

# The cornerstones of international collaboration

Maria Hedgren

DISSERTATION

*International Project Management*

CHALMERS UNIVERSITY OF TECHNOLOGY

NORTHUMBRIA UNIVERSITY

Göteborg, Sweden 2007

Dissertation for the degrees

MSc in International Project Management  
Teknologie magisterexamen i International Project Management

The cornerstones of international collaboration

Maria Hedgren

*International Project Management*  
CHALMERS UNIVERSITY OF TECHNOLOGY  
NORTHUMBRIA UNIVERSITY  
Göteborg, Sweden 2007

## **Acknowledgements**

This dissertation is the last assignment for the degree MSc in International Project Management. It has been a long journey; I started in fall 2004 as a part time student and now in spring 2007 I am finally done. It has been a great opportunity to learn more about project management but also to improve my skills in English. I would like to thank everyone that made it possible for me to finish this dissertation. I will start with Per Johansson, my study partner during this period. Mr Daniel Pålsson helped me to initiate the project together with my supervisor, Dr Max Rapp Ricciardi. Dr Max Rapp Ricciardi is a very skilled lecturer who got me interested in the subject during his lectures. He has also supported and guided me through my dissertation.

I would like to thank all respondents for their participation and my colleagues at ÅF, both present and former, for their help and support.

I would also like to thank my family and friends for their support and understanding during this time. A special thanks to my parents for all their help and support. Finally I would like to thank Fredrik for great help and support and for always being there for me.

Maria Hedgren

Nödinge, April 2007



# The cornerstones of international collaboration

*Maria Hedgren*

*Abstract.* This study concerns what is regarded as the cornerstones of international collaboration. These cornerstones are: understanding of cultural differences, sharing of power and the importance of trust within and between organisations. The foundation of the study is both theoretical and empirical. In the theoretical framework previous research regarding these topics are presented. The empirical part of the study consists of interviews with ten respondents, all experienced in international collaboration. All respondents work in Swedish companies but within different business areas. The aim of the study is to consider the respondents perceptions regarding aforementioned cornerstones in order to make suggestions of how it is possible to improve international collaboration. The overall finding from the study is that the respondents' experiences and perceptions correspond well with previous research presented in the theoretical framework. The respondents mention both advantages and disadvantages with international collaboration. A model of how to improve international collaboration is presented. It consists of four steps; understanding differences, using differences, bringing the group together and monitor/evaluate. The model is a synthesis between two models presented in the theoretical framework.

*Key words:* cultural understanding, power sharing, trust, international collaboration

Companies all over the world have recognised the advantages with international collaboration. By sharing resources and markets it is possible to increase the profit of the company. Usually, international collaborations work out very well and bring profit to the organisation. Unfortunately, not all international collaboration ends up as a success. There are of course several reasons; tight time schedules, lack of resources, misjudgements of market behaviour etc. However, it seems that company management do not consider personal interaction as an important issue to deal with in international collaboration. When strategic decisions are made about moving resources it is often forgotten that these decisions will have a great impact on a lot of people. The transposition from working in national teams to being part of a multicultural team at international level takes time that most collaboration does not have. This study is aiming to find the perception of what is making international collaboration successful or not from a personal interaction view.



## Table of contents

<i>Acknowledgements</i>	<i>i</i>
<i>Theoretical framework</i>	<i>1</i>
Strategic alliances	1
Culture	3
Power	11
Trust	16
The etiquette of an alliance	18
<i>Purpose</i>	<i>19</i>
<i>Method</i>	<i>20</i>
Participants	20
Design	20
Research Instruments	20
Procedure	21
Delimitation of the study	21
<i>Results</i>	<i>22</i>
International alliances	22
Culture	25
Power	29
Trust	32
Summary	33
<i>Discussion</i>	<i>34</i>
International alliances	34
Culture	34
Power	38
Trust	38
Summary	39
<i>Conclusions</i>	<i>40</i>
Perception among respondents vs. previous research	40
Important measures to improve international collaboration	40
A possible model to improve international collaboration	40
Strengths and weaknesses of the present study	41
Future research	42
<i>Appendix I – Interview guide</i>	<i>47</i>





## Theoretical framework

The intention with this chapter is to provide the theoretical background for this research project. Since the study is concentrated on the interaction between individuals, there are complex connections between the different topics. The topics that will be discussed are: strategic alliances, culture, power and trust. Each topic will be brought up together with different aspects of how they are connected.

Stiles (1995) reports three different issues recognised as the “etiquette” of an alliance:

- Appreciation of cultural differences
- Sharing of power
- Significance of trust

At the end of this chapter, the reader will be well informed about the mechanisms behind the “etiquette” of an alliance.

### *Strategic alliances*

A strategic alliance consists of two or more parties working towards agreed goals or to meet critical business need. During the process, the involved organisations stay independent. The resources partners can provide to the alliance could be products, distribution channels, manufacturing capability, project funding, knowledge or expertise (Wikipedia, 2007). When working together it is possible for individual units to share limited resources and to mitigate duplication of services in order to obtain a vision that would not have been possible if all units worked independently (Gajda, 2003).

### Phases of strategic alliance development

In the literature, it is agreed that the initial phase of the development of strategic alliances contains the creation of a clear and strategic vision for the alliance, to find a suitable partner and to settle an agreement, usually a contract, for the alliance (Lorange & Roos, 1993; Stiles, 1994; Das & Teng, 1997). Stiles (1994) claim that when establishing a vision for the future it is not only the broad benefits that shall be looked at but also the potential to create value for the company. These aspects of value that needs to be discussed are: access to new markets, acquisition of technologies and skills, achievement of economies, spreading risks and to reduce competition. What is most important is that each partner understands which values partners agreed and committed to and which factors that influence those. Das & Teng (1997, p.451 ff) are concerned with the high failure rate of strategic alliances and thinks that the first important step is to find out whether an alliance is most suitable for the organisation or not. Examples of other alternatives are: vertical and horizontal integration and market-based transactions. Strategic alliances are complex to manage and should be avoided unless partial integration of two organisations is considerably beneficial.

When searching for the right partner, there are certain factors that should be considered since the characteristics will affect the sustainability of the alliance. The presumptive partners should complement each other and have well-matched objectives. (Stiles, 1994; Das & Teng, 1997). A certain amount of trust is also important according to Das & Teng (1997). Stiles (1994) mentions factors that should be considered as: size and style,

style/speed of decision making, conflict resolution process, symmetry of knowledge, management attitudes and restrictions and cultural understanding. It is the form of the alliance that decides which of these factors that will play a role. Das & Teng (1997) discuss market shares and point out that what is important is that the two organisations match, not that the partner has a big market share. As long as the organisations match, there is nothing wrong to choose a partner with a weak market position.

When the choice of partner(s) is made, it is time to negotiate the agreement. It has to be decided if the alliance is going to be an equity or a nonequity alliance. An equity alliance is built on legal principles while a nonequity alliance is built on a separate contract. Das & Teng (1997) presents guidelines for this choice: An equity alliance should be preferred if the need for internal stability is bigger than the need to control uncertainties in the competitive surroundings. Examples of attributes for internal stability are interfirm trust, aligned interests and acceptable collaboration. When discussing the content of the contract, there are different issues to consider. For an equity alliance, exit clauses are important while lawsuit provisions and comprehensive observation procedures are important in nonequity alliances.

Next phase in the strategic alliance development can be referred to as the implementation phase (Lorange & Roos, 1993). During the implementation phase the alliance is established as a productive unit. The right personnel are engaged and operations initiated (Lorange & Roos, 1993; Das & Teng, 1997). Das & Teng (1997) also stresses the importance of trying to make the personnel stay for a long term and to manage cultural diversity in the group. Stiles (1994) stresses that planning is essential for a successful alliance partnership. The commercial needs should be planned, the practical issues should be planned, negotiations need to be planned, investments should be planned etc. If well planned the potential success of the alliance is more likely.

According to Lorange & Roos (1993) the last of the three phases is the evolution of the alliance. It includes the further development of the alliance. Stiles (1994) argue that because of the phases that the alliance undergoes, it has to be reviewed constantly. Das & Teng (1997) includes evaluation of alliance performance in the final phase and claims that the measures to use when evaluating alliance performance should include market and financial indicators but also input measures as well as the state of the alliance. The importance of common or private benefits for the partners is dependent on the type of alliance. All partners want to be treated fair which also makes equity an important measure. Finally Das & Teng's (1997) last comment is how to modify the alliance for sustainability. Their recommendation is to start somewhere between long- and short-term orientation so that modifications will be as small as possible in the beginning.

There are a lot of individuals involved in the development of a strategic alliance. How is it possible to manage these individuals with different backgrounds through the different phases? A deeper understanding of the different aspects of culture will be necessary. Next section will deal with the relevant aspects of culture.

