

Cross-Cultural-Management

German Business Success in India & Japan

Excerpt of MASTER'S THESIS

“Managing International Cooperations: Evaluation of models measuring national cultural differences and their implications for business, illustrated with the examples of India, Japan & Germany”

[Title of this publication deviates from the chapter thesis title]

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1. Application of models onto India and Japan, compared to Germany

In this chapter the models of Hofstede, Trompenaars and the GLOBE study are applied to Japan and India, using Germany as a benchmark. The numerical values of the target countries are taken and compared for each dimension. The comparison of the values deliver differences which are analyzed and, based on the analysis, practical implications for business are drawn, which are directly derived from the measured data. In order to maximize the usefulness for practitioners it deliberately uses brief descriptions for the analysis of the measured results and summarizes the implications for business in bullet points, immediately usable for German business managers.

Since culture is just one aspect of complex individual behavior, the given recommendations must be regarded as a trend or tendency of behavior that are statistically describable in one culture, but might differ significantly at an individual level.

1.1 Model selection criteria

After the general introduction of the different models and concepts of displaying cultural differences the next step is the selection of appropriate models that can be applied to the selected nations.

The following selection criteria were applied:

- Quantity of data: Number of people in the poll that enables a sufficient statistical base of the results for interpretation.
- Number of countries analyzed: Ensures that the nations, that are subject to the comparison, were part of the studies.

- Number of questions for a sufficiently broad base for deriving the dimensions.
- Number of dimensions, in order to have sufficient analytical criteria to divide a culture into its important elements that characterizes it.

Based on the criteria, the following cultural studies had been selected as best suited for an analysis of the target countries.

- **The Hofstede model:** Because of his compelling quantity of data of approx. 118,300 persons and the amount of countries analyzed (76).
- **Trompenaars' Model:** The quantity of data, (30,000 people polled) in combination with the number of countries (55) and the methodological dilemma approach of his survey, which delivers an alternative and complementary approach of carving out its dimensions.
- **The GLOBE study:** Because it is the most recent study with 17,000 persons polled across 62 cultures. Also compelling reasons however, have been the application and validation of new important dimensions, e.g. Performance Orientation and finally the large questionnaire item base that led to its nine dimensions (292).

1.2 Hofstede Model

1.2.1 Comparison Germany/ Japan

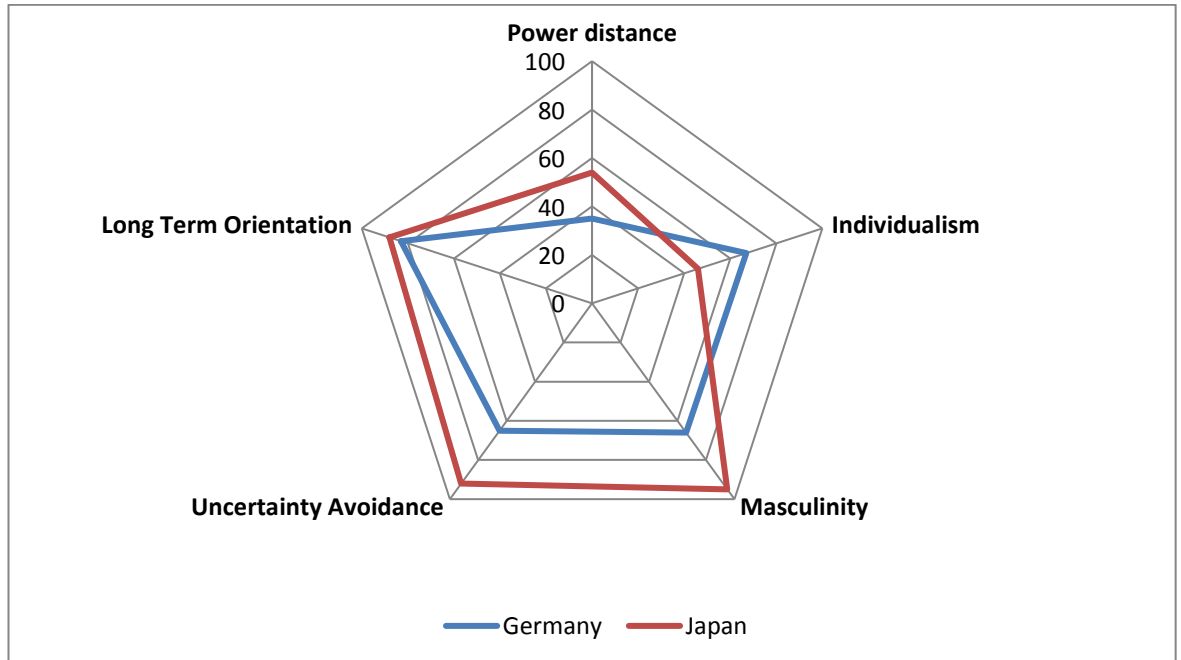


Fig. 20: Overview of comparison of Germany to Japan by the Hofstede model.¹⁴
Source: Own Illustration.

Global Analysis:

Japan and Germany differ significantly by applying the Hofstede model in basically all dimensions except long-term orientation, where just slight differences were measured.

The details of the analysis and its implications for business are as follows:

¹⁴ Data source: Hofstede, G. (n.d.). Japan. Retrieved June 13, 2015, from <http://geert-hofstede.com/japan.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

Power Distance:

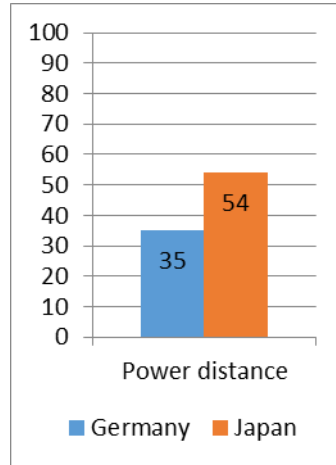


Fig. 21: Power Distance value of Germany compared to Japan.¹⁵
Source: Own Illustration.

Focus Analysis: The value for Germany is significantly under average, whereas the value for Japan resides slightly over average. Hence Power Distance in Japan is more pronounced than in Germany.

Implications for business:

- Respect Japanese hierarchy by all means, especially with focus on its levels
 - In decision making processes: There are no short-cuts to save time or gain efficiency. The procedure needs to be respected.
 - Show respect to all managers located in the hierarchy above you.
-

Individualism:

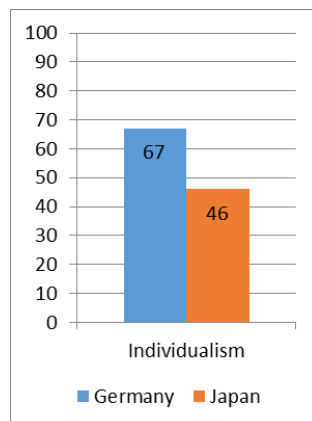


Fig. 22: Individualism value of Germany compared to Japan.¹⁵
Source: Own Illustration.

¹⁵ Data source: Hofstede, G. (n.d.). Japan. Retrieved June 13, 2015, from <http://geert-hofstede.com/japan.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

Focus Analysis: The German value is significantly over average, whereas the value for Japan resides slightly under average. Germany shows the higher value for Individualism. The delta value between Germany and Japan is 21%, hence: Japanese have a stronger sense of collectivism.

Implications for business:

- Try to participate in social gatherings with Japanese colleague and customers in your free time.
 - Respect the Japanese sense of belonging to a group and foster it.
 - Be harmonic with your peers.
 - Motivate Japanese subordinates by recognition in front of the group.
 - Japanese identify themselves with the company and work hard for it.
 - Be prepared to be asked for an organigram, which shows your status in the collective.
-

Masculinity:

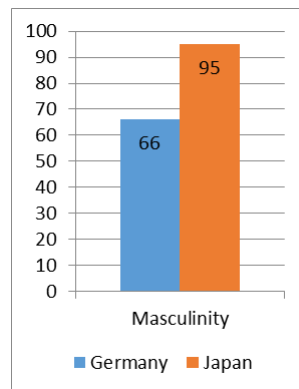


Fig. 23: Masculinity value of Germany compared to Japan.¹⁶
Source: Own Illustration.

