult for him to operate without any form of feedback and he regards the lack of feedback as a disadvantage, whereas the other in-patriates perceive the advantages (e.g. self management, trust, responsibility) of being subject to less control.

Taken together, Hofstede's implicit models of organisations are appropriate in terms of general trends, but in reality there are many possible deviations. The reason for these more or less major deviations are that the possible correlation between uncertainty avoidance and power distance can be diverse, which means that even within the same model large differences are possible. For example, not all organisations belonging to the well-oiled machine model have an identical corporate culture. Apart from the uncertainty avoidance and the power distance scores, it seems that the founders of a company, their individual background, their experiences from former working lives, their basic principles, their vision and the way they want to realise their vision, all play an important role for the corporate culture as well. Besides, although companies reflect their national origins, each of them will build their own unique corporate culture by emphasising or realising different aspects of their parent culture (as explained in detail in chapter 2.3).

Therefore his models of corporate culture could be used as a general orientation and could serve as a theoretical basis and a good starting point for addressing the topic of corporate culture in intercultural training. But it has to be made clear that it is a simplistic and general model, and that a lot of deviations are possible.

#### **9.3.3.4 Conclusion**

This chapter has proved the following:

1. The corporate culture of company X is not identical all over the organisation, but instead the theoretical guidelines set up in the country of headquarters are interpreted according to the national culture of the subsidiary and then put into practice.
2. Because of the differences in 'lived' corporate culture due to different interpretations according to different national cultures, it is not sufficient to address only national cultural differences in intercultural training. Without a doubt, it is helpful to know

about general differences between home and target culture. But the inpatriates spend most of their time at headquarters where German cultural dimensions are not visible or perceivable in their pure form, but in the form of the corporate culture. And the corporate culture is a subculture with its own specific qualities that have developed from the surrounding national culture. Therefore addressing corporate culture in intercultural training is a necessity and can help to reduce problems and irritations for the inpatriates.

The impact of these findings and the resulting recommendations for designing intercultural training for inpatriates will be discussed in the final chapter.

## **10 Review and discussion of research findings**

Various studies have researched intercultural training for expatriates, the success and failure variables of expatriates and the impact of expatriates on global business. The motivation to ensure that expatriates fulfil their task as effectively as possible is very high, and there is great interest in analysing how and if intercultural training can support and foster the expatriates' effectiveness. On the other hand, research on inpatriates and on the challenges this specific group of international assignees pose for intercultural training providers has remained scarce to this day.

While inpatriates and their benefit for headquarters are becoming more and more important, because of the tasks they can fulfil better than expatriates and because of the growing reluctance of headquarters' employees to go abroad, still not enough attention has been paid to specific intercultural training for inpatriates and the influence of corporate culture, both in terms of research and in terms of practical development. In particular, research on failure rates and the adaptation and integration problems of inpatriates because of unfamiliarity with headquarters' corporate culture is virtually nonexistent. However, considering the rising importance of this specific group of employees, the intercultural preparation of inpatriates should no longer be neglected.

In order to make sure that inpatriates fulfil their task as effectively as possible, and to integrate them successfully into headquarters, inpatriates have to be well prepared for their assignment. This calls for a detailed knowledge of the specific function and role of this group, of the impact of corporate culture on the everyday working life of inpatriates working in headquarters, and of how all these issues can be addressed in intercultural training.

The present study aims to gain an insight into these areas. Specifically, the following aspects have been considered: Irritations and problems perceived by the inpatriates in everyday working life, and the question to what extent these irritations and problems are caused by headquarters' corporate culture or by national culture differences.

In the following analysis, the key findings of this study are discussed in terms of their relevance for being integrated into intercultural training for inpatriates.

### ***10.1 Structure of thesis***

This thesis argued that in order to prepare inpatriates properly for their assignment, understanding and analysing the problems they perceive in headquarters is as essential as identifying the origin of these problems and the correlation between national and corporate culture.

Therefore the first goal of this study was to provide a theoretical basis for the empirical research. In the first chapter an overview of the international activities of companies

was provided. This was to illustrate what companies do to internationalise their business and to promote a global mindset throughout all levels of the workforce.

In order to ensure that the subsidiaries function internally and externally according to the overall goals of the organisation, some form of coordination and control instruments must be established. Therefore expatriates are sent from headquarters to subsidiaries and inpatriates are sent from subsidiaries to headquarters. Expatriates and inpatriates cannot be considered identical because they fulfil different functions and roles, which are contrasted in chapter 2.5.3. Neither expatriation nor inpatriation is easy to manage.

The way in which some German multinationals manage their inpatriates was illustrated by a survey conducted in 2004. Another survey among intercultural trainers was conducted in 2005. Both surveys served as a quantitative knowledge base providing an overview of the current situation of inpatriate management in German multinationals, from both the companies' and the trainers' point of view.

As a basis for the analysis of the interviews, it was crucial to define culture very clearly. The cultural conditioning of a company and of its activities is unconscious and not openly discussed in the work setting. Only when the company's activities move from the national to the international context and different cultures clash, is the impact of culture recognised and seen as important on the business level of the company (Perlitz 249).

Within the organisation we do not find the norms and values of the surrounding national culture in pure form, but an interpretation of these values in accordance with and adjustment to the founders' vision (for example regarding corporate goals). This forms the corporate guidelines and principles, the so-called corporate culture, which can be characterised as a subculture of the national culture and is not only influenced by the norms and values of the national culture, but also by other things as well.

A comparison of different approaches regarding national culture and regarding corporate culture was necessary in order to be able to assign occurring problems and irritations to either national or corporate cultural differences later on. In addition, a detailed illustration of the different concepts was essential for making recommendations regarding intercultural training. Although it is the trainer's responsibility to choose which approach to use, he/she has to keep in mind the needs of the participants and the purpose of the intercultural preparation.

Another aspect which had to be examined is communication. Different aspects of communication that can cause problems, such as different cultural backgrounds and repertoires of meaning, were highlighted. In the company context communication plays an important role, firstly because managers spend 70% of their daily work time on communication, and secondly because corporate culture is constituted and concretised

through communication. An overview of intercultural training, its different forms and its goals, concluded the theoretical part.

The practical part of my thesis started with an overview of the research methodology and explained why it was decided to use the qualitative method on the basis of a case study. Prior to the analysis of the interviews, a detailed summary of company X was given. The information was gathered through interviews with the international assignment manager and with the intercultural training provider, as well as from the company's website. Taken together, the information proved that company X represents a 'typical' German company. As is the case with all bigger companies who choose to combine different internationalisation strategies (Bolten, *Einführung* 203), company X uses a mixture of various strategies. Although strategies and management concepts are defined by headquarters (ethnocentric strategy), subsidiaries can make their own decisions and are still very autonomous (polycentric orientation). The number of assignments abroad is high, with employees frequently moving between headquarters and subsidiaries and between the different subsidiaries (geocentric orientation), but according to statements made by the interviewees the exchange of information between headquarters and subsidiary is not extensive and should be improved (regiocentric strategy). In addition, the facts and figures about inpatriates, about reasons for inpatriation, forms of intercultural training, and duration of training, on the whole correspond to the statements made by the other companies in my survey (see chapter 2.6).

Following that the interviews conducted in September 2005 were analysed. This analysis was split into two areas: the problems and irritations perceived in working life and the perception and experience of corporate culture.

## ***10.2 Findings of case study***

The leading research question my case study tried to answer was the following: Are problems and irritations perceived by inpatriates working at headquarters linked to national cultural differences or to corporate cultural differences?

For answering this question the first set of interview questions focused on differences in everyday working life. At first the interviewees' statements were roughly grouped together according to Hall's categories of culture (concept of time, high- vs. low-context communication, space ratio, speed of information) and then interpreted according to Hofstede's culture dimensions. The second set of interview questions focused on different aspects of corporate culture and on how these aspects are perceived and experienced at headquarters.

The statements of the inpatriates did not only answer my leading research questions, but at the same time uncovered inconsistencies between vision and reality of corporate

culture. Moreover, it was possible to evaluate to some extent the effectiveness of the intercultural preparation the inpatriates received.

### **10.2.1 Actuality and practical experience of Hofstede's dimensions**

Although the researched group of inpatriates was small and therefore does not allow for any generalisation about inpatriates, the interviews allow for some conclusions about the actuality of Hofstede's dimensions. The analysis of the statements revealed that all the inpatriates' experiences and perceived differences could be justified by Hofstede's culture dimensions. This confirms the huge impact of national culture and proves that Hofstede's dimensions, despite all criticism, are still valid and up-to-date, and therefore should not be categorically rejected for use in intercultural training. But as the statements of the inpatriates show, it is not sufficient to refer only to Hofstede's dimensions or, for instance, Trompenaars' or other approaches. In order to be more objective and less judgemental one not only needs to know the cultural dimensions of the other culture, but also the dimensions of one's own culture as well. And even more important than just knowing them, is the ability to understand them and to know how they are lived in reality.

### **10.2.2 Reasons for perceived problems and irritations**

The cultural framework that shapes people's behaviour at headquarters is headquarters' corporate culture, because corporate culture affects members' practices (Hofstede, Cultures and Organizations 183). The interviews have clearly revealed that practices of corporate culture in the headquarters of company X are not always consistent with the norms and values of the national culture (for example, there are stronger hierarchies than should be expected).

This can be regarded as evidence of the fact that national culture is not synonymous with corporate culture. What may apply to a nation does not have to apply to a company in that national environment. Even if this can be the case, there are different possibilities to implement, interpret and exercise such values and norms. In order for inpatriates to understand and follow the practices at headquarters and not regard them as ineffective or redundant, they need to be communicated and explained. This can be illustrated using Schein's three level model (as explained in chapter 4.3): Inpatriates will not have any problems observing the artefacts and creations of headquarters' culture, but in order to understand the underlying rationale behind these visible and tangible aspects, it is necessary to be aware of the values of the company (the second level of Schein's model), and even more importantly, to know the underlying assumptions which originate from the values. Even if the values are widely and openly propagated (for example on the company's website), their effect on employees' behaviour is not as strong as the influence of the basic assumptions (Scholz

790). Therefore, observing the constructed environment (level one) and reading and knowing the values (level two) do not help in understanding the corporate culture when the basic assumptions (level three) are neither understood nor accessible.

### **10.2.3 Discrepancies between corporate culture and national culture**

The interviews have revealed a couple of inconsistencies between corporate vision and corporate reality at company X. The biggest inconsistency concerns the practice of using English as the common corporate language. It is counterproductive to propagate this when not everybody knows English. The language barrier is a problem which should by no means be underestimated, because apart from impeding communication, the exchange of information, and diversity and integration, it definitely complicates the main tasks of inpatriates named by the international assignment manager of company X (see chapter 8.4): Knowledge transfer and building networks. Without having an equal command of the corporate language, it will not be possible either to pass on knowledge effectively or to understand and benefit from new knowledge.

Networks require mutual trust and a common communication medium. How should the German workforce or the inpatriates develop trust if they cannot even communicate smoothly? In addition, this language barrier adds to the problems mentioned in chapter 2.5.3 regarding the role, trust and acceptance of inpatriates.

### **10.2.4 Effectiveness of intercultural training**

Regarding the effectiveness of the intercultural preparation the following findings were revealed: Although only eight of the ten interviewed inpatriates took part in intercultural training, there were no significant differences evident in the perceived degree of irritation between interculturally prepared and unprepared inpatriates. Even the inconsistency in training length (one or two days), the different training providers (in home or in target culture) and the time when the training was completed, did not reveal any differences regarding irritations perceived and problems experienced. Although it is stated by others that adapting to the learning styles of the participants (Hall, *Beyond Culture* 131; Gert Jan Hofstede 19) and the length of training (IFIM, "Trainingsdauer") do make a difference, this was not evident in my case study. From this it can be concluded that the content and the techniques used in intercultural training have a more significant impact than training length or the cultural background of the training provider.

According to their descriptions, all the intercultural training received by the inpatriates followed the didactic approach and was country-specific (i.e. the learners received detailed information about Germany). But obviously the intercultural preparation did not change their attitude to foreign cultures (if that had taken place, the statements made by the inpatriates

would be less judgemental), and they definitely did not learn new strategies and skills of how to deal with cultural differences and how to address irritations and problems experienced in the foreign culture. The training only addressed the cognitive dimension of intercultural competence and neglected the affective and the behaviour-orientated dimension. Because of the interdependence of all three dimensions (as explained in chapter 6.3), intercultural training focusing on only one of these dimensions is not effective, as the in-patriates' statements have shown.

In summary, it was not possible to find a direct correlation between taking part in intercultural training and being able to cope more effectively with problems and irritations. But I would argue that there is a correlation between training techniques and the level of intercultural competence gained. In order to prove this correlation it would be necessary to find out if participants of experience-orientated training would make similar statements about differences in working life and problems they experienced.