## *Culture*

When you meet people from other countries, sooner or later they will act in a way that you do not understand. When people don't understand each other, it becomes more difficult to cooperate. A common prejudice is that it is a religious matter; they behave strange because they confess in another religion. Why is it so hard to understand each other when we have different backgrounds? These issues are related to national culture, Hofstede (1997 p.4) refer to this as "The software of the mind". He compares our patterns of behaviour, a lot of them learned in early childhood, with the way a computer is programmed and calls them "mental programs". The obvious difference is that a person can diverge from the mental programme and act in new ways (Hofstede, 1997). By understanding that people have different mental programmes and what they are based on, it is possible to understand the reactions of a person from another culture. There are also different layers of culture, where the outer layer is seen as the most explicit and the inner layer as the hardest to change. Layers of culture will be explained in the next chapter.

Hofstede (1997, p.5) explains that it is common in the Western languages to define culture as "civilisation" or "refinement of the mind" meaning education, art and literature. In his research he has included a wider range of activities. These activities include everything a person do every day in ordinary life. Examples are how you greet people, how you eat, the way feelings are shown or not shown etc. This broader definition will be the one used in this report. Hoecklin (1995, p.76) explains what culture is:

- *A shared system of meanings* – Culture is a guide for how the world is perceived, how the self is experienced and how life is organised
- *Relative* – People in different cultures have different perceptions about the world
- *Learned* – It is derived from your social environment
- *About groups* – Culture should be viewed as a collective phenomenon that is based on shared values and meanings

It is important to point out that culture is learned and not inherited; the source is the person's environment not the person's genes (Hofstede, 1997, p.5 & Hoecklin, 1995, p.77). Hoecklin (1995) also stresses that culture is not about right or wrong or about individual behaviour. Within each national culture, there are big variations in individual values and behaviour.

Relationships that are built upon appreciation and acceptance of both national and corporate culture differences can be the corner stone for a long lasting partnership (Stiles, 1995).

### Layers of culture

In the literature, there are several suggestions about how the layers of culture look like. In table 1, a comparison between three sources is made.

	<b>Hofstede</b>	<b>Trompenaars &amp; Hampden-Turner</b>	<b>Schein</b>
Core layer	Values	Basic assumptions	Underlying assumptions
Middle layer	Rituals	Norms and values	Espoused beliefs and values
Outer layer	Heroes/symbols	Artefacts and products	Artefacts

Table 1. Comparison of the perception regarding the layers of culture among three different researchers.

#### *The outer layer*

All three authors agree that the most explicit of the layers is the outer. They also agree on its content; Language, gestures, products, how to dress and how to cut your hair etc. Hofstede (1997) describes an extra layer called “heroes” which describes persons, alive or dead, that is important in a culture. The other authors do not mention this at all. My suggestion is that they perceive that heroes are included in the outer layer.

#### *The middle layer*

How to greet and respect others as well as social and religious ceremonies are included in Hofstede’s “rituals”, Trompenaars & Hampden Turner’s and Schein’s “norms”. All authors except for Hofstede also include “values” in the middle layer. Values are explained as how to define good and bad while norms are explained as the definition of right or wrong (Trompenaars & Hampden-Turner, 1997). McLaren (1998, p.53) describes three aspects of culture that influence the values of an individual more than others; world view, religion and ethnocentrism.

#### *The core layer*

Hofstede puts “values” in the core layer with the same definition as the other authors (see above). The other authors describe yet another dimension; basic or underlying assumptions. They are described as the things you count on but don’t think about. One example is breathing, what if you had to think about breathing in and out all day. Another is that we are all equal (Trompenaars & Hampden-Turner, 1997).

### Organisational culture

Schein (2004) compares a wide range of definitions of organisational culture in order to create his own definition:

*“A pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has 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”.*

Organisational culture and leadership are strongly linked together. When a leader start to build a new group or organisation, organisational culture is also created. In a well-functional culture criteria for leadership is set, but when parts within the culture is dysfunctional the leader must recognise this and manage changes in a way for the group

to survive in a changing environment. If the leader does not recognise what is not working well, the leader will be overrun by the culture of the organisation (Schein, 2004).

#### The value dimensions of culture

Two American scientists, Inkeles & Levinson made a study where they tried to find out how to analyse issues of modal personality in order to describe modal personality empirically. They found three different issues that are common to all societies and which can be used for comparison in cultural studies (Inkeles & Levinson, 1969). Hofstede (1997) used these areas predicted in Inkeles and Levinson's study in his own research.

#### *Relation to authority*

Hofstede (1997, p.24) refer to this as power distance. Power distance describes the relationship between subordinates and leaders. High power distance means that the subordinate are dependent on the leader and do not want to disagree with him/her. In low power distance countries, the subordinate is not dependent on the leader and a disagreement is often seen as something constructive (Hofstede, 1997, p.28). In his research, Hofstede shows that it is possible to apply this thinking into other situations as well. E.g. large power distance within the family and at school means that children should treat parents/teachers with respect and that parents/teachers teach children to obey. Small power distance means that all parties treat each other as equals (Hofstede, 1997, p.37). In situations with high power distance in the workplace, bosses and subordinates treat each other as existentially unequal. The power in the organisation is centralised as much as possible and employees are supposed to do what they are told to. The level of income varies widely between the top and the bottom in an organisation. These phenomena are opposite in a workplace where small power distance occurs (Hofstede, 1997, p. 36).

#### *Conception of self*

- a. Relationship between the individual and society. Hofstede (1997, p.50 ff) and McLaren (1998, p.20 ff) refers to this as collectivism and individualism.

Collectivism: Individuals are strongly related to others in a group where they are protected as long as they show loyalty to the group. Your identity is based on the group you belong to and you are learned to think in terms of "we" and make decisions based on what is in the interest of the group (Hofstede, 1997; McLaren, 1998). If norms are violated, it leads to shame and loss of face for the individual and the whole group. Students are not expected to speak up in class (Hofstede, 1997). The group is a life-long "commitment" and because of that, harmony in the group must be kept and confrontation is avoided at all costs. Practical examples from a collectivist society are: Arranging jobs for family members, to pay education of family members (even siblings) and caring for elderly parents. If a student from a collectivist society studies in an individualist society, the student would send the funding he/she is supposed to live on home to the parents (McLaren, 1998). Business in collectivist societies are characterised by personal relationships which often are built by exchanging gifts and dining together. Business and private life partly cover each other. The good of the organisation (the group), not individual recognition is what matters. Senior persons are the only ones with

authority to settle deals but this authority is seldom visible. The decision always comes from the group (McLaren, 1998).

**Individualism:** The bonds between individuals are loose. You are expected to look after yourself and your immediate family. Identity is based on the individual and you are learned to think in terms of “I” and base your decisions on what is best for you (Hofstede, 1997; McLaren 1998). If the individual moves out of the norms of the society, it leads to guilt and loss of self esteem. Students are encouraged to speak up in class (Hofstede, 1997). In the individualist society, confrontation is expected and seen as a way to sort things out. Individuals belong to networks or groups but because of their own will and it is possible to leave if wanted. Business in an individualist society is clearly separated from private life. Honesty and openness are keywords for business. Individual achievements are rewarded, often in public (McLaren, 1998).

- b. How the individual conceive masculinity and femininity. This is called masculinity and femininity by Hofstede (1997, p.80 ff)

#### *Femininity versus masculinity*

Hofstede uses the terms femininity and masculinity to describe relative roles in the society. It is important to point out that the terms are relative and not absolute. They describe ways of acting and not the gender of the person acting in a certain way (Hofstede, 1997). McLaren (1998, p. 26 ff) criticises Hofstede’s research in this area meaning that it is based on a quantitative study performed too long ago (1980), the situation in many countries has changed since then. Further, McLaren claims that the selection of countries, regions and individuals is not representative in this matter but that Hofstede’s research anyway can be a good starting point for discussions in the area.

**Femininity:** Societies that where gender roles are not distinct, both males and females are expected to be humble, gentle and concerned with the quality of life. Central values are caring about each other and preservation. In family life, both parents handle facts and feelings. All children are allowed to cry but should not fight. In school, the norm for students is to be at average and failing is not a big issue. Both genders study the same subjects and appreciate when teachers act as friends. Conflicts are solved through compromising and negotiating (Hofstede, 1997).

**Masculinity:** Societies where gender roles are distinct, males are expected to be confident, harsh and focused on material success and females are expected to be humble, gentle and concerned with the quality of life. Central values are material success and improvement. In family life, the father deals with facts and the mother with feelings. Girls are allowed to cry but should not fight while boys are not allowed to cry but should fight if they are attacked. In school, the norm for students is to be the best and failing is a disaster. Boys and girl study different subjects and appreciate brilliance in teachers. Conflicts are solved by fighting them out (Hofstede, 1997).