Focus Analysis: Both values over average. Japan shows a very high value of Masculinity compared to Germany and needs to be considered as clearly more masculine oriented.

¹⁶ Data source: Hofstede, G. (n.d.). Japan. Retrieved June 13, 2015, from <http://geert-hofstede.com/japan.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

Implications for business:

- Work as hard as your Japanese peers do.
 - Be competitive towards the company's competition and other departments in your company, but harmonic to your direct peers.
 - Japanese customers like to scan your competitors, too, in order to get the best product. Be prepared for it.
-

Uncertainty Avoidance:

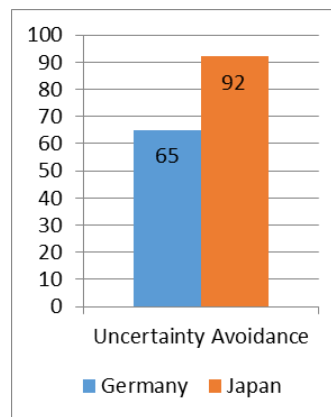


Fig. 24: Uncertainty Avoidance value of Germany compared to Japan.¹⁷
Source: Own Illustration.

Focus Analysis: Both values over average, indicates a clear Uncertainty Avoidance tendency of both nations. The Japanese show a significantly higher Uncertainty Avoidance than Germans.

Implications for business:

- The Japanese always have plans, agendas and procedures. Respect and stick to it.
- Help Japanese to fulfill their procedures. Provide them details and all necessary information, regardless as to how unimportant it may seem to you.
- Don't expect the Japanese to adopt new procedures as fast as you might do.

¹⁷ Data source: Hofstede, G. (n.d.). Japan. Retrieved June 13, 2015, from <http://geert-hofstede.com/japan.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

Long Term Orientation:

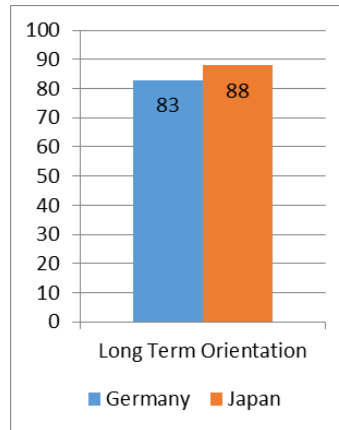


Fig. 25: Long-Term Orientation value of Germany compared to Japan.¹⁸
Source: Own Illustration.

Focus Analysis: Both nations show very high values on Long-Term Orientation. Japanese are slightly more long-term oriented than Germans.

Implications for business:

- Be prepared that procedures and processes take more time and last longer than in Germany.
- Disregard short-term gains.
- Note that investment in long-term projects is very frequent.
- Value sustainability.

¹⁸ Data source: Hofstede, G. (n.d.). Japan. Retrieved June 13, 2015, from <http://geert-hofstede.com/japan.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

4.2.2 Comparison Germany/ India

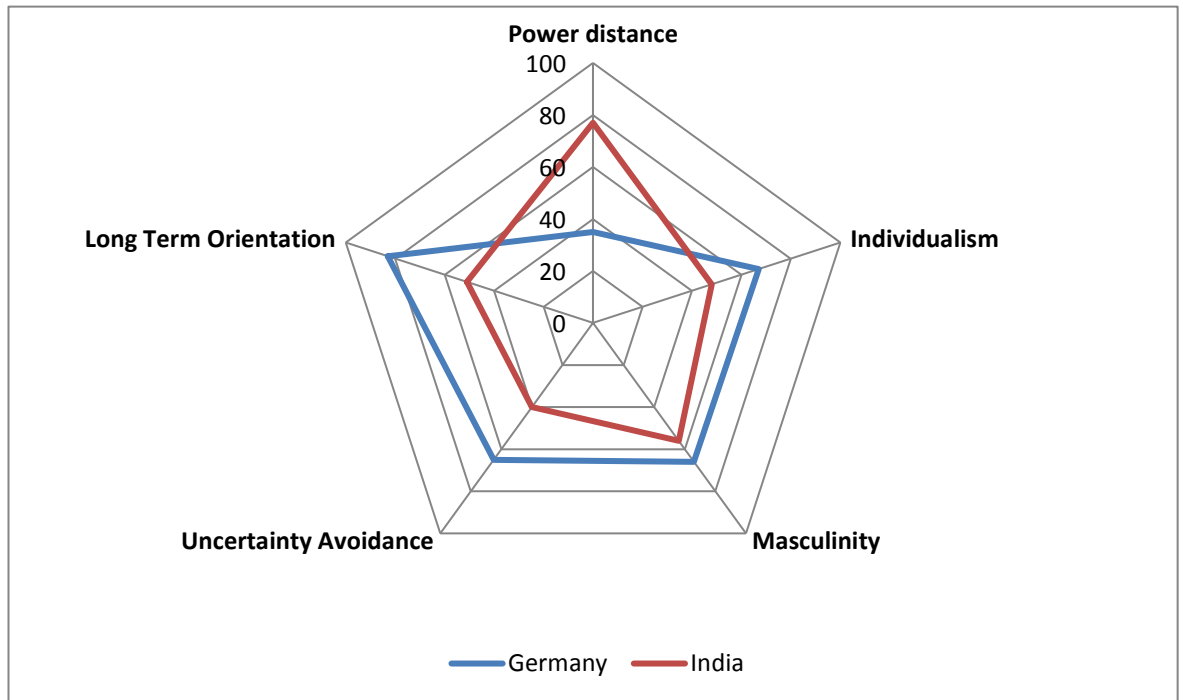


Fig. 26: Fig. 20: Overview of comparison of Germany to India by the Hofstede model.¹⁹
Source: Own Illustration.

Global Analysis:

India and Germany differ also significantly by applying the Hofstede model in all dimensions. The highest delta value between both nations shows Power Distance.

¹⁹ Data source: Hofstede, G. (n.d.). India. Retrieved June 13, 2015, from <http://geert-hofstede.com/india.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

The details of the analysis and its implications for business are as follows:

Power Distance:

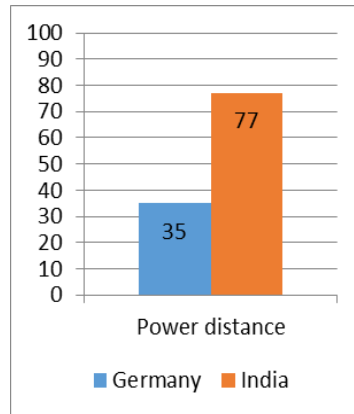


Fig. 27: Power Distance value of Germany compared to India.²⁰
Source: Own Illustration.

Focus Analysis: The Power Distance value for India is clearly over average and for Germany under average: Delta value between both nations of 42 points. Hence India is significantly more power distant than Germany.

Implications for business:

- Treat Indian superiors with the appropriated respect as sub-ordinates will treat you accordingly.
- Be prepared that it might be possible that your Indian superior does not value the open door policy as you are used to it in Germany.
- Your Indian subordinates tend not to show their disagreement with your decisions.
- Decisions are used to be taken in India in upper hierarchy levels and less by involvement of subordinates.
- There are more privileges and status symbols in business than in Germany.
- It is expected by your subordinates that your decisions, as a superior, are taken by yourself. They don't expect to participate in the decision making process.