### ***10.3 Conclusion of research findings***

It is without doubt that intercultural training cannot prevent all misunderstandings in intercultural encounters, because not all occurring problems, misunderstandings or irritations can be attributed to the different cultures of the individuals involved (Knapp-Potthoff 190). Other criteria such as the situation, individual character, age, affiliation to subcultures and prior experience have an influence on the intercultural encounter as well (this becomes evident in the case of the Hungarian in-patriate, who did not mention many differences and did not seem to need to adjust to headquarters' culture, which is probably due to the fact that he had already been to Germany a couple of times). But what intercultural training can do is to raise awareness of the complexity and impact of culture on almost everything we do or say. In addition, intercultural preparation can help to establish if a problem arises because of a different cultural background or because of other variables. This trained awareness in turn makes it easier to solve problems.

#### **10.3.1 Implications for intercultural training design**

In order to raise this awareness, to start the life-long learning process of intercultural competence, and to make intercultural preparation as effective and sustainable as possible, it is necessary to establish tailor-made training programmes. Tailor-made training would take into consideration the different functions and roles that the participants have to fulfil (expatriate vs. in-patriate), the different settings in which they would have to act (accompanying family vs. employee) and the different prerequisites (familiarity with corporate culture vs. unfamiliarity with corporate culture). Bearing in mind these aspects, the training techniques have to be well chosen in order to approach all three dimensions of



intercultural competence; for example, if the aim is to address the behaviour-orientated dimension it is necessary to use the interaction-orientated approach. But in order to use role-plays or simulations in an effective way, it takes more than just three participants (in-patriate and family).

The training content has to be adjusted to the requirements and needs of the participants as well. On the one hand, general knowledge about culture is not sufficient because it does not provide an orientation guide. On the other hand, knowledge that is too specific would not help either because it would lead to stereotyping and overhasty interpretations of intercultural interactions and communication. Therefore it is recommended to transmit a basic knowledge of different culture dimensions, but also to stress the importance of the setting, the persons involved and the situation and purpose of intercultural interaction. In addition, strategies of how to fix and address intercultural problems should be conveyed. Hofstede's dimensions can provide an orientation framework but in order to appreciate, respect and cope with culturally different behaviour, more is needed than just a categorisation of cultures according to specific dimensions.

The analysis of the questions regarding perception of corporate culture has indisputably confirmed that most of the confusion and irritation can be ascribed to the unknown corporate culture at headquarters. Again, this conclusion can only be accepted as accurate for the limited number of interviewees in my case study and would have to be tested further in order to be more representative. The implication of this finding for intercultural training is that only addressing aspects of national culture in the intercultural preparation is by no means sufficient for successful integration in and adjustment to corporate culture at headquarters. In addition, implementing headquarters' corporate culture in the subsidiary is one of the tasks which is easier for an in-patriate to accomplish after his return to the subsidiary, than it is for an expatriate coming from headquarters (see chapter 2.5.2 for details). But implementing and interpreting headquarters' culture according to the national culture of the subsidiary is only possible if the corporate guidelines and principles are understood and rationalised.

Therefore this topic should no longer be neglected in intercultural training because first, managers spend most of their time at work within the corporate culture, and second, management differences can play a significant role in acclimatisation (Pauls, Krause 20) and should not be underestimated. In order to put this into practice it would be recommendable to have internal intercultural trainers. Only for internal trainers would it be possible to gain the necessary information and to convey the underlying assumptions and values of the specific corporate culture. The internal trainer could use authentic examples and case studies from the

specific company, which would provide the participants with a good insight into reality at headquarters.

External trainers are not insiders and could acquire their knowledge only from the openly published guidelines. But it is not possible to conclude from what is written on a company's website how these guidelines are used in reality, because as an outsider one will never know if discrepancies exist or if corporate culture really corresponds exactly to the written statements of headquarters. If a company cannot afford to employ an internal trainer, the topic of corporate culture should nevertheless be integrated into the intercultural training. Hofstede's four implicit models of organisation could be used to give a basic overview of corporate cultures. In addition, on the basis of different case studies or role-plays which take place in the business context, different possible interpretations could be integrated according to different corporate values and goals.

### **10.3.2 Implications for inpatriate management at company X**

One very important way of improving the intercultural preparation of inpatriates at company X is to integrate the topic of corporate culture into the training. However, this can only be done when the inconsistency between corporate vision and corporate reality<sup>54</sup> has been reduced, because otherwise it will not be taken seriously.

If company X really supports open and active communication, regards information as something belonging to everyone, and fosters the exchange of knowledge and mutual cooperation, then they should first create the prerequisites: A workforce which speaks the corporate language fluently and for which all written documents are available in English.

Another area company X has to improve is the mentoring of inpatriates. Especially the South African inpatriates mentioned the lack of mentoring:

*“In South Africa we had a close relationship between myself and my manager, you are more helped initially to get yourself into it but here I am on my own. Here there is no real mentoring.” (SA)*

*“They send headquarters trainees to South Africa to get experiences and you get appointed a social and work mentor. It is very helpful to have such a mentor to understand everything.” (SA)*

The lack of mentoring and support was mentioned by the Japanese inpatriate as well.

*“Here there is nothing. If you ask for help, you get help – that seems rude for me. I had so many embarrassing experiences in the beginning and I would have preferred to get less money if the company would have spend the money on some help and*

---

<sup>54</sup> Although this inconsistency seems to be very unusual and strange, from my own experience and from informal conversations with managers from various international companies, it became obvious that it is quite typical. Companies establish their vision and their mission statement and publicise it on their website for employees, customers and investors. But in many cases the reality and the lived corporate culture within the company are far removed from the statement on the website.

*mentoring in the beginning. ... In Germany there is a good infrastructure but no human face to it. In Japan there is no infrastructure but with a human face.” (Japan)*

Assigning a mentor for every inpatriate would be a good way to provide the company and the inpatriate with regular feedback, and it could help to communicate the vision and culture of the company effectively and quickly (see chapter 9.3.2.1.5 for further details).

In addition, the international assignment department should make sure that regular evaluations of the intercultural training are conducted. That is the only possible way to improve the training and to address those topics the inpatriates really need. Personal feedback meetings would be helpful as well, in order to find out where the inpatriate needs further assistance or coaching.

The workforce at company X should be strongly encouraged to share their cultures rather than expecting inpatriates to bend to the ways of headquarters' culture. For this purpose it is not sufficient just to emphasise diversity and global cooperation on the company's website, but instead it is necessary to make language classes in English available for everybody or even make a good command of the English language a precondition for a promotion.

#### ***10.4 Limitations of this study***

All research is compromise, and there are a couple of limitations to this study. Although this is a study of a single company and ten inpatriates from four different cultures only, which limits the ability to make generalisations from the results, it still makes a contribution to the field of inpatriate research. It is not disputed that the contribution of this study can in no way claim to represent a complete and comprehensive body of research on inpatriates, because we still know relatively little about the impact of corporate culture on inpatriates. Nevertheless, the results from the qualitative case study complement the quantitative knowledge base gained from the initial survey on inpatriate management in German multinationals and from the survey among German training providers. Taken together, all three studies provide a number of ideas, suggestions and results for further research on the influence of corporate culture on adjusting to a new business environment, and for further study of the differences between inpatriates and expatriates as two different groups of international assignees.

#### ***10.5 Suggestions for further research***

It should be noted that while the results and implications of this study are useful, prospects for further research remain. First of all, my results are limited to the particular company I studied. For more conclusive generalisations, it is absolutely necessary and illuminating to replicate this study with other German headquarters and their inpatriates. It

would also be fruitful to conduct research into companies where the national background of inpatriates and intercultural training measures (e.g. internal/external training provider, length of training, training topics) are different. In this study, the information that was gathered covered only four different nationalities (USA, Hungary, South Africa, Japan) and ten inpatriates. Likewise, inpatriates' perceptions may be determined by the personal circumstances (e.g. family situation), earlier experience with other cultures, language competence and personality. This study was conducted at the general level and distinctions were not made between different family situations (e.g. being on one's own or being accompanied by a partner).

Secondly, there may be differences between inpatriates who are interculturally prepared either before or after their departure to Germany, and between those who took part in intercultural training and those who did not. In order to ascertain if the results reported here, which did not indicate that these aspects had an influence, may have been confounded by such differences, it is necessary to obtain information regarding these characteristics in future studies and to incorporate it into an analysis. In future research, for instance, information collected from inpatriates about the influence of training length and time of training should be included as a control variable to gain fresh insights. Such a study incorporating information on training conditions would allow for comparisons between one-day and two-day training, or between internal and external training providers. Research on such a large scale, however, is not possible within the constraints of a PhD thesis.

Overall, the research of this thesis can be taken as a start to making intercultural preparation for inpatriates a topic that merits research in its own right. Many researchers state that the number of inpatriates will rise in the future. Because managing diversity effectively is a definite competitive advantage, having effective and sustainable intercultural preparation not only benefits the inpatriates but the home country employees as well. Therefore a major challenge for future research lies in developing appropriate research designs to study corporate culture and its impact on the integration and effectiveness of inpatriates. In addition, methodological tools have to be developed in order to make corporate culture a topic in intercultural training.

## REFERENCES

- Adler, Gordon. "The Case of the Floundering Expatriate." Harvard Business Review 73(4) (1995): 24-40.
- Adler, Nancy J. "Communicating across Cultural Barriers." Interkulturelle Kommunikation. Eds. Jürgen Bolten and Claus Ehrhardt. Sternenfels: Wissenschaft & Praxis, 2003. 247-271.
- Albert, Rosita D. "The Intercultural Sensitizer/Culture Assimilator as a Cross-Cultural Training Method." Intercultural Sourcebook: Cross-Cultural Training Methods. Eds. Sandra M. Fowler and Monica G. Mumford. Vol. 1. Yarmouth: Intercultural Press, 1995. 157-167.
- Antor, Heinz. "Multikulturalismus, Interkulturalität und Transkulturalität: Perspektiven für interdisziplinäre Forschung und Lehre." Inter- und Transkulturelle Studien. Ed. Heinz Antor. Heidelberg: Winter, 2006. 25-39.
- Arnold, Wilhelm, Hans Jürgen Eysenck, and Richard Meili, eds. "Lernen." Lexikon der Psychologie. 13th ed. Freiburg: Herder, 1995.
- Barkema, Harry G., John H. J. Bell, and Johannes M. Pennings. "Foreign Entry, Cultural Barriers, And Learning." Strategic Management Journal 17 (1996): 151-166.
- Baumer, Thomas. Handbuch Interkultureller Kompetenz. Bern: Orell Füssli, 2002.
- Bausinger, Hermann. "Da capo: Germanistik als Kulturwissenschaft." Jahrbuch Deutsch als Fremdsprache Eds. Alois Wierlacher, et al. 25 (1999): 213-231.
- . "Zur Problematik des Kulturbegriffs." Jahrbuch Deutsch als Fremdsprache Eds. Alois Wierlacher, et al. 1 (1975): 7-16.
- Berardo, Kate, and George Simons. "The Intercultural Profession: its profile, practices & challenges: A survey conducted by Berardo and Simons in collaboration with SIETAR Europe." 20 Nov. 2004. [http://www.sietar-europa.org/about\\_us/ICP\\_Survey\\_Report.pdf](http://www.sietar-europa.org/about_us/ICP_Survey_Report.pdf) (10 Jan. 2009). 1-80.
- Berry, John W. "Acculturation: Living successfully in two cultures." International Journal of Intercultural Relations 29 (2005): 698-712.
- . "Globalisation and acculturation." International Journal of Intercultural Relations 32 (2008): 328-336.
- Berry, John W., and Walter J. Lonner. "Sampling and surveying." Field methods in cross-cultural research. Ed. Walter J. Lonner. Beverly Hills: Sage Publications, 1986. 85-110.
- Bittner, Andreas. "Interkulturelles Training – Entwicklungen und Einschätzungen". Intercultural Summer Academy. Friedrich Schiller Universität, Jena. 8 Sep. 2003.
- Black, Stewart J., and Hal B. Gregersen. "The Right Way to Manage Expats." Harvard Business Review 77(2) (1999): 52-62.
- Bolten, Jürgen. Interkulturelle Kompetenz. 2nd ed. Erfurt: Landeszentrale für politische Bildung Thüringen, 2003.
- . "Interkulturelle Kompetenz." Das große Lexikon Medien und Kommunikation. Ed. Leon R. Tsvasman. Würzburg: Ergon, 2006. 163-166.
- . "Interkulturelle Kompetenz und ganzheitliches Lernen." Interkulturelle Kompetenz und E-Learning. Ed. Jürgen Bolten. Vol. 7. Jena, 2002. 190-200.
- . "Interkultureller Trainingsbedarf aus der Perspektive der Problemerkahrungen entsandter Führungskräfte." Interkulturelles Lernen/Interkulturelles Training. Ed. Klaus Götz. 4<sup>th</sup> ed. München: Rainer Hampp, 2002. 61-80.
- . "Interkulturelle Wirtschaftskommunikation. Forschungsstand und Perspektiven eines neuen Fachgebietes." Wirtschaftsdeutsch International 99(1) (1999): 9-25.
- . Einführung in die interkulturelle Wirtschaftskommunikation. Göttingen: Vandenhoeck & Ruprecht, 2007.
- Bonache, Jaime, and Chris Brewster. "Knowledge Transfer and the Management of Expatriation." Thunderbird International Business Review 43(1) (2001): 145-168.