#### *How to deal with conflicts*

The term uncertainty avoidance is used for this issue by Hofstede (1997, p.110 ff). The term describes the relationship between individuals and uncertain or unfamiliar situations. High uncertainty avoidance creates a demand for predictability, written and unwritten rules are important to avoid anxiety. Aggression and emotions are allowed at

proper time and place (gesturing with the hands is common). The rules for children about what is allowed and what is not are strict. Teaching in school should be structured and the teacher is expected to have answers to everything. There is an emotional need for rules (even if they will never work) and also to be busy (working hard) and always on time.

In countries with low uncertainty avoidance uncertainty is perceived as a part of everyday life. Feelings should not be spoken out. The rules for children about what they are allowed to do are relaxed. Teaching situations with no clear goal is accepted and discussions are welcomed. Teachers are allowed to say "I don't know". Perception of rules is that there should not be more than necessary, obligation to work hard only when necessary. To be on time is something that has to be learned.

#### *Long and short-term orientation*

A dimension Inkeles and Levinson did not recognise is the long and short-term orientation. In his early research, Hofstede (1997, p.159 ff) did not recognise this dimension either, it was added to his research in 1991. For which reason has this dimension been undiscovered for so long? Probably because of the questionnaires Hofstede based his research on were made by western minds which usually do not find the element of this dimension important.

Short-term orientated societies are concerned with:

- Respect for traditions
- Keeping up with social and status obligations regardless of cost
- The quote for saving is small, little money to invest
- Fast results expected
- Concerns with "face" and possessing the truth.

Long-term orientated societies are concerned with:

- Alteration of tradition into a modern context
- Limited respect of social and status obligations, thrift (sparing of resources)
- The quote for saving is big, a lot of money to invest
- Perseverance towards slow results
- Willingness to subordinate for good reasons, respect for demands of virtue

In today's world with a growing population with limited resources and of course the wish for economic growth, shifting from short-term orientation to long-term orientation is desired.

#### *Long-term orientation:*

The five countries that scores highest in the ranking of long-time orientation is China, Hong Kong, Taiwan, Japan and South Korea, Singapore is number nine on the list. These countries (apart from China) are called the five dragons because of their rapid economic growth in the latter part of the 20<sup>th</sup> century. Hofstede shows that the ranking on the long-term orientation list is strongly correlated to the economic growth data for the period 1965-1987.

### Critique against Hofstede's theories

Trompenaars & Hampden-Turner (1997, p.149 ff.) gives critique to Hofstede's research in organisations and culture. Since Hofstede's work is extensively used by others in the area it could be interesting to look from another angle. It is also important to have in mind that the critique is an answer to prior critique from Hofstede regarding Trompenaars' work. The critique can be summarised in four headlines:

1. Are cultural categories linear and exclusive?

Hofstede uses categories of A and non-A. If you are a collectivist you can not be an individualist. The truth is often somewhere in between. Trompenaars and Hampden-Turner see culture as circular with overlapping arcs instead of linear that they states Hofstede do.

2. Can culture be best expressed in mathematical language?

Hofstede uses statistic correlations in his research which you can not discard but it is important to remember that meanings in culture always depend on the context.

3. Is Hofstede's approach more empirical than Trompenaar and Hampden-Turner's?

The source of Hofstede's data is a personnel questionnaire used within IBM offices around the world and may not be representative since IBM is known to force HR policies created in the US to their offices throughout the world. This is a direct answer to the accusation that Trompenaar's data is not empirical.

4. Are there pointers to successful business practice?

Hofstede has managed to categorise national culture according to his dimensions but what does it actually mean? Both high power distance cultures like Japan and low power distance cultures like the US can succeed in business. The same goes for feminine Scandinavia and masculine Japan.

### Managing cultural diversities

DiStefano & Maznevski (2000) present findings in their research about diverse teams. They found out that a global team will fit into one of following three patterns of behaviour; destroying, equalising and creating.

#### *The destroyers*

This kind of team is not a good team, instead of creating value, they destroy it. Members distrust other members, guarding of information from others is usual and all possibilities to attack other members is used. The energy used for all negative activities can be used in effective work instead. In this kind of team, decisions about the team are made by the manager or formal leader without consultation with the team members.

#### *The equalisers*

This kind of team has worked together for a while and perceives that they are handling diversity *very* well. However, this perception is not shared with the managers of the team. They think that the team suppress diversity and merge everything into smooth processes. Differences in ideas and perspective are not presented which makes the team mediocre.



### *The creators*

This kind of team performs at high levels, even above their own expectations. Differences are recognised and used in the teams processes. Specific team members are not better than in the other teams but the creation of synergy has its base in the interaction processes of the team, how they understand, incorporate and leverage their differences.

### *Creating value in diverse teams*

DiStefano & Maznevski (2000) explains that a creator team works according to the MBI approach. It consists of three principles: Map, Bridge and Integrate. If these principles are presented to a destroyer or an equaliser team discussed above, by following these principles they can improve and even become a creator team themselves.

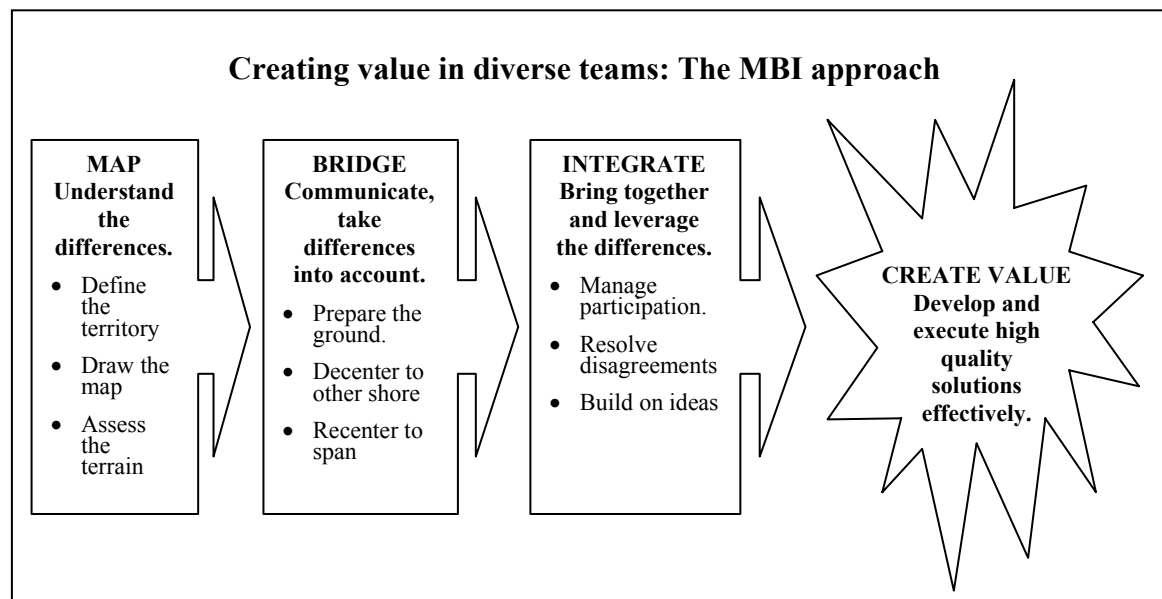


Figure 1. The MBI approach (DiStefano & Maznevski, 2000, p. 249)

The mapping principle involves three steps: The selection of characteristics to map (define the territory), describing characteristics of members (draw the map) and identify their impact (assess the terrain). In order to define territory it is important to find out what differences that will make a difference in both positive and negative ways. When drawing the map, every team members' characteristics should be considered according to the differences agreed on. This is not easy and if success or failure represents high stakes it is wise to use professional help in this step. When the map is drawn, it should be used as a help to understand prior events and identify future dynamics. It is ideal to start mapping from day one but it is often used for dysfunctional teams. They use the map to understand what have been wrong and to create a new foundation for the team.

Bridging or communicating and taking differences into account are the next stage of the MBI approach. It is all about delivering and receiving information with the same meaning as intended, avoiding miscommunication. Bridging also consist of three steps: prepare, decenter and recenter. When preparing the base for effective communication, there are two important attitudes in order to succeed: Motivation to be more effective in communication and integrating together with the confidence to overcome difficulties.

Every team handles these attitudes different but motivation and confidence should always be related to the team's task. Decentering means that team members should leave their personal way of operating and learn how the other team members operate. Recenter is when team members go back to their own way of operating but with a very different way of communicating than before, team member have reconnected.

Integrating is the last stage in the MBI-approach. In this stage, the understanding and communicating from the other stages are converted into productive results. This stage also consists of three steps: managing participation, resolving disagreements and building on ideas. It is not possible to succeed with this if you do not have performed good mapping and bridging before. In a cultural diverse team it is not easy to get all members to participate in dialogues and discussions which lead to that no ideas emerge from those that do not participate. It is not about teaching every team member to speak up; it is about how the team manages to offer different ways of communicating ideas. Disagreements are a natural step when different people present different ideas. In order to deliver or even improve the ideas of the team, disagreements need to be solved. The last step before ideas are delivered from the team is to improve them. It is helpful to see individual ideas as the starting point for a discussion and forget the idea about idea ownership.