²⁰ Data source: Hofstede, G. (n.d.). India. Retrieved June 13, 2015, from <http://geert-hofstede.com/india.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

Individualism:

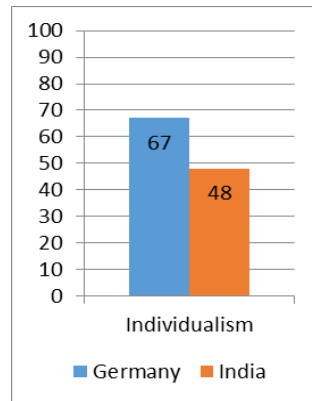


Fig. 28: Individualism value of Germany compared to India.²¹
Source: Own Illustration.

Focus Analysis: High Individualism value for Germany. The Indian value meets almost the average. Hence Indians are relatively more collectivistic than Germans.

Implications for business:

- Respect the Indian sense for family and their relations.
 - Try to establish a close relationship with your Indian counterparts.
 - Prevalence of relations over tasks: Emphasize on relations with your business partners.
 - Indians appreciate a harmonic working environment.
-

Masculinity:

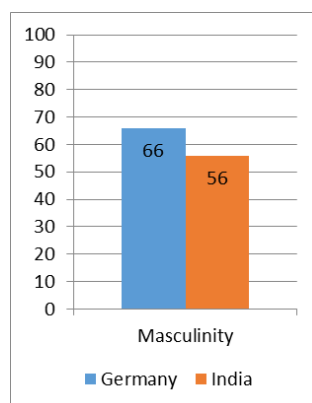


Fig. 29: Masculinity value of Germany compared to India.²¹
Source: Own Illustration.

²¹ Data source: Hofstede, G. (n.d.). India. Retrieved June 13, 2015, from <http://geert-hofstede.com/india.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

Focus Analysis: High Masculinity value for Germany. The Indian value is still over average, but 10 points less than Germany. Thus Indians are less masculine than Germans.

Implications for business:

- Indians focus on good relations to their superior and to their peers.
- Relative prevalence of relationships over tasks. Focus more on relationships to achieve your goals.
- Tendency of less competition orientation than in Germany.
- Tendency of less ambition, toughness and career focus compared to Germany.

Uncertainty Avoidance:

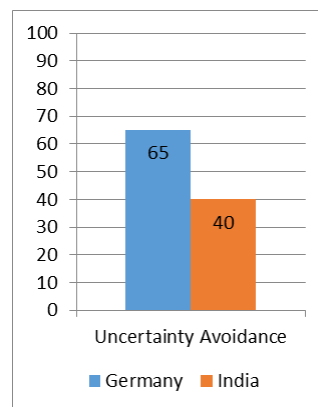


Fig. 30: Uncertainty Avoidance value of Germany compared to India.²²
Source: Own Illustration.

Focus Analysis: Relative high value for Germany, whereas India is with a delta value of 25 points significantly less Uncertainty Avoidant than Germany.

Implications for business:

- Less standardized processes than in Germany.
- Accept the spontaneous way of how Indians solve problems.
- Note that Indians value improvisation.
- Be prepared that processes are more intuitive and less planned.
- Indians show a high degree of flexibility. Make use of it.

²² Data source: Hofstede, G. (n.d.). India. Retrieved June 13, 2015, from <http://geert-hofstede.com/india.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

- Higher possibility that your business partner doesn't avoid conflicts in order to achieve the desired outcome.
-

Long Term Orientation:

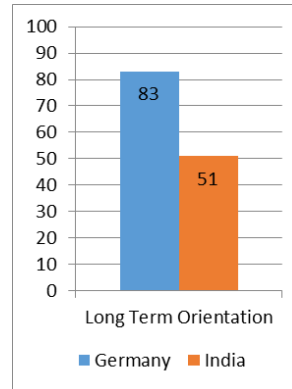


Fig. 31: Long-Term Orientation value of Germany compared to India.²³
Source: Own Illustration.

Focus Analysis: Germany shows a very high value. Indians almost meet the average value of 50 points. Thus Indians are significantly less Long-Term oriented (32 points delta value) than Germans.

Implications for business:

- Accept that Indians don't think as much in the long-term wise as you might do.
- Note that processes are not 100% defined. There is space for deviations from the plan.
- Be prepared that Indians adapt and change their plans spontaneously. Don't dismiss them for being unprofessional. It's another way of organization that works in India.
 - Traditions tend to be more respected than in Germany.
 - Prevalence of tactical and operative over strategic considerations.

²³ Data source: Hofstede, G. (n.d.). India. Retrieved June 13, 2015, from <http://geert-hofstede.com/india.htm>, (Author's adaptation)
Scale: 0-100. The 6th dimension Indulgence vs. Restraint has not been considered.

4.3 Trompenaars Model

4.3.1 Comparison Germany/ Japan/ India

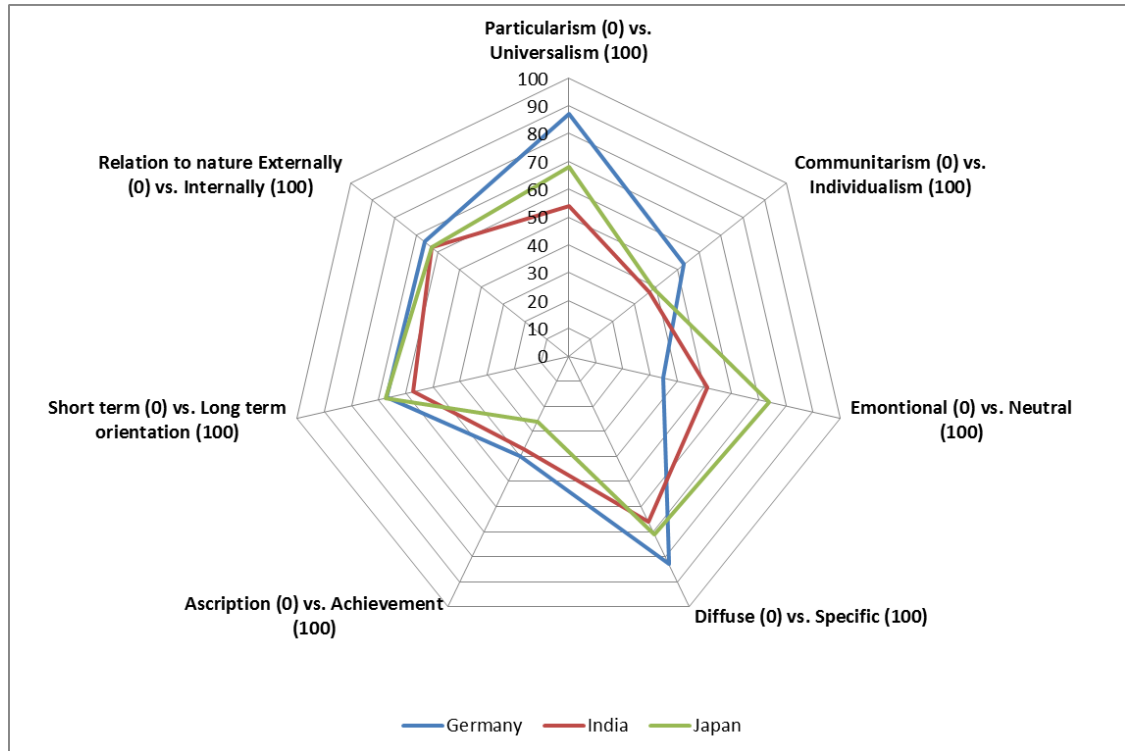


Fig. 32: Overview of comparison of Germany to Japan and India by Trompenaars.²⁴
Source: Own Illustration.

Global Analysis:

With the Trompenaars Model there is also significant differences on Japanese and Indian culture, compared to Germany. Analysis details can be found in continuation. With respect to implications for business, Trompenaars, in contrast to Hofstede and GLOBE, delivers them, too. He formulates those recommendations looking from one end of the pole of a dimension to the other end (e.g. Advices for Universalists, how to deal with Particularists and vice-versa). It isn't possible to differentiate between strong and weak expressions of values. Hence the given recommendations are identical for both, India and Japan, if they are in trend, seen from the perspective of Germany:

²⁴ Scale: 0-100; Time orientation scale of questionnaire from 0 to 7 has been calculated in % in order to compare it to the other dimensions. Data source: Trompenaars, Hampden-Turner, 1997.