- Borrmann, Werner A. "Typus und Struktur internationaler Unternehmungen." Managementprobleme internationaler Unternehmungen. Wiesbaden: Gabler, 1970. 17-49.
- Brislin, Richard, and Tomoko Yoshida. Intercultural Communication Training: An Introduction. London: Sage, 1994.
- Brodbeck, Felix C. "Die Suche nach universellen Führungsstandards: Herausforderungen im globalen Dorf." Wirtschaftspsychologie aktuell 1 (2008): 19-22.
- Buchegger, Volker A. "Darstellung der Studie und deren Ergebnisse sowie eine kritische Würdigung." [http://buchegger-partner.com/cms/d/\\_data/Die\\_GLOBE\\_Studie.pdf](http://buchegger-partner.com/cms/d/_data/Die_GLOBE_Studie.pdf) (12 Jan. 2009). 1-29.
- Burkart, Roland. "Kommunikation als soziale Interaktion." Interkulturelle Kommunikation. Eds. Jürgen Bolten and Claus Ehrhardt. Sternenfels: Wissenschaft & Praxis, 2003. 17-24.
- Clement, Ute, and Ulrich Clement. "Interkulturelles Coaching." Interkulturelles Lernen/ Interkulturelles Training. Ed. Klaus Götz. 4<sup>th</sup> ed. München: Rainer Hampp, 2002. 155-166.
- Coffey, Amanda and Paul Atkinson. Making sense of qualitative data. Complementary research strategies. London: Sage, 1996.
- "Corporate Culture: the hard-to-change values that spell success or failure." Business Week 27 Oct. 1980: 148-160.
- "Culture." The Columbia Encyclopaedia. 6th ed. 2003.
- Deller, Jürgen. "Personaleinsatz International – Eine wirtschaftspsychologische Perspektive." Wirtschaftspsychologie aktuell 4 (2004): 12-20.
- Deller, Jürgen and R.I. Kusch. "Internationales Personalmanagement: Studie sieht Nachholbedarf." Wirtschaftspsychologie aktuell 1 (2008): 23-27.
- Deresky, Helen. International Management. 5th ed. New Jersey: Pearson Prentice Hall, 2006.
- DIHK-Umfrage. "Investitionen im Ausland." Berlin: Deutscher Industrie- und Handelskammertag, 2008. [www.dihk.de](http://www.dihk.de) (20 Jan. 2009).
- "Direktinvestitionen der Deutschen Wirtschaft im Ausland nutzen Deutschland." 23 March 2007. <http://www.perspektive-mittelstand.de/Direktinvestitionen-der-Deutschen-Wirtschaft-im-Ausland-nutzen-Deutschland/management-wissen/966.html> (20 Sept. 2008).
- Dobry, Arndt. Die Steuerung ausländischer Tochtergesellschaften. Gießen: Verlag der Ferber'schen Universitätsbuchhandlung, 1983.
- Drucker, Peter F. "Playing in the Information-Based 'Orchestra'." The Wall Street Journal [New York] 4 June 1985: 1-3.
- Dülfer, Eberhard. Internationales Management in unterschiedlichen Kulturbereichen. 6<sup>th</sup> ed. München: Oldenbourg, 2001.
- Edstrom, Anders, and Jay R. Galbraith. "Transfer of Managers as a Coordination and Control Strategy in Multinational Organizations." Administrative Science Quarterly 22(2) (1977): 248-263.
- Egelhoff, William G. "Patterns of Control in U.S., UK, and European Multinational Corporations." Journal of International Business Studies 15(2) (1984): 73-83.
- Ehrhardt, Claus. "Diplomatie und Alltag." Interkulturelle Kommunikation. Eds. Jürgen Bolten and Claus Ehrhardt. Sternenfels: Wissenschaft & Praxis, 2003. 135-166.
- Eisenhardt, Kathleen M. "Building Theories from Case Study Research." Academy of Management Review 14(4) (1989): 532-550.
- Fischer, Matthias. Interkulturelle Herausforderungen im Frankreichgeschäft. Kulturanalyse und interkulturelles Management. Wiesbaden: Deutscher Institutsverlag, 1996.
- Flick, Uwe. Qualitative Sozialforschung. Eine Einführung. Hamburg: Rowohlt Taschenbuch Verlag, 2007.
- Friday, Robert A. "Contrasts in Discussion Behaviors of German and American Managers." Intercultural Communication – A Reader. Eds. Larry A Samovar and Richard E. Porter. 10th ed. Belmont: Wadsworth/Thomson, 2003. 94-104.

- Gagliardi, Pasquale. "The Creation and Change of Organizational Cultures: A Conceptual Framework." Organization Studies 7(2) (1986): 117-134.
- Gerhardt, C., and T. Webers. "Coaching und Qualität." Wirtschaftspsychologie aktuell 1 (2004): 10-11.
- Gertsen, Martine Cardel. "Intercultural competence and expatriates." International Journal of Human Resource Management 1(3) (1990): 341-362.
- Gesteland, Richard G. Cross-Cultural: Business Behavior. 3rd ed. Copenhagen: Copenhagen Business School Press, 2003.
- Gibson, Robert, Theresia Tauber, and Mario Münster. "Return on Culture – Interkulturelle Kompetenzentwicklung für das internationale Geschäft". Wirtschaftspsychologie aktuell 2 (2003): 12-15.
- Gläs, Karl, Tobias Schröder, and Carsten C. Schermuly. "Mentoring – ein bewährter Katalysator für die Karriere." Wirtschaftspsychologie aktuell 2 (2009): 14-18.
- Glaser, Evelynne. "Fremdsprachenkompetenz in der interkulturellen Zusammenarbeit." Handbuch Interkulturelle Kommunikation und Kooperation. Vol. 1. Göttingen: Vandenhoeck & Ruprecht, 2003. 74-93.
- Gnutzmann, Claus. "Interkulturelles Lernen auch noch im Fremdsprachenunterricht?" Interkulturelles Lernen im Fremdsprachenunterricht. Eds. Karl-Richard Bausch, Herbert Christ and Hans-Jürgen Krumm. Tübingen: Narr, 1994. 63-82.
- Götz, Klaus, and Nadine Bleher. "Unternehmenskultur und interkulturelles Training." Interkulturelles Lernen/ Interkulturelles Training. Ed. Klaus Götz. 4<sup>th</sup> ed. München: Rainer Hampp, 2002. 11-58.
- Gordon, George G. "Industry Determinants of Organizational Culture." Academy of Management Review 4 (1991): 396-415.
- Graf, Andrea. "Interkulturelle Kompetenz als Herausforderung." Personal – Zeitschrift für Human Resource Management 6 (2003): 26-29.
- Gröschke, Daniela. "Kulturelle Unterschiede im Selbstkonzept. Ein Differenzierungsschema." Interculture Journal 5 (2007): 39-70.
- Gudykunst, William B., and Stella Ting-Toomey. "Communication in Personal Relationships Across Cultures: An Introduction." Interkulturelle Kommunikation. Ed. Jürgen Bolten and Claus Ehrhardt. Sternenfels: Wissenschaft & Praxis, 2003. 118-131.
- Guimaraes-Costa, Nuno, and Miguel Pina E Cunha. "A Liminal Perspective of International Managers." Organizational Dynamics 38(2) (2009): 158-166.
- Gutmann, Barbara, and Wilfried von Rath. "Managing Global Development." Jahrbuch 2005 Volkswagen. Köln: Luchterhand Verlag, 2005. 74-80.
- Haas, Helene. "Probleme der kulturvergleichenden Umfrageforschung." Interculture Journal 5 (2007): 3-20.
- Habermas, Jürgen. Theorie des kommunikativen Handelns. Vol. 2. Frankfurt am Main: Suhrkamp, 1995.
- Hajro, Aida. "Corporate Culture: what do we know and where do we go from here?" European Journal of Cross-Cultural Competence and Management 1(1) (2009): 34-41.
- Hall, Edward T. Beyond Culture. New York: Doubleday, 1976.
- . "Monochronic and Polychronic Time." Intercultural Communication – A Reader. Eds. Larry A. Samovar and Richard E. Porter. 10th ed. Belmont: Wadsworth/Thomson, 2003. 262-268.
- . The Silent Language. New York: Anchor Books, 1973.
- Hall, Edward T. and Mildred Reed Hall. Understanding Cultural Differences. Yarmouth: Intercultural Press, 1990.
- Hansen, Klaus P. "Interkulturalität: Eine Gewinn- und Verlustrechnung." Jahrbuch Deutsch als Fremdsprache. Eds. Alois Wierlacher, Alois, et al. 26 (2000): 289-306.
- . Kultur und Kulturwissenschaft. 3rd ed. Tübingen: A. Francke, 2003.
- Harvey, Michael G. "'Inpatriation' Training: The Next Challenge For International Human Resource Management." International Journal of Intercultural Relations 21(3) (1997): 393-428.

- Harvey, Michael G., Milorad M. Novicevic, and Cheri Speier. "Inpatriate Managers: How to increase the probability of success." Human Resource Management Review 9(1) (1999): 51-81.
- Harvey, Michael, David Ralston, and Nancy Napier. "International relocation of inpatriate managers: assessing and facilitating acceptance in the headquarters organization" International Journal of Intercultural Relations 24 (2000): 825-846.
- Harvey, Michael G., and M. Ronald Buckley. "Managing Inpatriates: Building a Global Core Competency." Journal of World Business 1(32) (1997): 35-52.
- Harvey, Michael G., et al. "Reducing inpatriate managers' 'Liability of Foreignness' by addressing stigmatization and stereotype threats." Journal of World Business 40 (2005): 267-280.
- Harzing, Anne-Wil. "Of Bears, Bumble-Bees, and Spiders: The Role of Expatriates in Controlling Foreign Subsidiaries." Journal of World Business 34(4) (2001): 366-379.
- Harzing, Anne-Wil, and Claus Christensen. "Expatriate failure: time to abandon the concept?" Career Development International. 9(7) (2004): 616-626.
- Harzing, Anne-Wil, and Alan J. Feely. "Language Management in Multinational Companies." Cross-Cultural Management: An International Journal 10(2) (2003): 37-52.
- . "The language barrier and its implications for HQ-subsidiary relationships." Cross-Cultural Management: An International Journal 15(1) (2008): 49-61.
- Heenan, David A., and Howard V. Perlmutter. Multinational Organization Development. Reading: Addison-Wesley, 1979.
- Heinen, Edmund, and Matthias Fank. Unternehmenskultur. München: Oldenbourg, 1997.
- Hendricks, William. Coaching, Mentoring and Managing. New Jersey: Career Press, 1996.
- Henze, Yvonne A. "A Model for Intercultural Training for Study Abroad in Germany." Die Unterrichtspraxis: Teaching German 40(2) (2007): 153-163.
- Hofstede, Geert. Culture's Consequences. 2nd ed. London: Sage, 2001.
- . Cultures and Organizations. Software of the Mind. Intercultural Cooperation and its Importance for Survival. London: McGraw-Hill, 1991.
- . "The Interaction Between National and Organizational Value Systems." Journal of Management Studies 22(4) (1985): 347-357.
- . Lokales Denken, globales Handeln. München: Beck, 2001.
- Hofstede, Geert, et al. "Measuring Organizational Cultures: A Qualitative and Quantitative Study across Twenty Cases." Administrative Science Quarterly 35(2) (1990): 286-316.
- Hofstede, Jan Gert. "Research on cultures: how to use in training?" European Journal of Cross-Cultural Competence and Management. 1 (2009): 14-21.
- House, Robert J., Paul J. Hanges, Mansour Javidan, Peter W. Dorfman, and Vipin Gupta, eds. Culture, Leadership, and Organizations. The GLOBE Study of 62 Societies. London: Sage, 2004.
- House, Robert J., et al. "Understanding cultures and implicit leadership theories across the globe: an introduction to project GLOBE." Journal of World Business 37 (2002): 3-10.
- Huber, Uschi. "Für die Karriere ins Ausland: Warum fachliche Kompetenz allein nicht ausreicht." <http://www.ikud-seminare.de/pressemitteilungen/fuer-die-karriere-ins-ausland.html> (10 Apr. 2009).
- Institut für Interkulturelles Management. "Die Entwicklung interkultureller Trainings in Deutschland. Eine kurze Übersicht." <http://www.ifim.de/faq/stud/index.htm> (23 Nov. 2008).
- . "IFIM-Contrast-Culture-Training: Zu Ansatz und Methode." <http://www.ifim.de/faq/stud/index.htm> (3 Jan. 2009).
- . "Interkulturelle Auslandsvorbereitung: Erfahrungen und Empfehlungen." <http://www.ifim.de/faq/stud/index.htm> (24 Jan. 2009).
- . "Interkulturelle Trainings implementieren." Presse-Service 1/2005. <http://www.ifim.de/faq/stud/index.htm> (20 Feb. 2006).