#### *Areas of focus*

Cox & Blake (1991) addresses six areas where managing cultural diversity can create a competitive advantage; cost, attraction of human resources, marketing, creativity, problem-solving and organisational flexibility. When organisations become more diverse, money will be lost if teams are not well integrated. If managing this, cost advantages over others who do not will be created. The ability to attract human resources is very important. If the company has a reputation for managing diversity well are attractive to employees. This will become more important in the future when the amount and the composition of workers in companies will change. In marketing activities it is important to know your buyers which suggests that a multi-cultural team can manage to attract a bigger market because they know which approach that are most suitable. Creativity is improved by having different perspectives and the fact that individuals in multi-national teams are not very hung-up with norms from the past. The same discussion is valid for problem solving which leads to a more systematic and critical analysis of issues. Flexibility is created when stiffness are removed from an organisation. That is what happens when managing cultural diversity, the system becomes less standardised and determined and more fluid instead.

#### *Transformation of the organisation*

Cox & Blake (1991) describes the characteristics of a multicultural organisation and how to achieve that. The specific characteristics for a multicultural organisation are:

- Pluralism: all cultural groups respect, value and learn from each other
- Full structural integration
- Full integration in informal networks
- No prejudices and discrimination
- All members of the organisation should be able to identify with organisational goals and to transform them to personal career goals
- Mitigation of conflicts based on roots

Cox & Blake (1991) presents five core components in order to transform an organisation into a multicultural organisation:

#### *Leadership*

Support and dedication from top management is critical but not sufficient in cultural diversity organisations. There is also a need for “champions” for diversity that can take strong personal stands for implementing change.

#### *Training*

Training in awareness and skill-building are two types of training available today. Training in awareness focus on creating an understanding of the need and meaning with cultural diversity management. It also provides an extended self awareness on cultural diversity.

#### *Research*

Research of how to manage diversity in the organisation is important. The MBI approach mentioned above can be useful for this purpose.

#### *Culture and management systems audit*

Analysis of organisational culture and human resource processes are also crucial. The aim is to discover sources of unfairness and identify if and how the organisational culture put members at a disadvantage.

#### *Follow up*

The last step is to monitor change, evaluate results and make the changes a part of the on-going processes in the organisation.

#### *Power*

Power is interesting to discuss since the perception of power varies between different cultures. The perception is different when it comes to who is allowed to have it, why someone is allowed to have it, how it shows that someone has it etc.

The concept of social power can be defined as the resources one individual has together with the ability to use these resources in order to make another individual do something that he or she should not have done otherwise (Raven, 1998 & Pfeffer, 1992). Further on, Raven (1998) points out that it is a difference between having the ability to use power and to actually use it which implies that compliance depends not only on power used by a manager but also on the power the manager is assumed having.

When speaking of the sharing of power, Stiles (1995) claims that it is not necessary that the major shareholder holds the real power and influence, in fact it could as well be the smaller shareholder. It is important to remember that all parties, regardless of size, are recognised for their added value to the partnership. In a recent study, Muthusamy & White (2006), argue that there is a strong relationship between power sharing and the perception of alliance performance, especially in international alliances. They also claim that trust between organisations is affected by industry insecurity and cultural

differences and, in that case, power sharing can be used as relational norm of alliance control.

Hingley (2005) represent a contradicting view and states that the view presented in the literature are that it is necessary with symmetry and mutuality in strategic alliances. Bretherton & Carswell (2002) cited in Hingley (2005) states that symmetric relations are more stable than asymmetric ones. It is important to recognise that imbalance in power can be tolerated by, for instance, a very small organisation when dealing with a very large organisation which implies that asymmetric relations does not have to be shorter lasting (Hingley, 2005).

#### Formal power

Peiró & Meliá (2003) explains that formal power within organisations is related to hierarchy. Since a hierarchy is a socially shared structure where decision making at one level is dependent on the decision making in the higher levels, the same applies for formal power. The sharing of formal power is unequal between different levels. Superiors apply formal power on their subordinates, the opposite direction does not occur. It is therefore expected that an individual with higher ranking will apply more power to a subordinate than other colleagues. Formal power is asymmetrical, if individual A has formal power over B, then individual B has no formal power over individual A.

#### Informal power

The base for informal power is positive interpersonal relationships and does not depend on hierarchy. Informal power can be applied in all directions. It is, however, relevant to remember that formal structure affect interpersonal relationships. Informal power is reciprocal, individual A will have informal power over B when individual A identifies the ability of individual B to influence him/her (Peiró & Meliá, 2003).

#### French and Raven's six types of power

Collins & Raven (1969 p.166 ff) presents six types of power that is based on the work of French & Raven (1959) and Raven (1965). He states that structures of power influence group behaviour not only because of the structure but also because of the type of the power relation.

1. Informational power is socially independent of the source and is characterised as the ability to present persuasive material or logic (Raven et al, 1998).
2. Coercive power is when the target thinks that the agent will punish him/her if compliance is not shown. It can be both personal (disapproval, hate, disliking etc.) and impersonal (fines, dismissal, electric shocks etc.)
3. Reward power is when the target thinks that the agent will reward him/her if compliance is shown. Even reward power can be personal (approval, love, liking etc) and impersonal (promotion, bigger office, new material etc.) For both coercive and reward power, the agent must observe if compliance has occurred before action is taken if targets should be influenced.
4. Referent power is based on the fact that the target identifies with the agent and wants to maintain similarity with the agent.
5. Expert power influences the target in the way that he/she listens to agent because of the superior knowledge or ability.

6. Legitimate power is based on the targets acceptance of a relation where the agent is allowed or required to prescribe behaviours for the target.

In 1998 Raven et al reworked the six types of power and extended the list to eleven types of power. Legitimate power were split in four; reciprocity, equity, position and dependence. As already mentioned, coercive power and reward power were divided into personal and impersonal types.

It is not very probable that these types of power appear separate without any interaction of the other types. They often appear together in different combinations and the agent can often choose which type of power he/she will use (Collins & Raven, 1969). Collins & Raven (1969) uses an example of what a doctor can do to illustrate this.

- A doctor can use his legitimate power and insist that the patient must obey his doctor.
- A doctor can try to “speak the patients language” in order to establish a friendly relation which makes it possible to use referent power.
- A doctor can use expert power by stating that with all his/her education and diplomas he/she is the one who knows best.
- The doctor can use approval and disapproval as personal reward power or personal coercion power.
- The doctor can use informational power and explain carefully the nature of the disease and the reasons for the chosen treatment.

It is hard to know which approach that is best in different situations but it is important to know which type of power that is in your reach. If trying to influence with a power you are not entitled to, it will make later attempts less affective (Collins & Raven, 1969). Moving back to the example; it is not possible for the doctor to use expert power if the patient is another doctor with similar skills. Bass (1990, p. 257) claims that even if the authority system of an organisation states that general managers have more power than their subordinates, their expertise can make them more powerful than their managers.

#### Power in different cultures

Pfeffer (1992, p.64 ff) discusses the importance to recognise that power appears different in different cultures. The indicators of power used in one culture can not be applied or interpreted to all cultures without question. In the United States, power and salary are closely linked to the status and competence one individual has while in Japan, power and salary are based on other criteria. Salary is based on age, time of employment and the specific task of the individual where the specific task plays a small role. Power is in both cases based on the individual's expertise and hence, a person in a Japanese organisation with a higher rank but with less power and expertise will receive a higher salary than a younger person with higher competence and more power. This is a result of the importance of equality in Japanese organisations. Pfeffer (1992) also points out that the need of multiple indicators as well as the understanding of societal and organisational cultural distinctions around status and power is important when dealing with cross-cultural differences.

### Sources of power

According to Pfeffer (1992, p.69 ff) the origin of power is to be in the “right” place. The definition of such a place is:

- a) A place where you have control over important resources (budgets, physical resources) and where you can gain allies and supporters.
- b) A place where you have control over the information flow about what is happening in the organisation.
- c) A place where you have formal authority. Being at the right place has much to do with which organisational subunit you belong to.

A big issue in this context is whether the most critical source of power is individual characteristics or location in the organisation. Pfeffer (1992) argues that individual attributes are important but that being in the right place is more essential.

### *Individual attributes as sources of power*

Pfeffer (1992, p. 72 ff) states that it is common to think that personal characteristics is a greater source of power than it really is when in fact those characteristics in most cases are the consequences of power. For example, do I have power because I am extrovert or am I extrovert because I have power? This can lead to problems when individuals try to gain those characteristics in order to be powerful but the result is that they seem to act as if they have more power than they have. This can lead to loss of support among peers and ineffectiveness when the same behaviour is appropriate and effective for an individual with power. Another problem that can arise when analysing individual characteristics as sources of power is that we do not see that success or failure of an individual also depends on external factors as well as individual attributes. Bass (1990, p. 228) explains that a person with personal power can punish others by acting cold, formal and businesslike. That kind of punishment will be worse for the person that values and esteems the person with power since we want to be valued and esteemed back.