Particularism vs. Universalism:

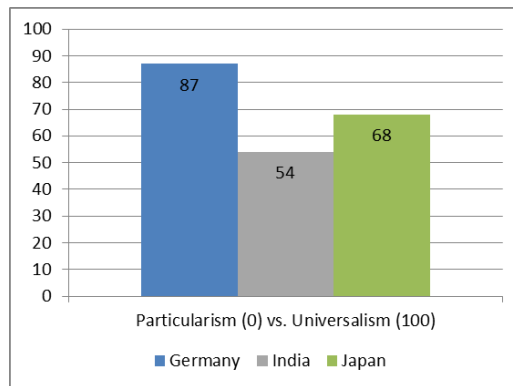


Fig. 33: Particularism vs. Universalism value of Germany compared to Japan and India.²⁵
Source: Own Illustration.

Focus Analysis: All measured countries are above average. Japan is clearly less particularistic (68%) than Germany (87%) whereas India (54%) is the least particularistic country of our selection.

Implications for business:

- Build informal business networks.
- Focus on relationships, foster and change them towards your goal.
- When getting to know people, be prepared for small talk and also for irrelevancies that doesn't seem to make sense.
- Use your influence privately.

(Trompenaars, Hampden-Turner, 1997, pp. 48-49)

Communitarianism vs. Individualism:

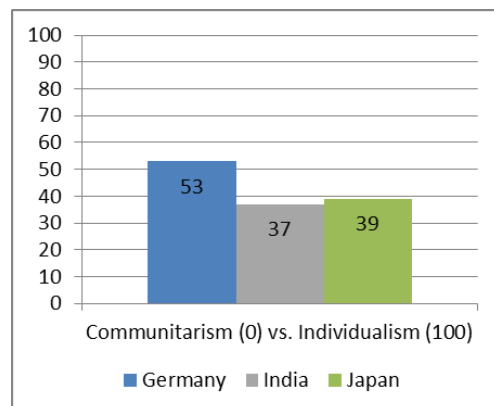


Fig. 34: Communitarianism vs. Individualism value of Germany compared to Japan and India.²⁶
Source: Own Illustration.

²⁵ Data source: Trompenaars, Hampden-Turner, 1997, p.35.

²⁶ Data source: Trompenaars, Hampden-Turner, 1997, p.51.

Focus Analysis: Germans are more individualistic (above average with 54%) whereas Japan (39%) and India (37%) show communitarianism tendencies.

Implications for business:

- Use the “we” form.
- Look for achievements in groups.
- Be patient in terms of the time required to take decisions.
- Negotiations might be interrupted in order to consult with superiors.
- Give attention to “esprit de corps”.
- Be prepared for a long lasting assignment.
- Praise the group, don’t apply favoritism.

(Trompenaars, Hampden-Turner, 1997, pp. 67-68)

Emotional vs. Neutral:

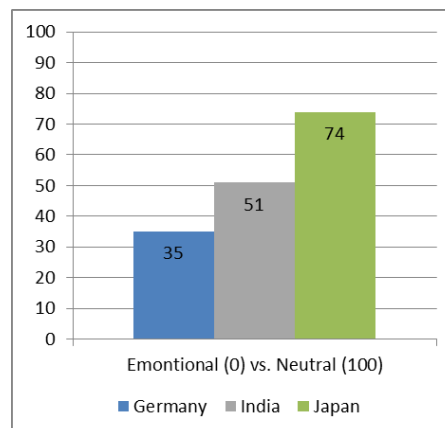


Fig. 35: Emotional vs. Neutral value of Germany compared to Japan and India.²⁷
Source: Own Illustration.

Focus Analysis: India hits almost the average value and hence needs to be regarded as, neither neutral nor emotional (51%). Germany (35%) shows a strong emotional tendency and Japan (74%) is clearly neutral oriented. In comparison to the benchmark of Germany, the delta value to India is still 16%. Therefore India needs to be considered as relatively neutral in comparison to Germany. The same recommendations for India are valid as for Japan, however less extreme as for the Japanese.

²⁷ Data source: Trompenaars, Hampden-Turner, 1997, p.70.

Implications for business:

- Don't show emotions, but be friendly.
- A cool and self-contained attitude is admired.
- Avoid physical contact.
- Ask for time-out in long meetings or negotiations to strengthen the cohesiveness of your group.
- Be well prepared for meetings and make notes. This expresses respect to your counterpart.
- Be ready for monotone voices. It doesn't signify disrespect to you.
- Negotiations are focused on the matter, not on persons.

(Trompenaars, Hampden-Turner, 1997, pp. 79-80)

Diffuse vs. Specific:

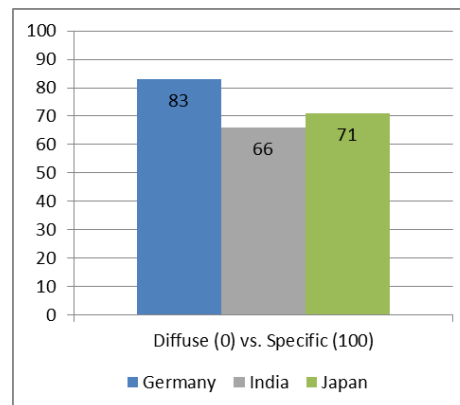


Fig. 36: Diffuse vs. Specific value of Germany compared to Japan and India.²⁸
Source: Own Illustration.

Focus Analysis: All values are clearly over average. Germany (83%) needs to be regarded as relatively specific. India (66%) and Japan (71%) in comparison are still above average, but less specific than Germany.

Implications for business:

- Be prepared to be surrounded by evasive, tactful and ambiguous persons.
- Take time and be prepared that there are “many ways to Rome”.

²⁸ Data source: Trompenaars, Hampden-Turner, 1997, p.88.

- Let meetings flow. Push indirectly and soft in the direction needed.
- Private and business is intertwined.
- Consider an employee's whole situation before assessing him.
- End reports with a summary.

(Trompenaars, Hampden-Turner, 1997, pp. 100-101)

Ascription vs. Achievement:

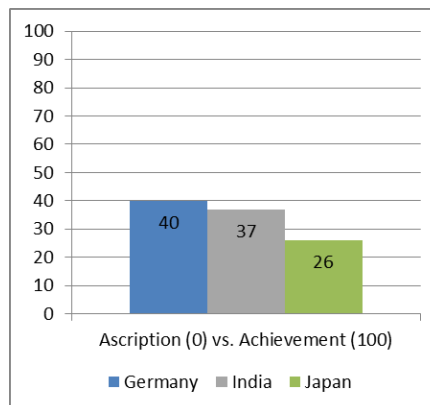


Fig. 37: Ascription vs. Achievement value of Germany compared to Japan and India.²⁹
Source: Own Illustration.

Focus Analysis: All countries are below average. Germany (40%) is a little more achievement oriented than India (37%) and significantly more than Japan (26%). Since the delta value to India is negligible, the implications for practice are focused on Japan.

Implications for business:

- Clearly display your title and hence your status in your organization.
- Respect your superior.
- Assemble your negotiation team with superiors and senior persons, in order to impress your counterpart.
- Always respect your counterparts. If they lack detailed knowledge, do not let them know that you are aware of it.
- Only challenge a decision if you possess higher authority.

(Trompenaars, Hampden-Turner, 1997, pp. 118-119)

²⁹Data source: Trompenaars, Hampden-Turner, 1997, p.105.