- . "Lernziel Verhaltensänderung." *Presse-Service* 1/2006.  
<http://www.ifim.de/faq/stud/index.htm> (10 May 2008).
- . "Trainingsdauer und Trainingswirkung: Empirische Ergebnisse." *Presse-Service* 1/2006.  
<http://www.ifim.de/faq/stud/index.htm> (2 May 2008).
- . "Verwirrende Vielfalt? Typen interkultureller Trainings." *Presse-Service* 3/2003.  
<http://www.ifim.de/faq/stud/index.htm> (4 March 2005).
- Institut der deutschen Wirtschaft Köln e.V. "Direktinvestitionen der Deutschen Wirtschaft im Ausland nutzen Deutschland." 3 Mar. 2007. <http://www.perspektive-mittelstand.de/Direktinvestitionen-der-Deutschen-Wirtschaft-im-Ausland-nutzen-Deutschland/management-wissen/966.html> (1 Mar. 2009).
- "Intercultural Learning At University." *SIETAR Newsletter* 1 (2004): (2).
- Jung, C.G. *Archetypen*. 14th ed. München: Deutscher Taschenbuch Verlag, 2008.
- Kainzbauer, Astrid. *Kultur im interkulturellen Training*. Frankfurt am Main: IKO Verlag, 2002.
- Kammhuber, Stefan. "Anforderungen an interkulturelle Trainings." *Wirtschaftspsychologie aktuell* 2 (2003): 26-30.
- Kealey, Daniel J. "The challenge of international personnel selection." *Handbook of intercultural training*. Ed. Dan Landis. 2nd ed. Thousand Oaks: Sage, 1996. 78-92.
- Kieser, Alfred. "Why Organization Theory Needs Historical Analyses – And How This Should Be Performed." *Organization Science* 5(4) (1994): 608-620.
- Kinast, Eva-Ulrike. "Interkulturelles Coaching." *Handbuch Interkulturelle Kommunikation und Kooperation*. Eds. Alexander Thomas, Eva-Ulrike Kinast and Sylvia Schroll-Machl. Vol. 1. Göttingen: Vandenhoeck & Ruprecht, 2003. 217-226.
- . "Interkulturelles Coaching von Fach- und Führungskräften." *Sietar Journal* 1 (2003): 22-25.
- . "Evaluation interkultureller Trainings." *Handbuch Interkulturelle Kommunikation und Kooperation*. Eds. Alexander Thomas, Eva-Ulrike Kinast and Sylvia Schroll-Machl. Vol. 1. Göttingen: Vandenhoeck & Ruprecht, 2003. 204-216.
- . "Interkulturelles Training." *Handbuch Interkulturelle Kommunikation und Kooperation*. Eds. Alexander Thomas, Eva-Ulrike Kinast and Sylvia Schroll-Machl. Vol. 1. Göttingen: Vandenhoeck & Ruprecht, 2003. 181-203.
- Kinast, Eva-Ulrike, and Sylvia Schroll-Machl. "Interkulturelle Konflikte lösen" *OrganisationsEntwicklung* 3 (2003): 52-59.
- Kirkpatrick, Donald L., and James D. Kirkpatrick. *Evaluating Training Programs*. 3rd ed. San Francisco: Berrett-Koehler, 2006.
- Kluckhohn, Clyde. *Mirror for Man*. Tucson: University of Arizona Press, 1985.
- Knapp, Karlfried. "Interpersonale und interkulturelle Kommunikation." *Interkulturelles Management*. Eds. Niels Bergemann and Andreas L. J. Sourisseaux. 3rd ed. Berlin: Springer, 2003. 109-135.
- . "Kulturunterschiede." *Handbuch interkulturelle Germanistik*. Eds. Alois Wierlacher and Andrea Bogner. Stuttgart: J.B. Metzler, 2003. 54-60.
- Knapp-Potthoff, Annelie. "Interkulturelle Kommunikationsfähigkeit als Lernziel." *Aspekte interkultureller Kommunikationsfähigkeit*. Eds. Annelie Knapp-Potthoff and Martina Liedke. München: iudicum, 1997.
- Knoll, Yvonne. "Currently Offered Intercultural Training in Germany and Great Britain. An Empirical Study." *Interculture Journal* 1 (2006): 77-102.
- Kobi, Jean-Marcel, and Hans A. Wütherich. *Unternehmenskultur verstehen, erfassen und gestalten*. Landsberg: Moderne Industrie, 1986.
- Köppel, Petra. *Kulturerfassungsansätze und ihre Integration in interkulturelle Trainings*. Reihe Fokus Kultur. Vol. 2. Norderstedt: Books on Demand, 2002.
- Kohls, Robert L., and John M. Knight. *Developing Intercultural Awareness*. Maine: Intercultural Press, 1994.
- Kraxenberger, Eva. "Interkulturelles Training vs. Interkulturelles Coaching." *Cifa-Crossculture Infoletter* 4 (2004). <http://www.cifa-crossculture.de> (3 June 2008)

- Kruber, Klaus-Peter, Anna Lena Mees, and Christian Meyer. "Wirtschaftliche Entwicklungen zu Beginn des 21. Jahrhunderts." Informationen zur politischen Bildung 299 (2008): 14-22.
- "Kultur." Der Brockhaus in einem Band. 9th ed. Mannheim: Bibliographisches Institut & F.A. Brockhaus, 2002.
- "Kultur." Duden. Das Herkunftswörterbuch. Ed. Günther Drosdowski. 2nd ed. Mannheim: Dudenverlag, 1989.
- Kumbruck, Christel, and Wibke Derboven. Interkulturelles Training. Hamburg: Springer, 2005.
- Kutschker, Michael, and Stefan Schmid. Internationales Management. 6th ed. München: Oldenbourg Verlag, 2008.
- Lamberti, Jürgen. Einstieg in die Methoden empirischer Forschung. Tübingen: dgvt-Verlag, 2001.
- Lamnek, Siegfried. Qualitative Sozialforschung. 4th ed. Weinheim : Beltz, 2005.
- Latten, Arno. "Usability von Online-Trainings." Wirtschaftspsychologie aktuell 4 (2004): 66-70.
- Laurent, André. "The Cross-Cultural Puzzle of International Human Resource Management." Human Resource Management 25(1) (1986): 91-102
- Layes, Gabriel. "Interkulturelles Lernen und Akkulturation." Handbuch Interkulturelle Kommunikation und Kooperation. Eds. Alexander Thomas, Eva-Ulrike Kinast and Sylvia Schroll-Machl. Vol. 1. Göttingen: Vandenhoeck & Ruprecht, 2003. 126-137.
- Lewandowski, Theodor. Linguistisches Wörterbuch. 5th ed. 3 vols. Heidelberg: Quelle u. Meyer, 1990.
- Lewis, Richard D. When Cultures Collide. London: Nicholas Brealey, 2001.
- Liang, Yong. "Höflichkeit als interkulturelles Verständigungsproblem." Jahrbuch Deutsch als Fremdsprache. Eds. Alois Wierlacher, et al. 18 (1992): 65-86.
- Lüsebrink, Hans-Jürgen. Interkulturelle Kommunikation. Interaktion, Fremdwahrnehmung, Kulturtransfer. Stuttgart: J. B. Metzler, 2008.
- Macharzina, K. "Internationaler Transfer von Führungskräften." Zeitschrift für Personalforschung 6 (1992): 366-384.
- Maletzke, Gerhard. Interkulturelle Kommunikation. Opladen: Westdeutscher Verlag, 1996.
- Martin, Joanne. Cultures in Organizations – Three perspectives. New York: Oxford University Press, 1992.
- Martin, Joanne, and Caren Siehl. "Organizational Culture and Counterculture: An Uneasy Symbiosis." Organizational Dynamics 12(2) (1983): 52-64.
- Marx, Elisabeth. Breaking through culture shock: what you need to succeed in international business. London: Nicholas Brealey, 2001.
- Meckl, Reinhard. "Der Mergers & Acquisitions-Prozeß." Im Netzwerk interkulturellen Handelns. Eds. Jürgen Bolten and Daniela Schröter. Sternenfels: Wissenschaft und Praxis, 2001. 14-32.
- Mendenhall, Mark, and Gary Oddou. "The Dimensions of Expatriate Acculturation: A Review." The Academy of Management Review 10(1) (1985): 39-47.
- Mendenhall, M.E., E. Dunbar, and G. Oddou. "Expatriate Selection, Training and Career-Pathing: A Review and Critique." Human Resource Management 26(3) (1987): 331-345.
- Monzel, Markus, et al. "Personelle Vielfalt am Finanzplatz Luxemburg." Diversity Management und Interkulturalität. Ed. Günther Vedder. München: Rainer Hampp, 2004. 165-227.
- Moosmüller, Alois. "Interkulturelle Kommunikation – quo vadis?" Interkulturelle Kompetenz im Wandel. Vol. 1, Eds. Matthias Otten, Alexander Scheitza and Andrea Cnyrim. Berlin: Lit-Verlag, 2009. 41-56.
- Müller, Bernd-Dietrich. "Die Bedeutung der interkulturellen Kommunikation für die Wirtschaft." Interkulturelle Wirtschaftskommunikation. Ed. Bernd-Dietrich Müller. München: Iudicum, 1991. 27-51.

- Neuberger, Oswald, and Ain Kompa. Wir, die Firma. Der Kult um die Unternehmenskultur. Weinheim: Beltz, 1987.
- Oishi, Sabine Mertens. How to Conduct In-Person Interviews for Surveys. 2nd ed. London: Sage, 2003.
- Oksaar, Els. "Problematik im interkulturellen Verstehen." Interkulturelle Wirtschaftskommunikation. Ed. Bernd-Dietrich Müller. München: Iudicum, 1991. 13-26.
- O'Reilly, Charles. "Corporations, Culture, and Commitment: Motivation and Social Control in Organizations." California Management Review 31(4) (1989): 9-25.
- Parth, Christian. "Aus den Augen, aus dem Sinn." Frankfurter Allgemeine Zeitung 1./2. Nov. 2008: C6.
- Patton, Michael Quinn. Qualitative Evaluation and Research Methods. London: Sage, 1990.
- Pauls, Mareike, and Andreas Krause. "Evaluation interkultureller Trainings zur Auslandsvorbereitung." Juli 2003. [http://www.iim.uni-flensburg.de/cms/upload/discussionpapers/06-discussion\\_paper\\_iim-pauls.pdf](http://www.iim.uni-flensburg.de/cms/upload/discussionpapers/06-discussion_paper_iim-pauls.pdf) (20 Nov. 2008).
- Paus, Bettina. "Auslandsentsendungen nehmen zu." Mercer Study 13 Nov. 2008. <http://www.mercer.de/summary.htm?siteLanguage=1000&idContent=1328015> (21 June 2009).
- Perlitz, Manfred. Internationales Management. 5th ed. Stuttgart: Lucius & Lucius, 2004.
- Peters, Thomas J., and Robert H. Waterman Jr. In Search of Excellence. New York: Warner Books, 1982.
- Peterson, Richard B. "The use of expatriates and inpatriates in Central and Eastern Europe since the Wall came down." Journal of World Business 38 (2003): 55-69.
- Petry, Ed. "Assessing Corporate Culture." Ethikos and Corporate Conduct Quarterly 18(5) (2005): 1-6.
- Rathje, Stefanie. "Corporate Cohesion – Handlungsansatz zur Gestaltung interkultureller Unternehmenskultur". Interkulturelles Handeln in der Wirtschaft – Positionen, Modelle, Perspektiven, Projekte. Ed. Jürgen Bolten. Sternenfels: Wissenschaft & Praxis, 2004. 112-124.
- . "Interkulturelle Kompetenz – Zustand und Zukunft eines umstrittenen Konzepts." Zeitschrift für interkulturellen Fremdsprachenunterricht 11(3) (2006): 1-17.
- . Unternehmenskultur als Interkultur. Sternenfels: Verlag Wissenschaft & Praxis, 2004.
- "A recent etymology of the word 'culture'." Washington State University Learn Modules. [http://www.wsu.edu/gened/learn-modules/top\\_culture/glossary/culture.html](http://www.wsu.edu/gened/learn-modules/top_culture/glossary/culture.html) (19.09.2003).
- Recklies, Dagmar. "Strukturen für globale/multinationale Unternehmen." Mai 2001. <http://www.themanagement.de/Ressourcen/StrukturenGlobal.htm> (14 May 2007).
- Reiche, Sebastian B. "The inpatriate experience in multinational corporations: an exploratory case study in Germany." International Journal of Human Resource Management 17(9) (2006): 1572-1590.
- Rogers, Jenny. Coaching Skills: A Handbook. Berkshire: McGrawHill Education, 2004.
- Rothlauf, Jürgen. Interkulturelles Management. München: Oldenbourg Wissenschaftsverlag, 1999.
- Sackmann, Sonja. "Culture and Subcultures: An Analysis of Organizational Knowledge." Administrative Science Quarterly 37 (1992): 140-161.
- . Erfolgsfaktor Unternehmenskultur. Wiesbaden: Gabler, 2004.
- . Unternehmenskultur. Neuwied: Luchterhand, 2002.
- . "Unternehmenskultur(en) – Begriff, Funktionen, Wirkungen." Frühjahrstagung 2006 der Bundesanstalt für Arbeitsschutz und Arbeitsmedizin. Bundesanstalt für Arbeitsschutz und Arbeitsmedizin, Berlin. 2 March 2006.
- Samovar, Larry A., and Richard E. Porter. Intercultural Communication. A Reader. 10th ed. California: Wadsworth/Thomson, 1997.