The following attributes are mentioned as personal sources of power (Pfeffer, 1992)

- Energy and physical strength
- Focus
- Sensitivity to others
- Getting along with others (immerse your ego)
- Flexibility
- Ability to tolerate conflict

These are not the only possible source of power in organisations but it is reasonable that attributes that are linked to the ability to gain allies and supporters (sensitivity, flexibility, getting along) are important sources of power together with the ones that are related to succeed in competition (focus, energy and physical strength and the ability to tolerate conflict).

### *Structural sources of power*

When it comes to the structural sources of power, Pfeffer (1992, p.72 ff) claims that power comes from control over resources, which the subordinates do not have (see above), the bonds you have tied to others with power and the formal authority that

comes with your position in the hierarchy. According to Bass (1990, p. 228) norm, tradition, rules and regulation gives power to the person who has the right position. Power over decisions is not only about where a person is placed in the hierarchy, it is also about their assigned area; technical executives have more power over technical decisions and marketing executives have more power over decisions regarding marketing.

#### Differences in power

Bass (1990, p.252 ff) describes issues regarding differences in power. When there are big differences in power, the type of leadership will probably be more direct and the use of coercive power more common. When differences in power are small, the leadership style will probably be more participative. This can be compared to elitism and populism within groups. Elitism in a group implies that the leader(s) are elected; having all the power and the followers does nothing to change that. Populism in a group is different; power is shared between the leader(s) and the group members, decision making is shared inside the group. The formation of coalitions occurs in groups and is dependent on the distribution of power. Caplow (1956) cited in Bass (1990) present different types of coalitions which are used to increase influence higher up in the organisation.

1. If power is distributed equal, all possible coalitions can be formed.
2. If two equal members are stronger than the third, they will form a coalition opposite to the third member.
3. If one member is weaker than two other, equal members, a coalition will be made with one of them.
4. If one member is stronger than the other two together, no coalition will occur.

#### Power of the group

Bass (1990, p. 260 ff) explains how power works in groups. By sharing power among all members in the group it is not obvious that initiative and freedom for members increase. Powerful groups can restrain and influence group members more than one individual leader power is able to. In order to increase power sharing in the process of decision making and to increase the influence of the group decision on the individual members, group discussions is an approach to use. The differences in output from group members will decrease when the group's influence over members increase.

#### Power sharing

Bass (1990, p. 271 ff) describes the sharing of power at the work-group level. Persons in leading positions have a better ability to comply with changes and stress than subordinates. They often have more information that enables them to make prediction about the impact of the changes. Subordinates often lack this information and hence, rumours, imagination and speculation are used as prediction tools which lead to inaccurate judgements about the future. If subordinates are included in planning they will have access to more information and also be more positive to changes regarding their work. The result when changing the distribution of power is the sharing of planning and control which leads to a positive effect on the dedication, understanding, satisfaction and productivity among the group members. The structure is not changed but it rests on a design that group members have contributed to instead of differences in power.

### *Trust*

Trust in relationships is often taken for granted which makes it important to understand the mechanisms behind it. Since trust is a corner stone in most relationships it is also important to understand the different types of trust and how it is affected in organisations.

Humphrey (1998, p. 216) has identified two core elements regarding trust among the many available definitions: First, the acceptance of risk from the action of others and second, the expectation that the partner will not take advantage of the possibilities that arises by this acceptance. Child (1998, p.243) states that trust is a risky business by definition since without any uncertainty of the outcome of the relation trust would not be necessary.

Child (1998, p.244 ff) presents three perspectives on the basis of trust; calculative, cognitive and normative trust. Trust built on calculation applies particularly to new relationships that only can proceed with the knowledge that insurances and laws protect you or by the reputation of the partner. This is possibly the only form of trust that can be applied in impersonal economic exchange but can possibly develop if the personal contact is extended. Calculative trust is very important during the formation phase of an international strategic alliance and if it is withdrawn it can destroy the mutual confidence for partners that already developed other types of trust. Cognitive trust is based on that partners share cognitions, with common ways of thinking included. This offers a base to understand the thinking of the partner and to predict the partner's actions. The only way to know if you share your way of thinking with another person is to get to know that person. Normative trust depends on the fact that individuals share common values where a common concept of moral obligation is included. Next section runs rather parallel to these perspectives but is considered having a broader distinction according to Child (1998).

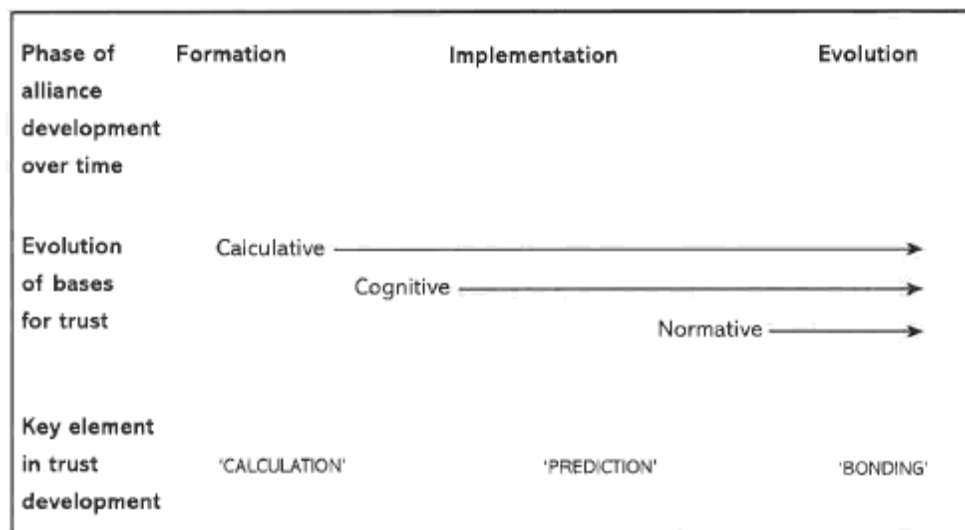


Figure 2. Phases of alliance progress and the development of trust (Child, 1998 p. 252).

McAllister (1995) defines trust as “the extent to which a person is confident in and willing to act in the basis of, the words, actions, and decisions of another”. Lewis & Weigert (1985) presents two types of interpersonal trust: cognitive and emotional trust.



These types of trust are also discussed by McAllister (1995), Chowdhury (2005), Huotari & Iivonen (2004) and Johnson & Greyson (2003). Cognitive trust is based on the knowledge individuals have about others and their trustworthiness. Available information and “good rational reasons” is the base for decisions regarding trust. Trust relationships that are dominated by a cognitive element are described as relationships of cognitive trust. The same discussion is valid for emotional trust. It appears when trust is encouraged mainly by strong, positive affect for the trust object. (Lewis & Weigert, 1985). Both types of trust exists in all trust relationships but one of them is often dominant. Lewis & Weigert (1985) discusses what happens if one of the trust types is removed from a trust relationship. If all cognitive trust is removed from emotional trust, what is left would be blind faith or fixed hope. Vice versa, if all emotional trust is removed from cognitive trust, there would only be cold blooded prediction or rational calculated risk left. In a study among managers, McAllister (1995) found out that there has to be some level of cognition based trust if emotional trust should develop.

#### Interorganisational trust

When defining interorganisational trust, Sydow (1998, p.31) cites Dogson (1993): “Beyond intraorganisational trust, the increasingly close collaboration among organisations as in cases of joint research and development, just-in-time delivery or relationship marketing requires trust among organisations that is interorganisational trust. Sydow (1998) further states that interorganisational trust is the confidence of an organisation that another organisation is reliable, considering a given outcome or event. In this respect, it does not mean that the other organisation is trusted in every respect (global trust), but only in the respect of assured behaviour (specific trust). As well as it is possible to trust individuals, it is possible (and necessary) to trust abstract systems, such as organisations or political systems (Sydow, 1998, p.42). This type of trust is called system trust.

#### Trust and norms

Bachmann (1998, p.303) stresses that social norms often play an important role when if an individual decides whether to trust another individual or not. On the other hand, no one would trust a presumptive business partner based only on social norms and no one would distrust a presumptive business partner just because a social norm tells us to. Bachmann means that there a no social norm that can completely control our social behaviour. In fact, there is no general norm that is connected to trust, every individual has to find its own decision somewhere in between blind trust and absolute distrust.

#### Trust and power

When discussing the relationship between trust and power, the basic decision one must make is which approach to choose. The politically argument meaning that power is unacceptable to use when establishing social relationships or the argument that “power is to be seen as a universal feature of any social relationship” (Bachmann, 1998 p.311).