Short-term vs. Long-term orientation:

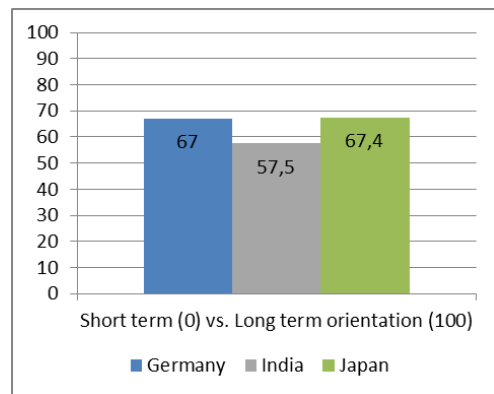


Fig. 38: Short-term vs. long-term orientation value of Germany compared to Japan and India.³⁰
Source: Own Illustration.

Focus Analysis: All measured countries above average. Germany with 67% and Japan with 67.4% shows a slightly higher value. India is clearly more short-term oriented (57.5%). Since there is almost no measured difference between Germany and Japan, only India needs to be considered by the implications below.

Implications for business:

- Be aware: The moment is important - the 'here and now'.
- Agree to plans, but don't take them for granted. They are rarely executed and everything is viewed with regard to its impact on now.
- If you pursue change, involve relationships.
- Study the history of your business partner's company and try to re-establish the myth of it.

(Trompenaars, Hampden-Turner, 1997, pp. 138-140)

³⁰ Data source: Trompenaars, Hampden-Turner, 1997, p.128.

Relation to nature: Externally controlled vs. internally controlled:

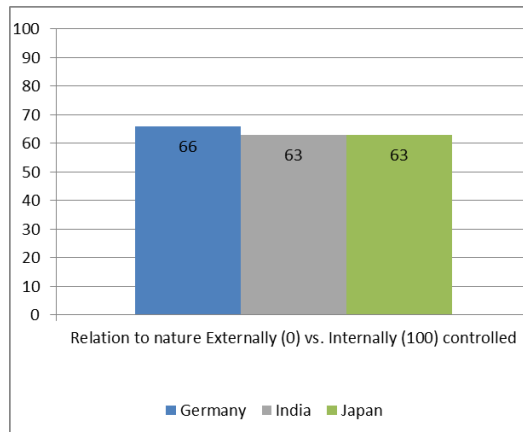


Fig. 39: Relation to nature Externally vs. Internally controlled value of Germany compared to Japan and India.³¹

Source: Own Illustration.

Focus Analysis: All countries are above average and are clearly internally controlled. Germany (66%) has a little higher value than Japan and India (both 63%).

Implications for business:

- Be harmonic with your counterpart, don't challenge him.
- Focus on your counterpart.
- Softness, persistence, politeness and patience will be rewarded.
- Maintain your relationship.
- Win together, loose apart.

(Trompenaars, Hampden-Turner, 1997, pp. 155-156)

³¹ Data source: Trompenaars, Hampden-Turner, 1997, p.143.

4.4 GLOBE Model

In continuation the GLOBE values for India, Japan and Germany are compared. For extraction of implications for practice only the practical values of the GLOBE study were considered. Thereby the separate measurement values of East and West Germany were combined by an arithmetic mean, in order to compare one value that represents the whole of Germany. At similar values (less than 0.20) of the cultures to be compared, there are no implications for business.

4.4.1 Comparison of Germany/ Japan

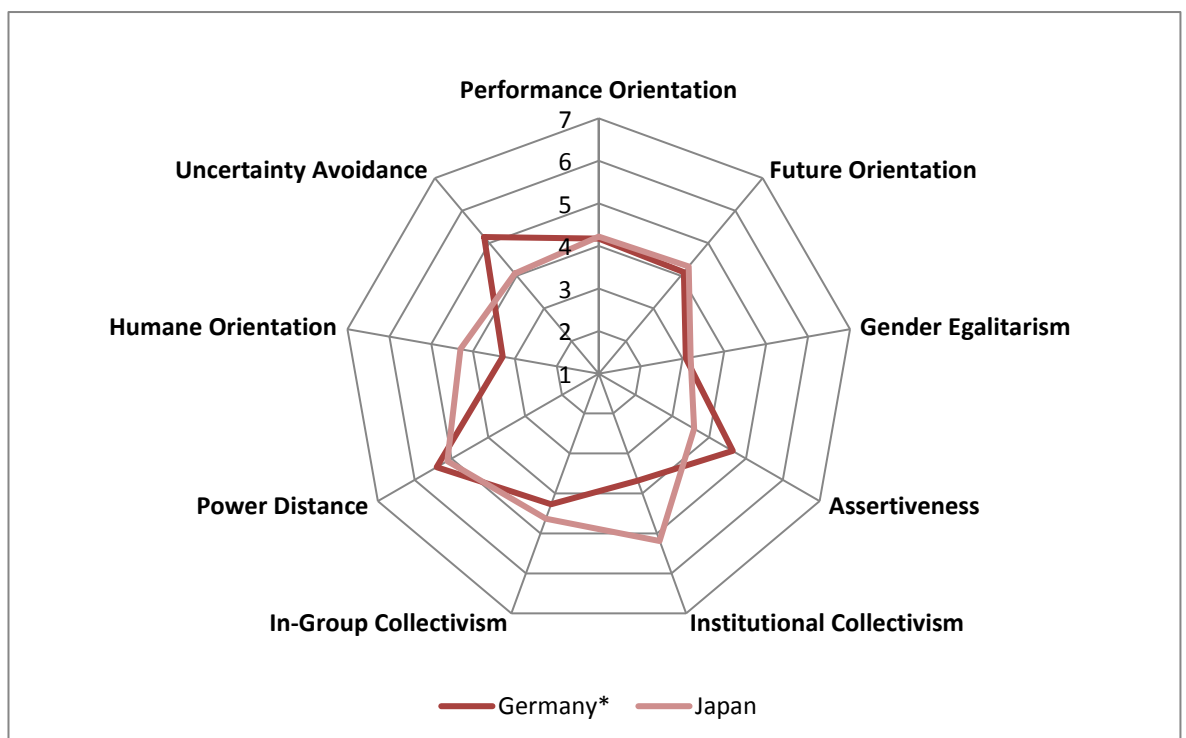


Fig. 40: Overview of the GLOBE study values of Japan compared to Germany.³²
Source: Own Illustration.

³² Scale 1 – 7 * Gender egalitarianism scale 7= highest feminine orientation, 1= highest masculine orientation. Data source: House, et al., 2004.

Global Analysis:

The results of the comparison of Japan and Germany by the GLOBE data seem to be homogeneous in several dimensions as when compared to the Hofstede model. Performance Orientation, Future Orientation, Gender Egalitarianism and Power Distance show very similar values. Due to the values of less than 0.2 the dimensions Performance Orientation, Future Orientation and Gender Egalitarianism were not evaluated. The details of the analysis and its implications for business for the other dimensions with significant delta values are as follows:

Assertiveness:

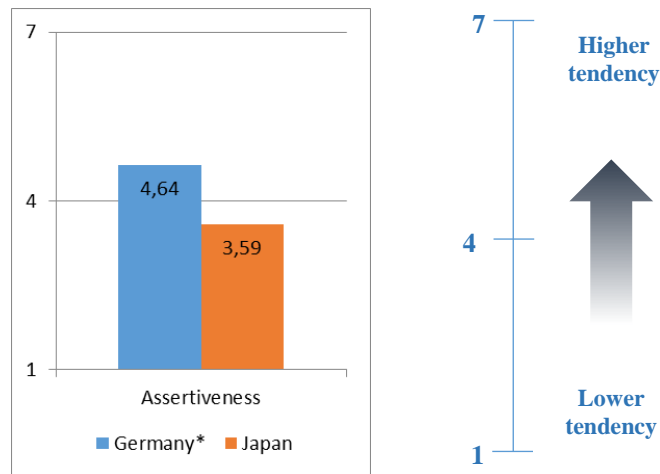


Fig. 41: Assertiveness value of Germany compared to Japan. Value explanatory illustration of tendencies.³³

Source: Own Illustration.