- Schein, Edgar H. "Coming to a New Awareness of Organizational Culture." Sloan Management Review 25 (1984): 3-16.
- . The Corporate Culture Survival Guide. San Francisco: Jossey-Bass Publishers, 1999.
- . Organisationskultur. Bergisch Gladbach: EHP, 2003.
- Schmidt, Siegfried J. Unternehmenskultur. 2nd ed. Weilerswist: Velbrück Wissenschaft, 2005.
- Schneider, Susan C. "National vs. Corporate Culture: Implications for Human Resource Management." Human Resource Management. 27(2) (1988): 231-246.
- Schneider, Ursula, and Christian Hirt. Multikulturelles Management. München: Oldenbourg Wissenschaftsverlag, 2007.
- Schofield, Jill. Class lecture 9 on Reliability, Validity and Generalisability (Research Methods Course). Aston University Birmingham. Oct.-Dec. 2004.
- Scholz, Christian. Personalmanagement. 5th ed. München: Vahlen, 2000.
- Schreyögg, Georg. Organisation: Grundlagen moderner Organisationsgestaltung. 5th ed. Wiesbaden: Gabler, 2008.
- Schugk, Michael. Interkulturelle Kommunikation. München: Vahlen, 2004.
- Selmer, Jan. "The preference for predeparture or postarrival cross-cultural training." Journal of Managerial Psychology 16(1) (2001): 50-58.
- Sieber, E.H. "Die Internationale Unternehmung." Festschrift zum 65. Geburtstag von Hasenack. Berlin: Herne, 1966.
- Silverman, David. Interpreting Qualitative Data. London: Sage, 2001.
- Smircich, Linda. "Concepts of Culture and Organizational Analysis." Administrative Science Quarterly 28 (1983): 339-358.
- Smith, Peter B. "The End of the Beginning?" International Journal of Cross Cultural Management 1(1) (2001): 21-24.
- Sørensen, Jesper B. "The Strength of Corporate Culture and the Reliability of Firm Performance." Administrative Science Quarterly 47 (2002): 70-91.
- Stahl, Günther. Internationaler Einsatz von Führungskräften. München: Oldenbourg, 1998.
- Stehr, Christoph. "China, Indien, Japan: Manager im Ausland." 18. July 2008. <http://www.karriere.de/bildung/china-indien-japan-manager-im-ausland> (10.09.2008)
- Stöckl, Hartmut. "Gegenstände, Felder und Grundbegriffe der UK." Class Lecture on Corporate Culture. University Chemnitz. 21 Jan. 2002-8 March 2002.
- Thomas, Alexander. „Interkulturelle Handlungskompetenz: Theorie und Praxis.“ <http://rpssg3.psychologie.uni-regensburg.de/index.html> (01 March 2009)
- . Kulturstandards in der internationalen Begegnung. Saarbrücken: Breitenbach, 1991.
- Thomas, Alexander, E.-U. Kinast, and Sylvia Schroll-Machl. "Entwicklung interkultureller Handlungskompetenz von international tätigen Fach- und Führungskräften durch interkulturelles Training." Interkulturelles Lernen/Interkulturelles Training. Ed. Götz, Klaus. 4<sup>th</sup> ed. München: Rainer Hampp, 2002. 97-121.
- "Travelling more lightly –Staffing globalisation." Economist 22 June 2006: 73-76.
- Trimpop, Rüdiger M., and Timo Meynhardt. "Interkulturelle Trainings und Einsätze: Psychische Kompetenzen und Wirkungsmessungen." Interkulturelles Lernen/Interkulturelles Training. Ed. Götz, Klaus. 4<sup>th</sup> ed. München: Rainer Hampp, 2002. 183-207.
- Trompenaars, Fons. Handbuch Globales Managen: Wie man kulturelle Unterschiede im Geschäftsleben versteht. Düsseldorf: Econ, 1993.
- Trompenaars, Fons, and Charles Hampden-Turner. Riding the Waves of Culture. Understanding Cultural Diversity in Business. 2nd ed. London: Nicholas Brealey, 1997.
- Tylor, Edward B. Primitive Culture. (1871) 7th ed. New York: Brentano's, 1924.
- UNCTAD. "World Investment Report 2008: Transnational Corporations, and the Infrastructure Challenge." United Nations Conference on Trade and Development 4 July 2008. [http://www.unctad.org/en/docs/wir2008p3\\_en.pdf](http://www.unctad.org/en/docs/wir2008p3_en.pdf) (3 Jan. 2009).
- "Wal-Mart: Kein guter Einkauf." Manager Magazin 1 Jan. 2002: 58-66.

- Watzlawick, Paul, and Janet Helmick Beavin, and Don D. Jackson. Menschliche Kommunikation. Formen, Störungen, Paradoxien. Bern: Huber, 2003.
- Webster's New Encyclopedic Dictionary. New revised Ed. New York: Black Dog & Leventhal Publishers Inc. 1996.
- Welch, Denice E., and Lawrence S. Welch. "Commitment for hire? The viability of corporate culture as a MNC control mechanism." International Business Review 15 (2006): 14-28.
- Williams, Raymond. Keywords. A Vocabulary Of Culture And Society. Rev. ed. New York: Oxford University Press, 1985.
- Yinger, Milton J. "Countercultures and Social Change." Major Social Issues: A Multidisciplinary View. Eds. Milton J. Yinger and Stephen J. Cutler. New York: The Free Press, 1978. 476-497.
- Zaninelli, Susanne M. "Sechs-Stufen-Modell eines interkulturellen 'integrativen Trainings'." Handbuch für Personalentwicklung und Training. Köln: Deutscher Wirtschaftsdienst, 1995. 1-27.
- Zellner, William W. Counter Cultures. A sociological Analysis. New York: St. Martin's Press, 1995.
- "Zentralen verlagern." Wirtschaftswoche 21 Aug. 2003: 64.

# APPENDICES

## Appendix 1: Survey - Inpatriate management in German headquarters

The data collected through this questionnaire will only serve as a basis for the empirical part of my dissertation dealing with the subject of intercultural preparation of inpatriates and will of course be kept in confidence.

Name of the company: Name of contact person: Telephone:
---

1. How many employees work in the German headquarters?
  
2. Do employees from the foreign subsidiaries work in the headquarters?  
 yes  no
  - a) If no: What are the reasons for not employing inpatriates?
  
  - b) If yes: For how long do these inpatriates on average work in the headquarters?
  
  - c) How many inpatriates do you employ right now (approx.)?
  
  - d) Do you think this number will increase or decrease in the future?  
 increase  decrease  indistinct
  
  - e) Which countries do the inpatriates mainly come from?
  
  - f) In which operational area do the inpatriates work? Please give the distribution as a percentage:  
  
Management: %  
Blue-collar worker: %  
White-collar worker: %
  
3. What are the main reasons for employing inpatriates in the headquarters (multiple nominations possible):  
 Knowledge transfer  
 Learning of corporate culture  
 Creating/supporting/improving networks between headquarters and subsidiary  
 Globalisation of headquarters  
 Learning of corporate standards  
 Learning of management styles  
 Other:

4. Do the inpatriates take part in any kind of intercultural preparation for their assignment in the German headquarters?

- yes                       no

If yes: what kind of intercultural preparation?

- Language classes  
 Before arrival to Germany  
 After arrival in Germany

- Intercultural training  
 internal  
 external

Duration of training:

- Mentor  
 Coaching  
 Relocation Service

a) Who pays for the intercultural preparation?

- Receiving headquarters     Sending subsidiary

5. Would you be willing to take part in a scientific research study regarding intercultural training for inpatriates?

## Appendix 2: Survey - Intercultural trainer

### **Area of operations**

1. Do you work for an intercultural training company or as a freelance trainer?
  - For an intercultural training company
  - As a freelance trainer
  
2. Which is your major area in the intercultural profession (you can choose more than one)?
  - Intercultural training
  - Intercultural coaching
  - Intercultural consulting
  - Language classes
  - Other:

### **Target groups of intercultural training**

3. Which are the main target groups you conduct intercultural training for (please give numbers in %)?
  - Expatriates
  - Inpatriates
  - Multicultural teams
  - Employees working in their home country but having daily contact (via telephone, email, personal) with customers or colleagues from other cultures
  - Students
  - Others:

### **Intercultural training for inpatriates**

4. Where do the inpatriates in your training courses come from? Please name the three most frequent countries.
  - 1.
  - 2.
  - 3.
  
5. What topics do you deal with in your intercultural training for inpatriates?
  - Social aspects (e.g. housing, shopping, meeting people, leisure)
  - Business in Germany
  - Models of culture (e.g. Hofstede, Hall, Trompenaars, GLOBE)
  - Stress coping strategies
  - Possible problems at headquarters (e.g. loss of status, being regarded as an outsider)
  
6. Are the groups of inpatriates in your training homogenous or heterogenous?
  - Homogenous (same cultural backgrounds)
  - Heterogenous (different cultural backgrounds)



7. Are didactics and methodology of the training adapted to the different learning styles of the different cultures?

- Yes
- No, because

8. In which language does the training take place?

- Mother tongue of inpatriates
- English
- German

9. Do the inpatriates in your intercultural training usually come from only one company or does a training group consist of inpatriates from different German companies?

- One company
- Different companies

10. Is the corporate culture of the headquarters in which the inpatriate is going to work a topic in the intercultural preparation?

- Yes  
If yes: How do you know about that specific corporate culture?
- No, because

11. What do you think is more important?

	Knowledge of the corporate culture of headquarters	Knowledge of the national culture
For expatriates	<input type="checkbox"/>	<input type="checkbox"/>
For inpatriates	<input type="checkbox"/>	<input type="checkbox"/>

### **Appendix 3: Corporate Spirit of company X**

#### **A culture of high performance**

Our emphasis on high performance inspires the actions of every individual, as well as the teams and divisions throughout X worldwide.

#### **Striving for the best**

X has ambitious objectives. For this reason, each of us strives for the best in our respective business practices. We are responsible for accepting nothing but the best.

#### **Cooperation and teamwork**

The spirit of cooperation drives all teams, levels and business divisions within the firm. It inspires good relations between management, employees and their representatives. We consistently make use of the opportunities offered by our global network to forge closer personal ties, both internally and externally.

Our performance depends on mutual cooperation. All employees recognize that they are part of a global corporation, with the broad, cross-cultural teamwork required by global business.

To build the spirit of cooperation, we break down bureaucracy and hierarchies. We promote a culture that encourages delegation and rewards entrepreneurship. We communicate openly and actively. We regard information as something belonging to everyone.

#### **Responsibility and management**

Employees at X take full responsibility for their actions and performance at all times. We expect all employees to welcome constructive criticism, honor suggestions from other stakeholders, and achieve performance improvement with their own ideas.

Every employee is aware that he or she represents the reputation of X in the eyes of the stakeholders as well as the public.

We expect managers - in all areas and at all level - to foster a cooperative management style that encourages delegation and accountability.