#### Trust and strategic alliances

Child (1998, p.249 ff) discuss trust and problems that appears during the three phases presented above. In the formation process there is a lot of information to collect, what type of collaboration you are interested in and which one of the presumptive partners to choose are questions to answer. The answers will give the nature and the “strategic fit”

between presumptive partners. These decisions rest merely on calculation. It is not easy to gather information about a partner, especially about internal culture, competence and values. Judgements about the partner have to rely on the partners' reputation. In the end of the formation phase negotiations start in order to come to an agreement. Considering prior information gathering and the personal contact during negotiations, the personal contact will deepen and emerge into forming of bonds and possible of mutual affect. When it comes to international strategic alliances, cultural differences will start to play a role. This role can be the inhibitor of the development of mutual understanding and trust. If these differences is not recognised and managed, the agreement (contract) could be in danger. When the agreement to co-operate is settled a mutual dependency is establish except for the cases where considerable uncertainty remains, then it is an act of trust based mainly on calculation. During the implementation phase, it is crucial that the building bricks of the alliance work well together (people, culture and systems) for the alliance to succeed. If the alliance is considered a success, it is probable that the organisation matures to have its own identity and culture. As time goes by in a successful collaboration individuals get more interested in one another and the emotional ties will grow, individuals are bonding.

Child (1998) also provides a further analysis of the strategic alliance. There will only be certain individuals that co-operate between the organisations and hence, their role in promoting trust is very important and the trust that really exists is dependent on the quality of the mutual trust between those individuals. This is a reminder that trust is an interpersonal phenomenon which the interorganisational collaboration is dependent on.

#### Building trust in international strategic alliances

(Child, 1998, p.246 ff) describes how to build and maintain trust in international strategic alliances. Relations where co-operation is involved can develop over time together with development of trust. Calculative trust is the first stage of trust. As stated above it can be developed if repeated interaction between individuals occur which leads to that both parties are gaining knowledge about the other. Humphrey (1998, p.220) points out that repeated interaction does not necessarily involve trust, the other becomes more predictable but not necessarily more trustworthy. According to Child (1998) the conditions for merging into cognitive trust are now fulfilled and a transformation is possible if both partners are willing to. If the original calculative trust relation was not positive enough the partners will not feel the need to go to the next step and terminate the relation instead. The next step if mutual confidence is developed and the knowledge has deepened is the transition to normative trust. Mutual affect will now probably enter the relationship which means that the partners have become friends.

#### *The etiquette of an alliance*

In this chapter "The etiquette of an alliance" has been presented. In the literature three issues regarding successful collaboration have been identified:

- Appreciation of cultural differences
- Sharing of power
- Significance of trust

## Purpose

The world today is more open than it has ever has been before making international collaboration between different cultures possible. A lot of companies have realised this possibility to make profit from collaboration at an international level. What is it that makes such collaboration successful or not?

The purpose of the study is to find out the perception of working in international collaboration and how these perceptions corresponds to previous research presented in the literature. Three different aspects will be studied:

- Cultural differences
- Sharing of power
- Trust

Studying the actual situations in different areas gives a possibility to suggest improvements of current collaboration at the international level.

## Method

In this chapter the design of the study is explained. The participants in the interviews are presented and the performance of the study is explained. The purpose is to give the reader an understanding of how the study was performed.

### *Participants*

The participants to the study were chosen due to their experience from international collaboration since that is a central issue in the study. The majority of the respondents represent technical oriented companies with both national and international activities. Following areas were represented by the respondents:

- Cars
- Pulp- & paper
- Entrepreneur
- Chemicals
- Automation
- Environment
- IT
- Energy

The group consist of 10 individuals between ages 28 and 58, all working in Swedish companies. 40% of the respondents are women. All interviews were made in person; the interviews lasted between 35 and 70 minutes.

### *Design*

The study is built on the corner stones culture, power and trust in international collaboration. The study is qualitative; interviews have been made in order to investigate the perception regarding these issues in companies working with international projects.

Among methods available for performing qualitative analysis of the gathered data, sentence concentration (Kvale, 1997) was considered most suitable. Sentence concentration is one of six possible steps in the qualitative data analysis that Kvale (1997) describes in his book "The qualitative research interview". The method means that you divide the text into units where the information in each unit fit together. In the next step the information is concentrated into a central theme describing the content of the unit. The interview guide consisted of four parts each consisting 6-10 questions. All answers to the same questions were gathered at the same place, creating different units. From that the text was concentrated into central themes.

### *Research Instruments*

Since the study is entirely qualitative, interviews were the instrument used to gather data. An interview guide (see appendix I) were used as support during the interviews. The interview guide was designed to cover the areas and questions that are central to the study. It consists of four parts: international collaboration, culture, power and trust. All interviews were recorded with an MP3-player.

### *Procedure*

During the autumn 2006 the author contacted Mr. Daniel Pålsson at ÅF in Karlstad. During this time he was responsible for the coordination of international projects in ÅF's organisation. After discussions with Mr. Pålsson, Dr Max Rapp Ricciardi was contacted and he agreed to the role as supervisor for this research project. After further discussions the topic for the research project were decided; the cornerstones of international collaboration. The literature study was finished in late January when the design of the interview guide started. The final version of the interview guide was decided with the supervisor. In order to make it easier for the respondents, the interview guide was made in Swedish. Next step were to contact possible respondents and schedule interviews. All interviews except one were performed during the period 070227 – 070310, the last interview were made 070402. During the interview period all recorded interviews were transcribed in order to analyse them. All material were then summarised by collecting all answers to one question at one place before the work with the qualitative analysis by sentence concentration were started. The final summary is presented in the chapter "results".

### *Delimitation of the study*

Since this study focuses on personal interaction the purpose is not to evaluate the business part of strategic alliances. During the interviews the term international collaboration were used instead of international strategic alliance. The reason for that is that it is considered important to discuss topics the respondents can relate to. All of the respondents are Swedish and work for Swedish companies. Even if they are experienced in international collaboration, there is a possibility that there is a Swedish hallmark on their opinions.

## Results

In the previous chapter the method for performing the study were presented. In this chapter the results from the study will be presented. The results are divided into four parts corresponding to the theoretical framework. All information in this chapter is extracted from the interviews; views and perceptions presented are those from the respondents.

### *International alliances*

There were several different motives mentioned for international alliances. The possibility to enlarge the company's market shares and opportunities to increase the competence within the company were mentioned as the most important motives. When discussing competence, know-how regarding market behaviour and technical progress were regarded important. It was also perceived possible to reduce cost by using low cost competence and low cost production in other countries. Another motive could be that a company desires to present and develop new products in an existing market, or cooperating with a partner in another country in order to reach a third partner that otherwise would be hard to cooperate with. The overall motive perceived by the respondents was to create a win-win situation where all partners benefit from the alliance. Also at the national level, entering new markets were mentioned as the main motive. Yet another motive could be collaboration aimed at acquiring larger quantities of goods in order to reduce cost. In cultures with a strong economical situation, one of the respondents mentioned the possibility to use resources in the collaboration to improve the working conditions for the personnel and to some extent use resources to charity – things that is not regarded possible in cultures with fewer resources.

One difference perceived by one of the respondents was that at the international level results are more important, while reducing cost is more important at the national level. The respondents agreed on that making profit while creating a win-win situation is the overall motive.

### Advantages concerning international collaboration

When asked to describe the advantages in international collaboration, several issues were addressed by the respondents. For the individual member of a team, the greatest advantage with international collaboration would be the opportunity to learn new things and grow as a person by adapting different views and procedures. On a personal level international collaboration can also lead to a less competitive work environment, or as one of the participants stated: *"When working together on an international level, you do not compete with the other team members in their countries. You are gathered to complete a task which makes it more natural to work together."*

Looking at the benefits of international collaboration from a corporate view, respondents mentioned the possibility to reach a bigger market than the domestic market and to create synergy effects in product development. The respondents believed that it can be easier to find the right resources, both goods and competent people and that it is possible that wages are lower in the partnering company's country. Another factor considered a direct advantage to the company is that offering employees the chance to participate in international projects attracts young, skilful people.

### Disadvantages concerning international collaboration

Cultural differences within the national culture and the organisational culture which make it hard to understand each other was regarded the biggest disadvantage in international collaborations. These differences were perceived as the starting point for many conflicts. Respondents thought that you, in order to manage cultural differences, have to learn a lot about the other country. They also believed that although most information is possible to find in books, there are a lot of cultural issues that you only can learn by actually facing them. Geographical distances was also regarded a big disadvantage, as this leads to long travel times and problems inherit to the time difference.

Laws and regulations, as well as ethics and moral, differs between different cultures. The way contracts are interpreted also differs; *“The other party can change their mind and you do not understand why”* one of the interview participants declared.

From the financial point of view, it was mentioned that it takes more resources to build a market in another country and that *“local business is local business”*; meaning that it is easier to interact in a local market where all parties knows the game plan.