Focus Analysis: Clearly higher value for Germany (over average), whereas Japan is measured under average. High delta value of 1.05. Hence Germans appraise values such as assertiveness and toughness by trend more than the Japanese. The results don't correlate with Hofstede's Masculinity results (see 4.2.1).

³³ * One value for Germany East and West. Data source: House, et al., 2004.

Implications for business:

- Japanese tend to be more harmonic to their direct peers, managers and customers as Germans are.
 - Be cautious with your direct German communication style, it might be too direct to your counterparts. Slight hints are understood and followed.
 - Patience and respect are high valued in Japan.
-

Institutional Collectivism:

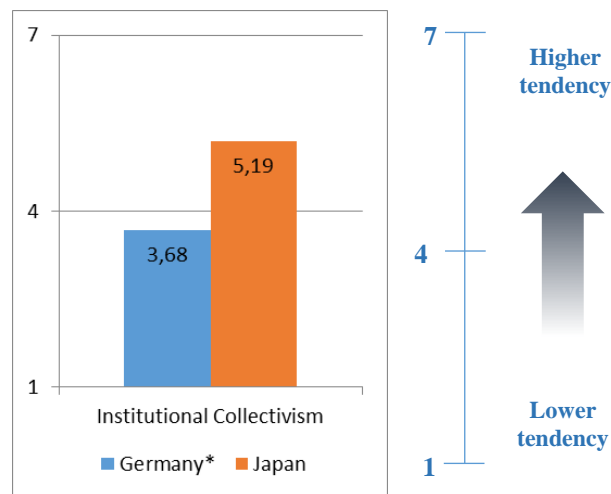


Fig. 42: Institutional Collectivism value of Germany compared to Japan. Value explanatory illustration of tendencies.³⁴

Source: Own Illustration.

Focus Analysis: Germany is under average with 3.68 and Japan resides significantly over average with 5.19. The delta value of 1.51 is relatively high. Hence data indicates that Japan's institutions and organizations foster collectivism more than in Germany.

Implications for business:

- Don't be surprised if you find help in your company that embeds you into the collective of your peers.
- There will be by trend a higher loyalty to the organization or employer than in Germany.
- Strong group coherence is frequent.

³⁴* One value for Germany East and West. Data source: House, et al., 2004.

In-Group Collectivism:

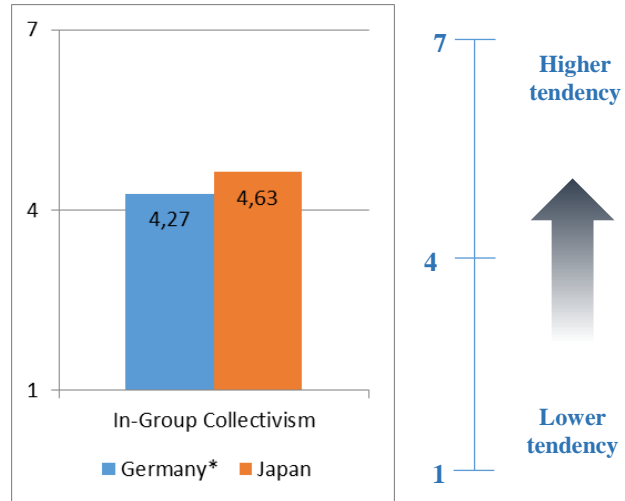


Fig. 43: In-Group Collectivism value of Germany compared to Japan. Value explanatory illustration of tendencies.³⁵

Source: Own Illustration.

Focus Analysis: Both values are over average. However the Japanese also show a higher value of in-group collectivism.

Implications for business:

- Japanese employees show more pride and loyalty towards their employer.
- There is also frequently a strong coherence among the peers in companies.

Power distance:

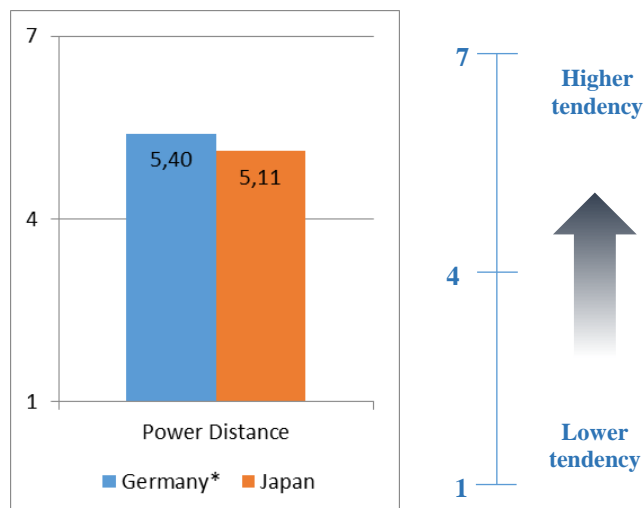


Fig. 44: Power Distance value of Germany compared to Japan. Value explanatory illustration of tendencies.³⁴

Source: Own Illustration.

³⁵ * One value for Germany East and West. Data source: House, et al., 2004.

Focus Analysis: Both nations show high values of power distance. However Japan is slightly less power distant, which contradicts Hofstede's data. Therefore the implications for practice focus on the high value of Japan, but ignores the delta between Germany and Japan.

Implications for business:

- Don't criticize your manager in public.
 - Try to address your doubts indirectly by the formal way of hierarchy.
 - Following orders from superior is regarded as frequent.
 - Clear acceptance of seniority.
 - More hierarchy levels by trend than in Germany.
-

Humane Orientation:

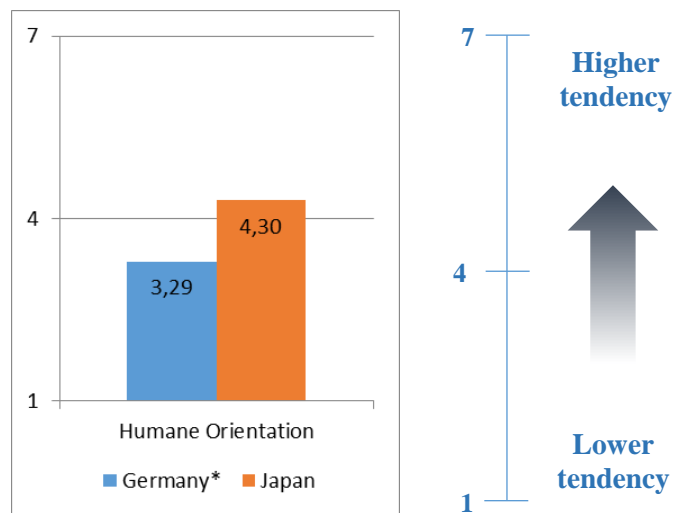


Fig. 45: Humane Orientation value of Germany compared to Japan. Value explanatory illustration of tendencies.³⁶

Source: Own Illustration.

Focus Analysis: Germany shows one of the lowest values of all nations, whereas Japan is significantly above average. The delta value with 1.01 is relatively high.

Implications for business:

- Helping others with their work might be regarded as more positive than you

³⁶ * One value for Germany East and West. Data source: House, et al., 2004.

are used to in Germany, and possibly even be rewarded by the organization.

- Altruism and friendliness are higher valued in Japan than in Germany.
-

Uncertainty Avoidance:

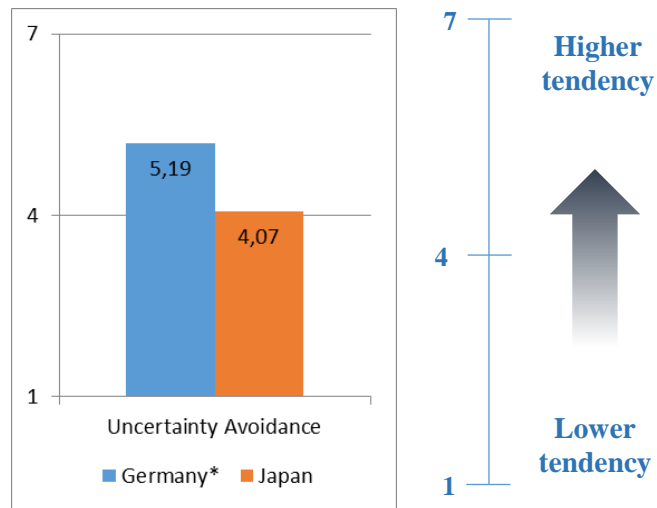


Fig. 46: Uncertainty Avoidance value of Germany compared to Japan. Value explanatory illustration of tendencies.³⁷

Source: Own Illustration.