Leaders embrace a role model function and are judged according to our exacting management standards.

#### **Learning and knowledge management**

X is a learning corporation. We make knowledge accessible throughout the corporation, enabling managers and employees alike to adapt quickly to changing environments, and to anticipate and shape markets.

Every employee is encouraged to pursue continuous life-long learning. We develop programs to facilitate the exchange of knowledge and expertise internally, and with our partners outside the corporation.

#### **Appendix 4: The corporate guidelines of company X**

The BASICS, our corporate guidelines, have reflected the vision, values and self-image of the Corporation since 1989. At the same time, the BASICS are intended to aid in shaping our future. As early as 1989 our guidelines committed the company to respect the national origin of every employee, to acknowledge their national customs, rules and legal requirements and to ensure that environment protection played a role in corporate processes. Four years later, the BASICS were supplemented by the express obligation to all employees to “protect the environment”. The BASICS are not to be regarded as a canon of irrevocable corporate attitudes. They are far more intended to be further developed on an ongoing basis, established across the Corporation and put into action. The original eight "Commitments" have now become 17 guidelines which are being used as a framework for the activities of our employees. New areas of corporate activity and new locations will be introduced to the BASICS right in the integration phase. The “BASICS live” represent a company-wide tool for the regular measurement and guidance of our corporate culture. We intend for the BASICS to penetrate each location to a uniform degree, and to constantly encourage employees to implement the guidelines.

The BASICS also represent the basis of our philosophy of sustainability and form the worldwide foundation for the numerous, wide-ranging activities of the Corporation, individual locations and company employees.

## **Appendix 5: International Personnel Management Guidelines**

Personnel management at X is structured around ten international guidelines:

### **1. Optimum labor costs**

At a global level, we are making a consistent, long-term contribution to optimize labor costs in order to increase competitiveness.

### **2. Global growth**

We are including human asset assessments in (de)investment decisions, and are proactively supporting joint ventures and M&As, as well as restructurings, greenfield start-ups and relocations.

### **3. Fluid organization**

We are making effective contributions in order to make corporate structures, processes and skills adaptable, fast and robust.

### **4. Culture of high-performance**

We promote and demand high performance through teamwork, excellent leadership and systematic and consistent performance management.

### **5. Preferred employer**

We employ, integrate and promote highly motivated and capable employees and executives by creating an attractive, safe and healthy working environment, and by installing effective HR processes and instruments, without discrimination, and with doors open for diversity.

### **6. Strategic skills management**

We create learning and development processes so that the skills required to ensure that we are the technology and market leaders are secured and developed.

### **7. Employability**

We encourage and support the co-responsibility and individual responsibility of our employees, with the goal of securing their lifelong marketability and employability.

### **8. A culture of trust**

We promote and expect in return cooperation with all employees and employee representatives based on partnership and trust, in order to secure the long-term development of the Company, as well as a harmonious corporate atmosphere.

### **9. Active public positioning**

We take a public and active stance on our personnel policy positions, as well as the social framework conditions of our corporate activities, when our corporate goals support this.

### **10. Efficient, high-value processes & services**

Based on a trusting culture of communication and cooperation in our personnel management, we implement our business processes and activities taking into account the viewpoint of our partners, in a result-driven, cost-conscious and time-efficient manner.

## **Appendix 6: Company X's Code of Conduct**

### **PERSONAL ETHICS**

Those associated with the X Corporation are required to use their best judgment in all matters affecting the Corporation and to maintain a high standard of honesty and integrity. An employee may not misuse his/her position in the company for personal advantage nor may s/he promote behavior at variance with this code of conduct.

Executives and supervisors are to take all requisite action to ensure that each employee measures up to these demands. All employees with executive or personnel management functions are to demonstrate exemplary conduct in complying with and adhering to the aforementioned rules of behavior and to exhibit a special sense of responsibility in this regard.

#### **Respect for the law**

All business decisions - whether in or outside the country of employment - are to be made in scrupulous compliance with all applicable laws and statutes. Under no circumstances may employees - either directly or indirectly - participate in illegal or corrupt activities.

#### **Benefits**

Within the framework of local conditions, all those exercising executive responsibility are to see to it that no employee makes or authorizes payment or donations to a customer or to a third party - either directly or indirectly - for the purpose of promoting the conclusion of a business transaction with a corporate company.

#### **Suppliers**

Suppliers are to be selected on a strictly competitive basis. They are entitled to be treated fairly and correctly. Any attempt on the part of a supplier to influence the decision taken by corporate staff by means of benefits going beyond what is normal in the way of business-related entertaining or of token gifts is to be treated as a serious impropriety, with a suspension of all contractual relations to be considered on a case-by-case basis.

#### **Internal controls**

Within their scope of authority, all managerial staff are obliged to provide for a suitable system of internal controls. They must take any action they deem appropriate to protect capital assets; to ensure that business is carried out and documented in compliance with corporate guidelines and other internal rules; to ensure that financial records are properly kept; and to guarantee that violations of this code are detected and corrected.

#### **Political activities**

X welcomes participation of its employees in the political life of their respective communities and countries. Such activities must, however, occur in the employees' nonworking hours and at the employees' own expense. Under no circumstances may the Corporation or one of its subsidiaries be involved in political campaigns or issues.

### **CONFLICTS OF INTEREST**

Conflicts of interest resulting from the legal relationship between employee and employer are to be avoided. An employee must inform the respective superior of any impending conflicts.

#### **Affiliations and private economic interests**

A corporate employee may not conclude business on behalf of the Corporation with companies in which the respective employee, members of the employee's immediate family or the employee's life companion holds an interest. In accordance with this, an employee is not allowed to advance his/her private economic interests to the detriment of X.

The employee's superior or the personnel manager concerned is to be informed of all pertinent facts and of any family or personal relationships which may appear to influence decisions made within the Corporation.

**Deriving private benefits from business partners**

To exclude any conflict of interest between the company domain and the private domain, a corporate employee may not, in general, make private demands of business partners closely related to the respective employee's task area. Exceptions are allowed only upon prior consultation with the superior or the personnel manager concerned.

**Acceptance of gifts/benefits and advantages**

Employees, their immediate families and life companions may not accept (monetary) gifts or advantages from persons or companies with whom business relations are maintained. Minor benefits and favors must remain within the scope of what is usual. All employees are requested to inform their superiors of any gifts having more than mere token character.

**Confidential information**

Corporate employees may not disclose information of a confidential nature regarding business transactions if such information was obtained in the course of their service with the Corporation. They may not derive any private benefit from this information, either for themselves or for their friends or relatives.

**Private/business expenditures**

Expenditures for gifts and entertaining should be assumed privately if the business and private spheres overlap to such an extent that an exact separation of the business and private content of such expenditures is rendered difficult.

**Use of company property**

Neither corporate assets and equipment nor the employees' working time may be used for promotion of non-corporate interests without the prior approval of the respective superior.

**Gainful occupational activity of corporate employees outside the Corporation**

Appropriate contractual measures are to be taken to ensure that the Corporation is in no way disadvantaged by any gainful activity that the company's employees may engage in outside the scope of their employment for the company.

## **Appendix 7: Compliance & Anti-Corruption Hotline**

Our corporate spirit and ethics (for example, integrity, honesty and compliance with the law) are documented in the Code of Conduct, the BASICS and the Corporate Governance guidelines. Our corporate culture is based on these values.

The corporation and its stakeholders, e.g. employees, customers, shareholders, partners and suppliers, are harmed through unethical, illegal and irresponsible activities. Your help is therefore an important step in the fight against, and prevention of, illegal and dubious practices.

The installation of a hotline assists in resolving these incidents.

### **Why is a Compliance & Anti-Corruption Hotline important?**

In the past, we received various anonymous contacts regarding alleged corruption and fraud within the corporation. A hotline offers an opportunity to voluntarily provide information about fraudulent actions and breaches of ethics directly and anonymously to the company.

### **Who should use the Compliance & Anti-Corruption Hotline?**

All stakeholders who are aware of illegal and dubious business activities involving company X and its employees are requested to use the hotline. To disregard and ignore such behaviour increases the damage and frustration.

**Correct and honest behaviour will not lead to any disadvantages for the whistleblower.**

### **Which topics should be communicated via the Compliance & Anti-Corruption Hotline?**

The hotline should be used to communicate the following suspicions of criminal activities:

- Theft, kickbacks and bribery
- Fraud, embezzlement
- Conflicts of interest
- Insider trading
- Antitrust issues (violation of competition law)
- Money laundering
- Manipulation of accounting
- Environment problems
- Health, work safety and security.

### **What happens after whistleblowing?**

All contacts will be directly to Corporate Audit and will be promptly dealt with. You can support our work by voluntarily providing us with contact information (Phone-No., Email) so that we can contact you for further information, if required. All information, as is currently the case, will be taken seriously and treated confidentially in accordance with the law.

## Appendix 8: Interview guide

### Category A

1. Where are you from?
2. In which subsidiary did you work before and what was your position there?
3. What is your position in Germany?
4. Why have you been sent to Germany?
5. For how long have you been living here?
6. Is your family joining you here in Germany?
7. How long is your assignment in Germany supposed to be?
9. How would you judge your knowledge of the German language?

Personal information

### Category B

8. Did you take part in any kind of intercultural preparation for your assignment? Where did the training take place: your home country or Germany?

Intercultural preparation

### Category C

10. Can you name situations or things in Germany which did surprise you after arrival? (e.g. the way people do things, their reactions, interaction of people)
11. Why were you surprised? Have you been prepared for these situations?

Problems in everyday life

### Category D

12. What are the differences between every day working life in your home country and Germany? Can you give examples?
13. Can you recall a work situation where its procedure did seem unusual to you? How would you or your colleagues deal with this situation in your home country?

Differences in work-life

### Category E

14. Please comment on the following aspects here at headquarters:
  - Jargon
  - Power/distribution of power
  - leadership/communication of leadership
  - process of decision making
  - ways of control and control instruments

Differences between corporate culture of the subsidiary and headquarters

### Category F

15. Would you suggest that any of these differences should be addressed in the preparation for an assignment at headquarters?

Addressing Corporate Culture in interc. Training



## *Appendix 9: Transcripts of Interviews*

### Interview 1: USA

#### Category B

**Did you take part in any kind of intercultural preparation for your assignment? Where did the training take place: your home country or Germany?**

“Yes, there was an intercultural training class that was organized in Charlotte, Carolina, two months before I came. It was a two-day, roughly 12 hours, course.”

**Was it a general or a more specific cultural training?**

“They did it both, kind of intercultural in general and tried to focus on Germany; the actual trainer for that course had been an expatriate to Europe, not directly Germany but in the German area. They used a kind of standard course book. She tried to emphasize the German parts of it. We had a phone conversation with someone, actually, she was a lawyer in Frankfurt. So we had a one-hour phone conversation with somebody from Germany and had made arrangements for someone who was from Germany working in the Charlotte area to come in for about an hour to talk about different issues. They tried to focus it on Germany, specifically.”

#### Category D

**What are the differences between every day working life in your home country and Germany? Can you give examples?**

“When I was in the States I worked in the plant and I would typically show up at work no later than 6.30 am and I would be there until 5 or 6 o’clock and that was a typical day. But here in the corporate office you get there at 8, at 8.30, at 9 o’clock, you just kind of get there and in comparison with the States that is a different attitude. In the States there is kind of an assumed start time and it doesn’t seem to be every person has their own schedule and show up whenever. So that’s all a bit different. The formal work time is a bit different between the two cultures.

But otherwise in terms of just the work being done I had situations where it felt I made different assumptions that other people but at the end of the day we still get to the same results. And I also work with teams that also do a lot of things as an individual contributor.”

**Can you recall a work situation where its procedure did seem unusual to you? How would you or your colleagues deal with this situation in your home country?**

“We had a workshop and I saw a lot of differences in expectations there. Part of the reason we had asked for this workshop to take place was because we had a procedure that from the management side we felt didn’t work. So we wanted to have a meeting with the Research and Development group and all of us in order to discuss what wasn’t working and how we could fix it. So I prepared a Power Point Presentation as an overview. For me it was not every detail how this works but what is the system supposed to be and what we think is not working and what are our initial ideas on what we can do to fix it. The purpose was to generate a discussion. I started the presentation and immediately got protest: I hadn’t included ....I had forgotten that...This was missing....and that protest went on and on. In presentations in Germany the presenter doesn’t have to be standing there talking about the presentation. A lot of times you could just sit in the meeting and read the slides, you don’t need anybody there talking about it. In the United States the idea of the slide is to remind the speaker of the topic to cover but not to give out all the information.”

#### Category E

**Language/Jargon**

very similar, some differences

**Power/distribution of power**

“Germany is very hierarchical, ‘You need to ask my boss’ whereas in the States you go directly to the person you need, you deal with it. In American culture even responsibility is not directly given, a lot of times it has been assumed by the work force. Here I feel much more that I have to do this because my boss asked me to do it.”