<b><i>Advantages</i></b>	<b><i>Disadvantages</i></b>
Learning different views	Communication failure
Learning different procedures	Lack of understanding
Reaching new and bigger markets	Conflicts due to misinterpretation
Synergy effects	Resource demanding
Less competition in international groups	Harder to interact in new markets
Easier to find resources	
Reducing cost	
International cooperation attracts young, skilful people	

Table 1. Summary of advantages and disadvantages in international collaboration

### Possible improvements of international collaboration

In order to improve results from international collaboration it was considered important to meet the other group members in person, as the co-workers then more easily can understand each other and thus misinterpretations are avoided. *“The personal meeting is outstanding”* was one comment from the respondents. To spend more time team building in order to know each other better and to understand others view of work was considered as a way to improve international collaboration. It was also stated that all personnel working in international projects should learn more about cultural issues in order to avoid situations where misunderstanding could occur. One respondent thought that colleagues in the organisation working with other tasks should also be included to increase the understanding within the local organisation. To gather up experiences from individuals working in international collaboration, a follow-up was recommended by one of the respondents. Another common opinion was that methods for decision making and communication should be decided at an early stage in a project to make sure that nothing is missed. It was considered important to avoid sending e-mail “back and forth”, since it was not considered the optimum way to communicate and very easy to misinterpret. It was also regarded as important that each organisation has an obvious front figure and that this front figure should have the mandate to make decisions. One of

the respondents mentioned that in cultures suffering from corruption, all parties should try to work around that in order to improve their results. Respondents thought that similar improvements can be made at the national level, but everything is considered more straightforward since everyone share the same language and background. Interestingly, only one of the respondents mentioned that he had some kind of education regarding cultural issues.

#### Different groups

It was considered easier to work in groups where the members share similar values. How well individuals fit together were perceived as a good measure of how well the collaboration will work in a group. Why some teams fail was explained with differences in culture and language that has not been possible to work through. In order to mitigate the differences it was suggested that you should try to find a common organisational culture for the new constellation. The organisational culture is believed to play a big role in how well groups work together. USA, China and Brazil are used as examples of an organisational culture where employees have more respect for authorities to a greater extent than employees in Sweden have. In Sweden, according to the respondents, there are more open discussions and everyone have a possibility to influence.

Respondents thought that the project manager is responsible for how the collaboration in the group is working. There were also some thoughts regarding differences between large and small companies; communication is usually unstructured in large companies, it is easy to give information to a lot of people but it is hard to see who is responsible to handle the information. In a smaller company, the structure of the organisation is easier to understand. When employing people in a smaller company, management is probably trying to choose persons that harmonise with the existing group.

#### Perception of the goal

The goal of an international project was perceived as often being unclear or immeasurable; *"It is easy to think that everyone agrees and that you have the same perception of the goal"* was a comment made by one of the respondents, the project management needs to be very clear when describing the task and the goals of a project. Even if all group members get the same information about a project, their expectations regarding work input, responsibility, ambitions and result may differ due to different backgrounds. This could be avoided if you knew more about the culture of the country you are working in. The perception of the goal is according to one of the respondents also influenced of what is most important in the final product - quality or cost. There can also be a hidden agenda within the group, personal motives or political motives that differs from the project motives. One of the respondents described his experiences from Russia: *"When it is not possible to reach the goal of an international project, it is regulated with agreed fines in the contract depending on who is late and with what. In Russia, these fines are at another, much higher, level. You can be responsible at a personal level, loosing all your belongings or physical revenge. That is what makes them trying to blame someone else"*.



### *Culture*

When the respondents explained what the word *culture* meant to them, the common view was that national culture is the way individuals behave due to their background. One of the respondents preferred to use the word values to define culture. It was also mentioned that culture is present in all parts of the society; in the family, in school, at work and in politics etc.

The view of corporate culture or organisational culture was that it is established by a strong leader within the company. Respondents pointed out their perceptions about differences between domestic and foreign corporate cultures; as a part of the organisational culture in Sweden, co-workers often bring trust and mandate to make decisions from their own organisation. In southern Europe, co-workers often lack this trust and mandate to make decisions. They have to consult their bosses for every difficulty that emerges.

### Interaction between individuals within different cultures

Respondents considered the respect for older people much bigger in Asia and most parts of Russia than in Sweden. It was deemed impossible to be a young leader in Asia, since merely because of the age you would be regarded as not having enough experience. One of the respondents told a joke about business in Asia - "*It is an advantage to have grey hair since they automatically respect you*". Another respondent described how political changes alter corporate culture. After the fall of the Berlin wall, the Baltic States and some parts of Russia developed very fast. Several steps of development were excluded. The older, more experienced managers could not handle this development very well and when the new international companies needed local managers, they hired young people because they knew the new business culture and IT. In these places, it worked well with young managers.

The respondents thought there are cultures where you are respected purely by your position. One respondent described the organisations in the USA, in Finland and in Germany as strictly hierarchical, where the manager makes decisions and you do not question him or her. The most hierarchical country is perceived to be is the USA, where you would not be respected as a manager if you treated your subordinates as equals. What is most important among subordinates is the manager's perception of you. You stay at work until the manager leave. It is unthinkable to leave before the manager does. Russia was also considered hierarchical, but that it is possible to get respect from your subordinates if you treat them more as equals. Asia and Latin America were also regarded as more hierarchical areas. In Sweden, it was perceived possible to have a dialogue with the manager and express your opinion. A typical manager in Sweden was considered being a team leader that does not lead at detail level. The respondents thought there are cultures where you are respected purely by your position.

All respondents worked in organisations that were dominated by men and hence, did not meet women working at the international level very often. However, a majority of the respondents mentioned that the women they have met are very competent and well respected. When discussing interaction between women and men the female respondents had a tendency to describe their experiences of how they had been treated both in international and national contexts. Most experiences were perceived as

positive. Male respondents did not give any examples of such situations or experiences. One of the respondents mentioned that cooperation between men and women in northern Europe is easier since most individuals have similar education and frame of reference. In southern Europe there are difficulties, mainly with older people, probably due to the lack of a similar frame of reference. At the national level, the perception was that Sweden has reached far regarding equality. At the same time, it was pointed out that there are very few women in leading positions in Sweden.

### Conflicts

One of the respondents claimed that the way you handle conflicts depend more of who you are than where you come from.

The perception of conflicts in Asia was that Asians avoid them as much as possible. They do not want to have a conflict where it turns out they were wrong and they loose their face as a result. Working in Asia, it is considered important to learn how to interpret the smallest signals in order to know what is going on. One of the respondents told an example to illustrate this. *"I was the manager and brought two engineers to look at a machine that should be rebuilt. We looked at it and went back to the office. I and one of the engineers started to discuss how to rebuild the machine. We had totally different opinions about one of the details, as he had misinterpreted the function of that part. I had to ask him how the machine could work the way he explained. I told him to get the second engineer to convince him that he was wrong. He went away and did not come back for a long time. When they got back they both told me that the machine is working the other way, which is impossible. Rather than being wrong, they agreed on a stupid solution where none of them were right but not completely wrong either, since they agreed with each other"*.

Below, the respondents' perceptions of conflict in different cultures are listed:

- In Central- and South Europe together with South America people are louder and dramatic discussions may occur. Everyone is included in the discussions and can provide feed back. When the argument is over, you put it behind you and move on.
- In Great Britain and Germany, they handle conflicts with the same style. It is almost like a competition where everything is allowed. You do everything to be right and raise your voice if you find it necessary.
- In Russia it is often fist fights that solve conflicts if both parties are at the same level. Is the conflict between the manager and the rest of the group, it is just ordinary work. These people do not like each other.
- At the national level it is regarded that we do not work through our conflicts properly. We try to compromise and to find solutions that fit everyone. We try to give room for different interpretations of procedures etc. That would not work in Germany, Spain and France since they do not want to give room; they want procedures etc to be very rigid.

One of the respondents claimed that managers in Sweden often are afraid of conflicts and that they are afraid to reprimand individuals that have misbehaved. They do not provide negative nor positive feedback, which makes it hard to know if what you did was right or wrong. Critique is clearer at the international level; it is also more specified what you need to do to reach a specific position.

#### Individualism vs. collectivism

*In Asia*, it is common that one person present what the group has decided. You do not show off. It is always the company, the work group, the pensioners or something similar. *Poland* is a country where one of the respondents thought that culture had changed during the last 30 years, from collectivism to individualism. It is possible that it is related to the fall of the communism in Poland but it is hard to make a judgement.

It is unusual in *Sweden* that one person take credits for something achieved by a group. You will lose respect in your group if you do that. In *Finland* it is much more common that one person take credit for work done by a group.