Focus Analysis: Delta value between both nations 1.12 and relatively high.

The GLOBE data contradict Hofstede's results. Due to this conflict there is no implications for practice.

³⁷ * One value for Germany East and West. Data source: House, et al., 2004.

4.4.2 Comparison of Germany/ India

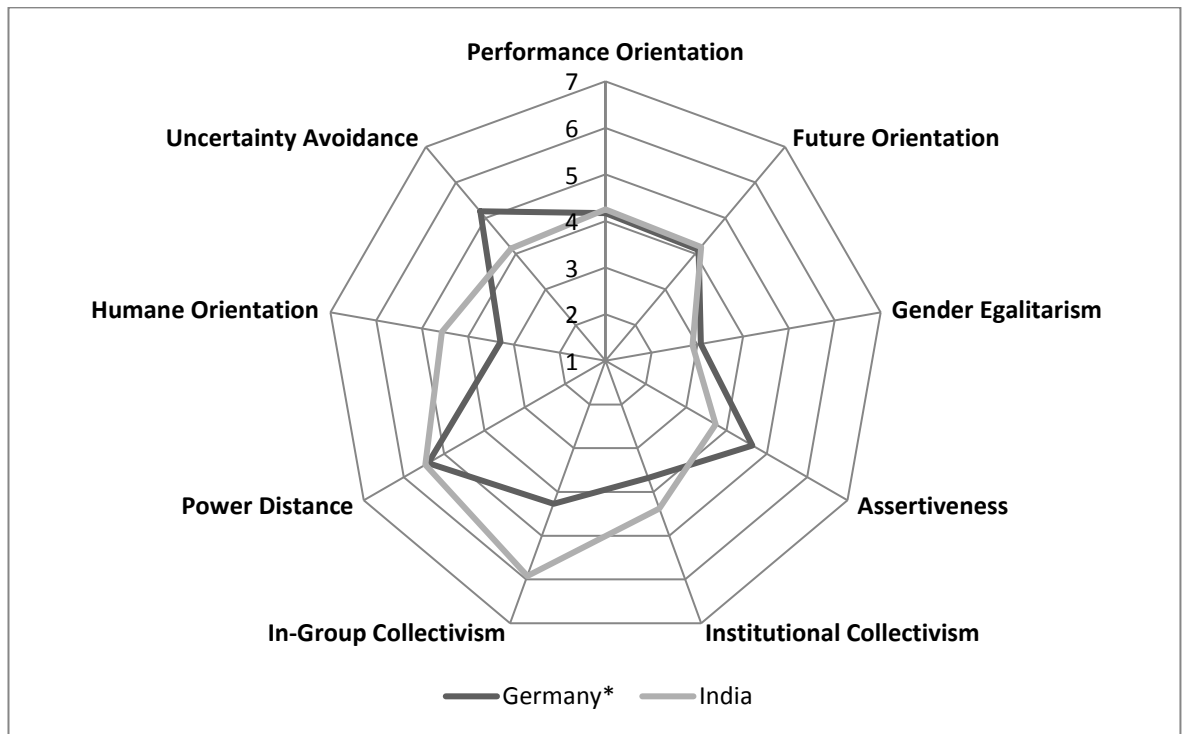


Fig. 47: Overview of the Globe study values of India compared to Germany.³⁸
Source: Own Illustration.)

Global Analysis:

The results of the comparison of India and Germany by the GLOBE model are the same as with Japan, very homogeneous in several dimensions. Performance Orientation, Future Orientation, Gender Egalitarianism and Power Distance also show similar values in the range of less than 0.2. Therefore those dimensions haven't been evaluated.

³⁸ Scale 0 – 7. Gender egalitarianism scale 7= highest feminine orientation, 1= highest masculine orientation. Data source: House, et al., 2004.

The details of the analysis and its implications for business are as follows:

Assertiveness:

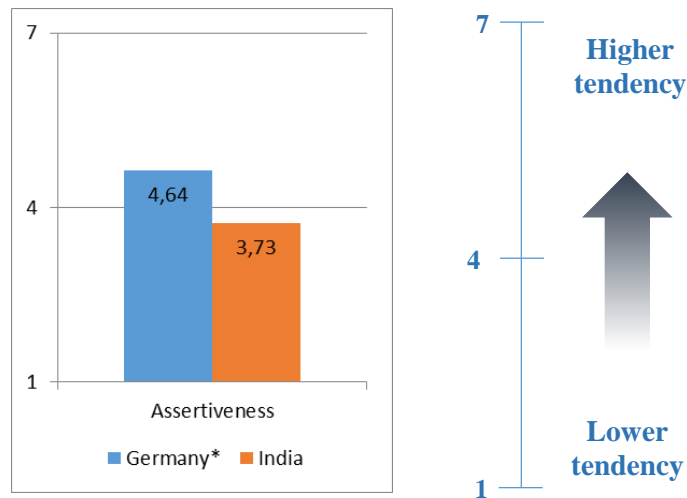


Fig. 48: Assertiveness value of Germany compared to India. Value explanatory illustration of tendencies.³⁹

Source: Own Illustration.

Focus Analysis: German value with 4.64 over average and the value for India with 3.73 under average. Thus Germans appraise values such as assertiveness and toughness more than Indians do.

Implications for business:

- Showing assertive and tough behavior in business might be regarded as negative by trend.
- Indian subordinates are likely not to show assertive behavior in business.
- Less likelihood to encounter very dominant business partners.

³⁹ One value for Germany East and West. Data source: House, et al., 2004.

Institutional Collectivism:

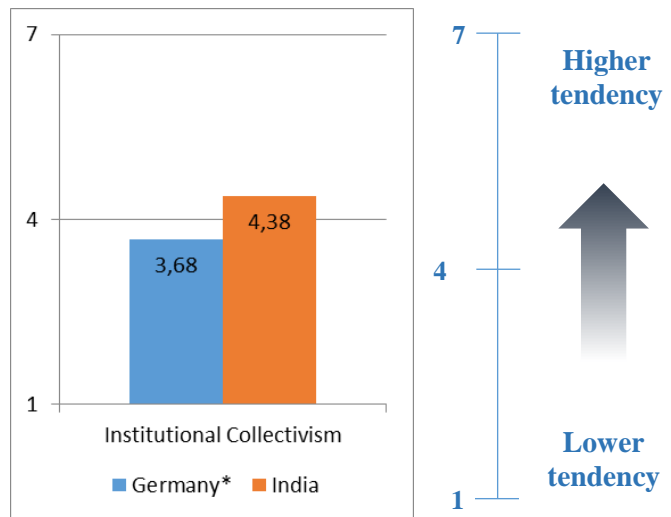


Fig. 49: Institutional Collectivism value of Germany compared to India. Value explanatory illustration of tendencies.⁴⁰

Source: Own Illustration.

Focus Analysis: Clearly higher values in India, which indicates that collectivistic behavior is fostered more by Indian institutions than in comparable German institutions and organizations.

Implications for business:

- There might be a stronger sense of teamwork than in your home country.
- High loyalty to the group and coherence within the group is shown.

⁴⁰One value for Germany East and West. Data source: House, et al., 2004.