**Leadership/communication of leadership**

“I don’t feel there is any communication of leadership here. In the US there were a lot of routine meetings which make communication easier. A lot of communication is via the grapevine instead of direct communication.”

**Process of decision-making**

“In the United States people are more wanted to make a decision now than they are here, here a lot of delays because decisions have to be made by the superior and not by the people doing the work.”

**Ways of control and control instruments**

“In the USA we can work without a lot of control. In North America is much more given to the workforce and the boss doesn’t make the decision, doesn’t control everything. I think North America does much more delegating. Germany is much more detail oriented. It takes much more time to make a decision because they wait until every detail is there before a decision is made.”

Category F**Would you suggest that any of these differences should be addressed in the preparation for an assignment at headquarters?**

“No, you need to experience it. It is good to be prepared but you have to experience and actually deal with it.”

## **Interview 2: USA**

### **Category B**

**Did you take part in any kind of intercultural preparation for your assignment? Where did the training take place: your home country or Germany?**

“Yes, I took place in a 2-day intercultural training one month after arriving in Germany, together with my family. Just our family in the training. We talked about every day life in Germany, schools, medical support and so on. Very general and not specific to my job because we attended as family.”

### **Category D**

**What are the differences between every day working life in your home country and Germany? Can you give examples?**

“To work 14 hours a day in the US is not uncommon; here you work 8-9 hours a day and don’t come in on the weekends. Germany is a more social country because you spend more time with family and friends on the weekends and in the evenings. You don’t have that in the States.”

**Can you recall a work situation where its procedure did seem unusual to you? How would you or your colleagues deal with this situation in your home country?**

“Stress level is high on both sides. The workforce is different. Supervisors so to say are more knowledgeable in the States. But I think they work more as a team here. The team concept is bigger. I think that loyalty is here more than what you have in Mayfield, but I don’t know if you get more. People plan on coming to work here and doing the job and in Mayfield they don’t.

In Germany there is much more paperwork and following procedures: this step and then that step and then....”

### **Category E**

#### **Language/Jargon**

“English is corporate language but a lot of the workforce does not know the language very well which makes it very difficult because my competence of German is very low.”

#### **Power/distribution of power**

“Teams here work much better as a team, so they share the responsibilities, even if you may have one chair person. But in the States you have so many people want to be chief you don’t have enough responsibilities.”

#### **Leadership/communication of leadership**

“In Mayfield we know who is the responsible at work, here you don’t.”

#### **Process of decision-making**

“Here you are only responsible if you build it. But if you ain’t build it, don’t fix it.”

### **Category F**

**Would you suggest that any of these differences should be addressed in the preparation for an assignment at headquarters?**

“Different departments are so different and therefore it depends on the department what should be addressed. I worked in two US-Conti departments and they were totally different.”

### **Interview 3: USA**

#### **Category B**

**Did you take part in any kind of intercultural preparation for your assignment? Where did the training take place: your home country or Germany?**

“Yes, I had a one day training two weeks before I left the US, with two hours of general intercultural training, two hours of talking about the business environment in Germany and two hours of social culture. And I had a one-day training three months after arrival in Germany. The training was too short because two hours of this and two hours of that do not really help.”

#### **Category D**

**What are the differences between every day working life in your home country and Germany? Can you give examples?**

“Germans don’t see reasoning, they see rules. Germany is much more rule-bound. I think it is ineffective.

In the US we work longer hours and work in smaller groups. This is the task and we do it. In Germany you are responsible for this or for that and you only do what your job is. Groups here are much bigger and they say: ‘I am responsible for this but not for that. That is your job.’

I work here less hours than I am used to. Here it seems to be: I have my hours and now I go home after that.

In the US I was doing the work: 50% of my time I was actually doing the work with my own hands and 50% I was leading the team. Now I am managing the work and do nothing with my own hands.”

**Can you recall a work situation where its procedure did seem unusual to you? How would you or your colleagues deal with this situation in your home country?**

“Procedures here are very old and very long for everything. For example office mail: here are 2 buildings where there is a building in between which doesn’t belong to us. People get their mail by their secretary. She has to walk over to the other building, picks up the mail for her group, walks back and puts it in the box for her group. Every secretary does that a couple of times per day. It took me two months to change that system and now they do only two mail runs per day one in the morning and one in the afternoon.

In the US it is much quicker to change procedures if it doesn’t cost anything. If it costs something it takes a little bit longer. But if it is logic and costs nothing it is changed right away.

We have very few departmental secretaries in the US – one for 60 people. You can do your own vacation request, your own travel expenses, flight planning – everything is so well set up that it doesn’t take more than 5 minutes to do your administrative work. Here they have a secretary to do that, departments with only 10 people have their own secretary. Administrative takes so much longer because you cannot do it yourself.”

#### **Category E**

**Language/Jargon**

“Very similar.”

**Power/distribution of power**

“Distribution of power is very strong here, if you want to have something done you have to walk up to the top guy whereas in the US you can just get things done. Hierarchy in Germany is much higher.”

**Leadership/communication of leadership**

“In the US we have that, you know who is the leader and who has more power in the team, more by legacy than anything else.”

**Process of decision-making**

“Germans like marching orders: you tell them, they do it. They listen to what the boss says even if another concept might work better they agree with the concept of the boss. In the US the team makes the decision, here the team gives input but the boss decides – because the team is very afraid of taking responsibilities. The team is not paid to take a risk, the boss is paid for that and so he should take the responsibility and the risk. If the boss says something nobody questions, you just go with it. People here who are more willing to take responsibilities and risks, who are more open to the American model, are the ones who are getting quickly promoted in the company.”

**Ways of control and control instruments**

“Much more control here in Germany. The boss wants to check everything and wants to have a look at everything.”

Category F**Would you suggest that any of these differences should be addressed in the preparation for an assignment at headquarters?**

“Corporate cultures are totally different. Auburn Hills is all about efficiency and about latest innovations, steady processes and best-organised systems. Here they are stuck in time and processes are very slow.

You listen to that in training and take notes but when you are hit with it, it is irritating.”

## **Interview 4: USA**

### **Category B**

#### **Did you take part in any kind of intercultural preparation for your assignment? Where did the training take place: your home country or Germany?**

“I had in the States through an outside company a 2 day seminar, 3 months before departure; the first day was only for myself and they were bringing in throughout the whole day to meet with me business leaders and Germans working in the States talking about German business culture. Very intensive, very good. And the second day they invited my wife and myself for one full day and it was an entire day on every day living. They brought in some Germans and Americans who had lived in Germany. Very good. And I had the opportunity here to have another training but we decided after talking about the topics not to redo it.”

### **Category D**

#### **What are the differences between every day working life in your home country and Germany? Can you give examples?**

“One thing that did surprise me being a manager here in Germany is the need here to make people feel that they are included in decisions. And how long it can take here to make a decision. In the US you say: ‘Ok, let’s do it this way’ and it is ok to change your decision. And here I have the impression that it is not seen as strength. In the US if someone is really saying ‘I have to change my decision because I have new information’ that is seen as a strength.

It can take a long time to discuss something and once a decision is made things are moving very, very quickly. So I have to be careful here not to make decisions too fast because then things move very quickly and it is very hard to change the direction.”

#### **Can you recall a work situation where its procedure did seem unusual to you? How would you or your colleagues deal with this situation in your home country?**

“A lot of rules in Germany. You have a lot of standard ways of doing things. For headquarters it is important to have standards and rules. Standards make work life easier because same procedures throughout the organisation are like a common language. But too often people do common procedures as a way of controlling, that is the wrong way.”

“There is a huge market in the US, many different segments, lots of dynamic things in the market, things are always changing. Until you don’t work in that market, you don’t understand it. Here in Germany it is a much more predictable market, business moves slower. In the US it is perfectly acceptable if you have mistakes or wrong information and it is even a common thing to make a decision based on not having all the information. If you wait to make a decision until you have 80% of the information, you waited too long and the opportunity is gone. Here you wait until you have 120% of the information.”

“Headquarters has to trust the subsidiary. If you go to the headquarters as an expatriate you need a network built before you go and you need to have the trust with people at headquarters. Coming to headquarters trust and network is more important than coming from headquarters and going to a subsidiary, especially German headquarters because Germans are much more distanced.”

### **Category E**

#### **Language/Jargon**

“No real difference.”

#### **Power/distribution of power**

“Most of the power is in headquarters.”

#### **Leadership/communication of leadership**

“Much better communication here in Germany because you are closer to the source (HQ). Information is coming from Geschäftsleitung and it is going to maybe 30 key individuals in the organisation and between those 30 individuals there is enough communication networks that within a matter of 6 hours everyone has this information. In the US information from the German Geschäftsleitung comes to one person only and how many people come into contact with this one person? In the US: If you want to know the latest news talk to a German expatriate.

Communication in headquarters is more formal, in the US more informal.

#### Category F

**Would you suggest that any of these differences should be addressed in the preparation for an assignment at headquarters?**

“Of course, the corporate culture in headquarters is international, but not in Auburn Hills. Here there is a high degree of trust and openness to any new ideas. When a region says the common standards do not work there because the region is too different headquarters is open to change that standard.

Conti corporate culture is extremely strong, extremely consistent and well accepted worldwide.”

## **Interview 5: Hungary**

### **Category B**

**Did you take part in any kind of intercultural preparation for your assignment? Where did the training take place: your home country or Germany?**

“Nein, keinerlei Vorbereitung.”

### **Category D**

**What are the differences between every day working life in your home country and Germany? Can you give examples?**

“Keine markanten Unterschiede, in Ungarn ist die Bürokratie höher, in Deutschland weniger Bürokratie.”

**Can you recall a work situation where its procedure did seem unusual to you? How would you or your colleagues deal with this situation in your home country?**

/

### **Category E**

#### **Language/Jargon**

“Ist ziemlich gleich. Es gibt hier ein Lexikon mit Abkürzungen.”

#### **Power/distribution of power**

“Machtverteilung in Ungarn sehr eindeutig, sehr starke Hierarchien, in Deutschland weniger starke Hierarchie, man kann Einwände gegen Vorgesetzte haben.”

#### **Leadership/communication of leadership**

“Ist gleich.”

#### **Process of decision-making**

“In Ungarn wird die letzte Entscheidung vom Chef getroffen, Mitarbeiter kann zwar mitreden, aber hat keinen Einfluss, in Deutschland zählt die Meinung der Mitarbeiter viel mehr.”

#### **Ways of control and control instruments**

“Ist gleich, in Ungarn und Deutschland wird man regelmäßig gefragt, ob man vorankommt  
Zeiterfassung mit Stempeluhren in Frankfurt und auch in Ungarn, aber z.B. nicht in Lindau, dort Vertrauensarbeitszeitmodell.”



## **Interview 6: USA**

### **Category B**

**Did you take part in any kind of intercultural preparation for your assignment? Where did the training take place: your home country or Germany?**

“Two days Intercultural training for me and my wife organized by my subsidiary in Auburn Hills through an external training provider. Two weeks before departure. Topics were for me business life in Germany and most of it was living in Germany, the culture, the people. And 200 hours of language training before departure and after arrival.”

### **Category D**

**What are the differences between every day working life in your home country and Germany? Can you give examples?**

“Yes, here departments don’t work well together. Everybody does what they are supposed to do and then passes it on to the next department, they don’t say what they think the problem is, they say nothing, they say ‘Your turn’ and that is it. In Auburn Hills it is different in that we are more open to communication across different departments. Here one does not provide know information if that information is the responsibility of the other department.”

**Can you recall a work situation where its procedure did seem unusual to you? How would you or your colleagues deal with this situation in your home country?**

“If I need to have somebody do a task given by another department and they say they are too busy and so I have to go to their boss and tell him that he needs to do it and then the boss talks to that person and says ‘Ok, take time and do it’ and that process takes 2 hours to do. The task time takes one hours. They would save an hour by just doing it.”

### **Category E**

#### **Language/Jargon**

“60% of daily work time I speak English and 40% I speak German because not everybody here at Conti speaks English. Colleagues ask when they get English emails.”

#### **Power/distribution of power**

“Germany is very hierarchical. You don’t dare to jump over somebody when you try to get something done. You don’t do it here.”

#### **Leadership/communication of leadership**

“The manager is the leader. In a team it is problematic. I am working in a team and we have a problem that goes across departments, nobody want to lead – makes the customer very unhappy and that is a very big problem. The reason for that is that the problem goes across departments and they don’t work together very well.”

#### **Process of decision-making**

“Here the boss makes the decision. Here it is more likely that the boss will just make the decision. In USA a decision is made by the team, takes less time than here.”

#### **Ways of control and control instruments**

“No kind of control.”

## **Interview 7: South Africa**

### **Category B**

**Did you take part in any kind of intercultural preparation for your assignment? Where did the training take place: your home country or Germany?**

“When I arrived I had a one-day intercultural session with company X’s training provider together with my wife. They told me before I left South Africa that I will get training in Germany.”

### **Category D**

**What are the differences between every day working life in your home country and Germany? Can you give examples?**

“I was surprised how black and white things are here, how little room there is for discussion. We are very used to discussing things in South Africa. Here people don’t waste words unnecessarily. If you say what you want to and there is no need for further discussion it is finished.

A lot less talking between the lines, a lot less politeness and unnecessary talk. Without this in between talk I find relations a little bit stiff, because people are very direct and practical.”

**Can you recall a work situation where its procedure did seem unusual to you? How would you or your colleagues deal with this situation in your home country?**

“Here more long-term task oriented.”

“What was a big difference to me and I still find it difficult to get used to it: In South Africa I didn’t spend much time in an office but I had an office of my own anyway. Here I spend a lot of time in my office and I share an office. It is quite normal to share an office here. That was strange. For me it is more important to have a little bit of privacy.”

“Normally we would find a problem and try to explore all possible solutions and really sometimes that can take a long time to come to a final solution. Here I found that there is a lot of pressure to have an answer quite quickly. It is more important to have a quick answer than a good answer. I found this really frustrating. I realized at the end of the day that people aren’t really interested if the solution they found is the right one, but if you take long to find a solution they are very interested.”

### **Category E**

#### **Language/Jargon**

“Common jargon in South Africa. Here it is a mixture jargon because of the diverse workforce and therefore a lot of misunderstandings. It is a kind of mixed and confused jargon because you have a lot of different backgrounds. People bring their terms from their subsidiary where it might have a different meaning.”

#### **Power/distribution of power**

“In Germany it is much easier for a subordinate to talk to a superior and it is much closer (I have learnt that in the training). But I think that is only on the surface. Sometimes the gap seems to be smaller but is really bigger; there is a visible gap. One thing I never got used to in Germany: du and Sie. If you agree on du both persons use it. In South Africa the senior person can use the more relaxed term but the junior person still uses the more polite term, to show respect. The German way seems to be less respectful.

We have stronger hierarchies in South Africa. Here you do not know your position, someone offers you the du and you feel comfortable and on a relaxed basis but the gap can still be there. In South Africa you know your position and the one of the other person.”

#### **Leadership/communication of leadership**

“In South Africa I would know who has the power, who is in charge. Here in Germany when I walk in to a meeting I find it difficult to figure out who are the decision makers.”

**Process of decision-making**

“I never worked out how it works here. On the surface it is very organised and there is always a decision maker. What I haven’t managed to work out is how democratic the decision-making really is over here. In South Africa (not in general but in my specific plant, so it has something to do with plant culture and not with the national culture) decision-making was very democratic somebody would make a decision but he would use input from his team quite a lot. Sometimes here it feels autocratic. But I am not really sure about it, it confuses me and I had different experiences.”

**Ways of control and control instruments**

“In South Africa and Germany it is pretty much self control. We are independent, we organise our own tasks, our own schedule. There is little visible control.”

Category F**Corporate Culture:**

“Very different corporate culture, the differences are not so much national driven, South Africa is plant or manufacturing orientated, Germany is corporate orientated. I found it difficult to get used to the corporate culture here, to feel comfortable and operate comfortably in it. Cultures are different, the goals, the time frames are different. In South Africa it is not a clash of cultures but a meeting of subsidiary and HQ culture.

The national cultural differences hadn’t had as much an effect on me but the corporate vs. plant culture had a bigger effect.

Sitting in the subsidiary you see the HQ people and they seem like this wall of knowledge and expertise. HQ represents the whole experience of the whole cooperation. And then it is frightening that you should work with these people and they will expect you to be as good and experienced as they are and then you get there and you realize that they are just humans. It takes a couple of months to realize that.”

## **Interview 8: South Africa**

### **Category B**

**Did you take part in any kind of intercultural preparation for your assignment? Where did the training take place: your home country or Germany?**

“Yes, I had a two-day training with Kontur, here in Germany. Only me. I would have liked to have training in South Africa but I was told that I will have that in Germany. I started language training here but would have liked to start earlier because it makes it much easier to adapt.”

### **Category D**

**What are the differences between every day working life in your home country and Germany? Can you give examples?**

“In South Africa we had a close relationship between myself and my manager, you are more helped initially to get yourself into it but here I am on my own. Here there is not real mentoring.

In South Africa I had my own office. Here I have an open office with more people, but it is not a problem except when you meet people and talk to them. It is better to talk in private.

The work life here seems to be more relaxed than in South Africa. In South Africa there is more interaction between people, different way of networking.

In general you rarely see your manager but I have very little contact with him here. He comes into the office, speaks to the guys and then disappears and you don't see him again and never know what the expectations are. In South Africa we have a quick meeting every morning for 15-30 minutes to talk about the plans and work for the day. Here you get a task for one month and you have to feedback the next month.”

**Can you recall a work situation where its procedure did seem unusual to you? How would you or your colleagues deal with this situation in your home country?**

“I was asked to be in a meeting to meet with a guy from another department and I didn't understand what my role was in the meeting because the discussion was between him and the other guy to get some work done and I couldn't figure out what my role in this was, was it to take some actions or to give advice. Normally when you call a meeting at least you have an idea of what is expected and here it seems as if you come to the meeting and sometimes you realize they just get you there, to sometimes take it for them to handle something they don't want to take on themselves but know that you will take on. It happened a few times with me that I go to a meeting with a feedback situation and suddenly you have an action to find out something or handle something. In South Africa that wouldn't happen. If anything was supposed to be found out it would have been found out beforehand. You would have the action before the feedback. Here you don't know what your task is in the meeting.

And when I go to a plant I am the only English-speaking guy they talk German and I don't understand. They can speak English but they think that I am the only one so why would they have to speak English. The tendency to switch to the official corporate language is not that quick and easy. They'd rather speak what they know and let the one person adapt.”

“They send headquarters trainees to South Africa to get experiences and you get appointed a social and work mentor. It is very helpful to have such a mentor to understand everything.”

“Because of less interaction with boss and colleagues I don't know how to approach them when I have a problem or disagree with something.”

### **Category E**

**Language/Jargon**

“There are some words here which are totally new for me and not used that way in South Africa.”

**Power/distribution of power**

“Hierarchy is more clear here, you know who the high and middle management is and there is a clear distinction: high management=decision makers. In South Africa you have the manager but there is much more interaction and cross-decision making between e.g. myself and the boss. I will have my say and that will have an impact on the decision.

People who have the power are much more approachable in South Africa.

Decision making takes longer here, they ask the employees for their opinion but do not take that into account.”

**Leadership/communication of leadership**

“In Germany you always know who the leader is.”

**Process of decision-making**

/

**Ways of control and control instruments**

“In South Africa you are always being checked. Here there is much less control, you are expected to manage yourself and you are not expected to make mistakes. In terms of time it is much better because you can manage yourself if you are disciplined enough but in terms of the tasks and to make sure that everything is correct it’s difficult because you don’t get help or assistance. To do it on your own is much more responsibility.”

Category F**Corporate Culture**

“Corporate Culture: not entirely different between South Africa and Germany but different in a way that you have a closer work relationship and interaction with the entire range of the management.

Corporate Culture in headquarters is focused on the bigger picture, to far away from the regions, it is a more global culture, that is pretty overwhelming and it would have helped to be prepared for it.”

## **Interview 9: USA**

### **Category B**

**Did you take part in any kind of intercultural preparation for your assignment? Where did the training take place: your home country or Germany?**

“Yes, our whole family had a cultural training class for two days. We had 1 trainer for the children (12,10, 7 years old) and three trainers who worked with my wife and me, talking about the business aspects and the social side of being here. The company offered it. It took place three months before departure.”

### **Category D**

**What are the differences between every day working life in your home country and Germany? Can you give examples?**

“People start earlier in the US, first of all. Structure of the building here is different and a lot of closed offices here. Advantage: you can have a meeting in privacy. Disadvantage: there is no cross-communication – so in the US there is a more open work-environment”

**Can you recall a work situation where its procedure did seem unusual to you? How would you or your colleagues deal with this situation in your home country?**

“Procedures are very similar; but here is a much more cumbersome and complicated system because of hierarchies.”

### **Category E**

#### **Language/Jargon**

“Very similar, minor differences. During work primarily English but not always because they do not all know English very well.”

#### **Power/distribution of power**

“Different here; this is the centre here of expertise and therefore more knowledge and power here.”

#### **Leadership/communication of leadership**

“More leaders and more activities here. Different types of leaders here, very clearly defined but because of the bigger organization difficult to figure out the leaders.”

#### **Process of decision-making**

“The decision making process for big decisions is back here. It is quicker in the US because the organizational structure is more streamline. You have more freedom for decision making in the regions.”

#### **Ways of control and control instruments**

“Less control here; here they put more faith in my abilities, they trust me more. Things are more formal and structured, dress code.”

## **Interview 10: Japan**

### **Category B**

**Did you take part in any kind of intercultural preparation for your assignment? Where did the training take place: your home country or Germany?**

“Not at all, no time and no offer, I only found out that I was coming here one week before I actually came. But I have three hours language training every week here, organised by the company. Not knowing German does hinder my performance here because I cannot attend meetings and I don’t attend the big presentations. They all take place in German.”

### **Category D**

**What are the differences between every day working life in your home country and Germany? Can you give examples?**

“Much more relaxed atmosphere here. Quality is good but they don’t live to work. In Japan there is a tendency to work very very long hours. It is a lot more open here; In Japan it is more difficult to approach my Japanese colleagues. In Japan higher pace and here it is slower. Questions sent via email take at least 1 week to be answered, in Japan up to 20 minutes, that is frustrating.”

**Can you recall a work situation where its procedure did seem unusual to you? How would you or your colleagues deal with this situation in your home country?**

“Processes here are very inefficient and there should be much more open communication between HQ and Japan; Germany cannot explain why they do it this or that way. For example: Germany does a lot of work on the brake system and then they would tell Japan what to do but they won’t send that same data over, so they have to do it again in Japan. That makes absolutely no sense and so it is almost like repetitive work. That is the biggest problem.”

### **Category E**

#### **Language/Jargon**

“I don’t think there is a corporate language here. If English is the main language it is the second language for most of them. Everybody speaks in a very friendly tone, not business like.

There are abbreviations and many technical documents in German which make it difficult for me.”

#### **Power/distribution of power**

“Less distribution of power in Japan. Here you have many many managers responsible for different things. Very well structured here.”

#### **Leadership/communication of leadership**

/

#### **Teamwork:**

“Japanese corporate culture gives and needs a strong sense for teamwork, more than here. Here it is much more individual work.”

#### **Process of decision-making**

“I am actually not involve with decision making but because there is less teamwork here you have more freedom to make your own choices. And you live and die by your decision here a lot more than you do in Japan. In teamwork you delude your responsibility among many people.”

### **Ways of control and control instruments**

“No one checks my work here. The notion here is that when you enter this company you already have a sufficiently large amount of knowledge concerning brakes. In Japan that is different because most people enter a company with absolutely no experience. In Japanese companies there is a lot more of a notion towards nurturing your employees. There is not much nurturing here.”

“Getting your work checked is fundamental because it evaluates your position. I wish I would have more of that here. But this way I can learn to take over responsibilities.”

“Working hours get checked here in Germany, but not in Japan.”

### Category F

#### **Corporate Culture**

“To get used to the corporate culture was more difficult because I usually never get in touch with the national culture. I don’t know anybody here and all I do is commute back and forth to work. So I spend most of my time in this corporate environment.

In Japan we do everything for people coming from headquarters, picking them up from the airport, renting a car, finding a home, picking them up for work till they know their way. Here there is nothing, if you ask for help, you get help – that seems rude to me.

I had so many embarrassing experiences in the beginning and I would have preferred to get less money if the company would have spent the money on some help and mentoring in the beginning.

In Germany there is a good infrastructure but no human face to it. In Japan there is no infrastructure but with a human face.”



**Appendix 10: Hofstede's Culture Dimensions**

**Power Distance Index Values (Culture's Consequences 87)**



Appendix 10-Figure 1: Power distance index values

**Uncertainty Avoidance Index Values (Culture's Consequences 151)**



Appendix 10-Figure 2: Uncertainty avoidance index values

**Individualism Index Values** (Culture's Consequences 215)



Appendix 10-Figure 3: Individualism index values

**Masculinity Index Values** (Culture's Consequences 286)

Appendix 10-Figure 4: Masculinity index values