In-Group Collectivism:

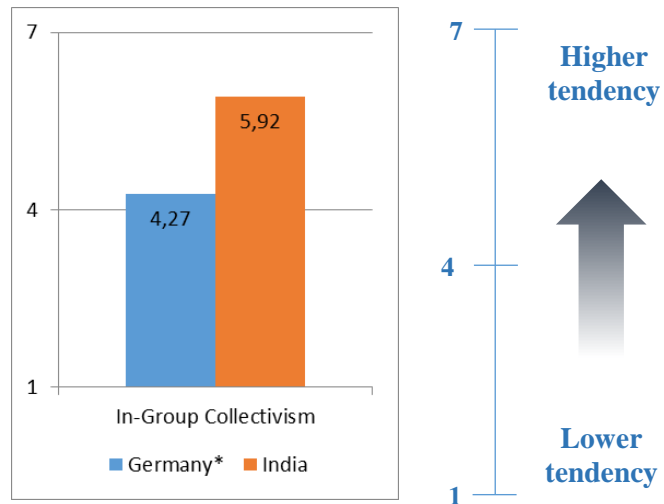


Fig. 50: In-Group Collectivism value of Germany compared to India. Value explanatory illustration of tendencies.⁴¹

Source: Own Illustration.

Focus Analysis: Both show high values of above average with a significantly higher value in India and a relatively high delta value of 1.75 between both nations.

Implications for business:

- There is a high likelihood that the group coherence of your Indian counterparts is higher.
- There is an impact on decision making processes, which usually take longer, since all parties of the process need to be involved.

⁴¹ One value for Germany East and West. Data source: House, et al., 2004.

Humane Orientation:

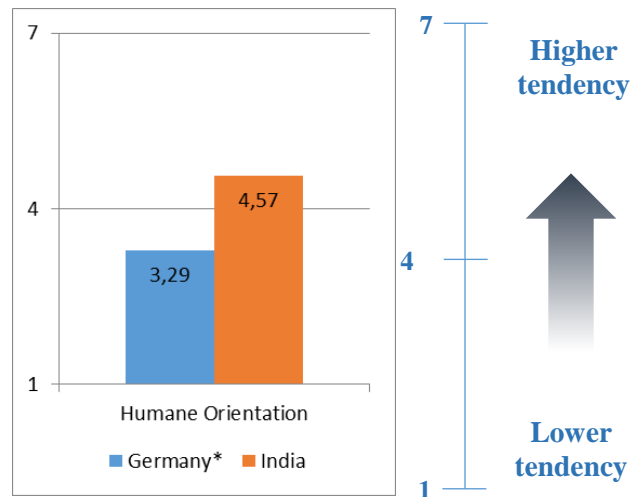


Fig. 51: Human Orientation value of Germany compared to India. Value explanatory illustration of tendencies.⁴²

Source: Own Illustration.

Focus Analysis: The value for India with 4.57 resides above average, whereas Germany is significantly below average. The delta value between both nations is relatively high with 1.28. Hence the conclusion can be drawn that India is substantially more humane oriented than Germany.

Implications for business:

- Helping others is regarded as positive in India.
- People tend to care more for you than you are used to it in Germany.
- People in India tend to be more friendly, sensible, generous and careful than you might be used to it, however be aware that your business partners still take their decisions on hard facts and seek their advantage in negotiations.
- There is a higher tolerance against mistake of employees by trend.

⁴²One value for Germany East and West. Data source: House, et al., 2004.

Uncertainty Avoidance:

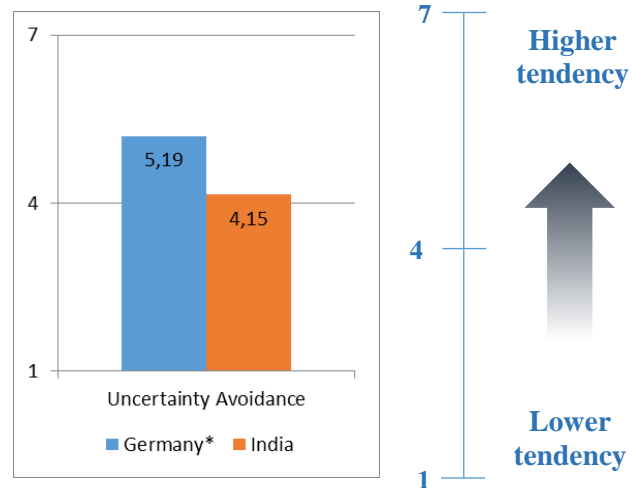


Fig. 52: Uncertainty Avoidance value of Germany compared to India. Value explanatory illustration of tendencies.⁴³

Source: Own Illustration.

Focus Analysis: India almost meets the average value, whereas Germany is significantly over average. Delta value of 1.04 is significant. Hence it can be concluded that India deals better with uncertain situations, than Germans do. There is a correlation to Hofstede's results.

Implications for business:

- There are less rules, processes and guidelines in business.
- Processes aren't exactly defined and usually less planned.
- Tendency of a higher degree of freedom in daily business.
- People are more spontaneous than in Germany by trend.
- Be prepared that fixed plans might change suddenly.
- Be prepared that when you search for certainty in business, e.g. sales Forecast figures, appointments, order entry due dates, etc. that they might change significantly.

⁴³ One value for Germany East and West. Data source: House, et al., 2004.

5. Summary

Considering intercultural aspects within the framework of international management is vital. There exist significant differences among cultures and nations. During this work we have seen the following: Firstly, those differences are measurable, and second that we can derive recommendations for managers from the measured differences for a better understanding of our international business counterparts.

In the first chapters we had a look on how cultural imprints shape our view on reality, and how the application of intercultural research can help us explaining the collective, culturally programmed, part of our personality. At the same time we understood the limits of measuring cultural differences by taking into account that not all individuals of a culture behave the same way. Nevertheless behavior can be measured and grouped by representation of a statistical normal distribution as a valid approximation of understanding cultural driven behaviors. During the course of this work we had a look at several models and concepts that quantitatively measure cultural differences.

We first approached the early pioneers Kluckhohn & Strodtbeck that laid the foundation and influenced later studies. Then we had a closer look at Hall's focus of intercultural communication, regarding his four dimensions, before we turned to the most known researcher of intercultural differences, with the largest study so far, with over 118,000 persons being polled: Geert Hofstede. He also adapted and defined a set of dimensions, i.e. measurable parameters which a culture is divided into, that has been mostly overtaken or adapted by later studies.

Then we had a look at Fons Trompenaars' model with its more practically focused work that not only measures empirically cultural differences, but also delivers interpretations and practical advices for managers. With respect to his source of data, he defined, together with Charles Hamden Turner, a set of questionnaire items that

put the respondents into dilemmas, where each culture delivers a particular solution for its reconciliation.

Finally we regarded the latest comprehensive intercultural research, the GLOBE study that methodologically eliminated many weaknesses of previous studies and expanded the scope of measurement by adding additional dimensions. Apart of providing latest data for comparison among cultures it also delivers societal values and practices that enhances our understanding when regarding only one culture.

After this overview of theoretical measurement models, the three most suitable models for practice were selected and applied to the problem that German business managers face: How should one behave among other cultures, in order to achieve the desired results in business and to take advantage of all given opportunities? The author selected India and Japan as countries to be compared to Germany. During the application of the selected models many differences of the investigated cultures were found that enabled the analysis and forming practical advices for business.

By application of this work we dispose of a complementary tool for definition of parameters of how successfully integrating and leading multinational teams, achieving the desired results in international negotiations, and determining intercultural differences at cultural due diligence checks on international M&A's, that leads to a more complete picture of possibilities and risks of those endeavors. At the same time, business models in new markets can be developed, loss of money in existing ones avoided and the effects of conflicts mitigated by a better understanding of cultural differences.

It is hoped that by application of this knowledge, international encounters among German, Indian and Japanese managers will be fruitful and enable mutual success. If this work only contributes a fraction of the displayed possibilities it can be already regarded as a full success.

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