If there is a meeting in the *USA* with the aim to solve a problem, a large number of individuals are involved, everyone with their own expertise. A lot of suggestions of how to solve the problem will appear but no one will comment another person's proposal in order to reach a decision. They all want their own ideas to stand out as the best ideas. In the end, the person with highest rank makes a decision. In Sweden you discuss and iterate towards a solution.

In Russia, people in general are very thoughtful and take care of each other and their guests. They give even if they do not have anything to give. In working relations it is completely different. Everyone looks out for themselves first. If you decide to help someone you make sure that you will be paid back first. If you hire a person, it is granted that it is the brother of the manager or a son of a friend who will pay you back. Historically the oppressors in Russia created this way to rub each others backs. Now it is managers in big companies that use this style.

#### Long- and short term orientation

Most respondents did not understand the question or the purpose of the question regarding long- and short term orientation. They mentioned tight time schedules, competition and the need for results as the reasons for using as much resources as possible. One of the respondents thought that it is important to let things take their time, especially when handling cultural issues, as it is not possible to make cultural understanding happen instantly. It was agreed that you should wait with using too much resources before the goal of the project is established. One of the respondents thought that striving for continuity and not to overload certain resources would be the proper way to act.

### Positive vs. negative experiences from multicultural teams

In table 2, the respondents' reflections about positive and negative experiences from multicultural teams are listed.

<b><i>Positive</i></b>	<b><i>Negative</i></b>
<i>Fun, interesting and learning to cooperate in multicultural teams.</i>	<i>Hard to communicate due to long distances and different native languages, which often leads to misunderstandings.</i>
<i>Learning new ways of handling situations and problems.</i>	<i>Work is more time consuming due to differences in language and cultural background.</i>
<i>Everyone can speak up and others listen.</i>	<i>In some constellations feelings of "us and them" appear, making it hard to work as a united group.</i>
<i>Titles can be put aside; you can discuss problems from your own experience.</i>	<i>Long distance travelling demand resources, both time and money.</i>
<i>Meeting different cultures outside work.</i>	<i>Harder to cooperate in a hierarchical organisation when you are used to a non-hierarchical organisation.</i>
	<i>It was considered negative when others did not have mandate to make decisions.</i>

Table 2. Summary of positive and negative experiences in multicultural teams.

### Successful and unsuccessful cooperation

If you are successful with creating a total understanding by structured communication, you have the key to successful cooperation in multicultural teams according to the respondents. Telephone- and video conferences were not regarded as adequate substitutes for the personal meeting. The competence and mandate of the project manager were also regarded as very important. Another view presented was that the foundations for the project can be wrong from the beginning; "the home work has not been done properly". At the national level it is perceived to be easier to discover and stop a project that is heading the wrong direction.

### *Power*

The perception among the respondents was that *power* is the ability to influence other people. Power can also entail being responsible for the budget and having the mandate to make the final decisions. A more negative aspect presented was that someone might have the power to make decisions, but not necessarily have the competence to make the right decisions. A difference perceived between Sweden and other countries, in southern Europe for example, is that the degree of freedom is larger in Sweden - you should feel that you are a part of the organisation and have the ability to influence. When discussing power as something positive, most respondents thought that it can be explained as: making decisions and get people to agree with you at the same time. If power is to be regarded as positive it should be used for the right reasons. Most respondents thought that power is a positive conception. The negative comments were about decisions that were forced upon the organisation. Power used for the wrong reasons were considered as a strong negative force. Power used for personal interests were also considered negative.

### Typical leader qualities

The following qualities were mentioned as typical leader qualities:

- Clearness
- To communicate decisions
- A good listener
- Ability to inspire with enthusiasm
- Make subordinates feel that their work is important
- Not afraid of conflicts
- Ability to set goals and achieve them with help from the group
- Competence

It is not certain that a successful manager in Sweden automatically becomes a successful manager in another country. It is important that you as a manager are able to adjust your management style to what is considered appropriate in that country. It was believed more important to be enthusiastic in Sweden, since Swedes are considered less hierarchical than most other nationalities. This might be why it can be more difficult to act as a manager in Sweden than in e.g. Finland or the USA where you get power directly from your position. When asked to compare differences between typical leader qualities at international level with national level, a majority of the respondents did not think that there were any differences. One of the respondents thought that clearness can be more important in cultures where you are used to do what you are told regardless if you agree or not. In Sweden it is common that employees take more responsibility for their work. In central Europe, one of the respondents thought that authority, verbalism and the ability to delegate are qualities that are successful. In Asia, the higher you are in the hierarchy there are a growing tendency not to listen to subordinates which leads to less support from subordinates. In Sweden, a manager usually gets more support since communication works in both directions.

### Importance of typical leader qualities

It was considered essential to possess typical leader qualities in order to be a good leader and that these qualities vary between cultures. It can be more important to have typical leader qualities in more hierarchical cultures. A contradicting opinion was that if

you have the right qualities and the ability to get your subordinates to back you up, you can succeed as a leader in any country - based on the fact that although you have individuals from different cultures, everyone wants to be respected.

There are good leaders that are not natural leaders. What is most important is to work towards the goals for the organisation and to communicate these goals clearly. There are natural leaders that often forget to communicate what they want, making them bad leaders. It was a common opinion that not everyone is suited to be a leader and hence, should not be a leader. It is also important to remember that if one person perceives a leader as a good leader it does not necessarily mean that someone else thinks that person is a good leader. You can have different values even at the national level. One respondent told a story where a group had to work at a weekend for many hours in a bunker. Their manager could have gone home but instead stayed and served the group sandwiches and coffee to make them feel more comfortable. He did not want to make them do what he could not do himself. Their manager is much respected because of the way he acts. The group always supports him in his projects.

#### Negative qualities for a leader

When discussing negative qualities for a person in a position of power, the respondents thought it was the opposite of the positive qualities.

- Lack of clarity
- Afraid of conflicts
- Unable to make decisions
- Not respecting others and their opinions
- Unable to listen to others
- Strong authority
- To abuse power
- Lack of competence

Authoritarian leaders were not regarded to fit in the modern kind of leadership the respondents think Swedish companies have today. Another opinion was that you could be a bad manager in one corporate culture but a good manager somewhere else. It is also regarded possible to be a manager but not a leader.

#### Sources of power

When discussing sources of power, the following were mentioned:

- Knowledge
- Understanding of the situation and of others
- Reliability
- Good relations with others
- Political relations
- Position
- Good results
- Experience
- Money
- Networks
- Enthusiasm

When comparing international and national level it was regarded that if you want to achieve power you do not have to be as rough in Sweden compared to the international level.

#### Power in different cultures

Since society is different in different countries, the concept of power is also regarded to be different. In more hierarchical cultures, one example of power is being the one leader that makes all decisions, as the respect for authority is significant in these cultures. In cultures where knowledge is important, a good education together with knowledge is what brings you power. In cultures where money is important you can get power if you are wealthy or if you can arrange funding in one way or another. One of the respondents thought that some cultures now are where Sweden was in the 50's and 60's.

In Sweden there is a strong protection for employees while you can get fired and quit the same day in the USA. That is something that enables leaders to use power differently. Power in Sweden was considered to build on participation from all involved, as the Swedes are influenced by their national culture to show respect for everyone. That is not the case in Russia, where it is seen as a sign of weakness if you show respect to your subordinates.

#### Power sharing

A majority of the respondents did not think that the amount of power is important in international collaboration. What is important is that no part feels put aside or completely powerless. It is important to be able to influence. All parties must find their role in collaboration, otherwise it will fail. It is all about accepting the role you have.

Some of the respondents thought that it is important that all power is distributed equally in order to maintain respect and to avoid dissatisfaction.

#### Power sharing within a group

When discussing what happens within a group if power is equally shared among the group members, a majority thought that it depends a lot on the individuals within the group but that you in most cases end up with an informal leader - if not, there will be a bad result or no result at all. There were also opinions that it is imperative that a leader is chosen. Further on, it was regarded that groups with equally distributed power would work better in Sweden than in e.g. the USA, as the Americans are not used to such situations.

One of the respondents thought that a group where persons dare to speak up and to take responsibility would be a very strong group. To make it work it is very important that the communication within the group works well. Beside that it is also important that it is clear what everyone is responsible for, in order to avoid individuals working with the same issue.

### *Trust*

When explaining *trust*, confidence and trustworthiness are words the respondents used. When you trust a person you expect what he or she says is true, you respect each other and you do not abuse confidence by spreading information you were not supposed to circulate. Trust is security, which is important in the workplace.

### Trust in others

What was considered most important when trusting others was to keep promises, to deliver the right information at the right time and to inform if you for some reason can not keep your promises. You are also supposed to do your best in all situations. When discussing how to develop trust, some trust their intuition while some trust everyone in the beginning of a relationship until they prove otherwise. When you have known a person for a long time, you have built a solid base for trust during this time. Opposite behaviour to that explained above is what is regarded to create distrust.

One of the respondents explained his thoughts about trust in business situations; you use contracts showing what different parties have agreed on. However, it does not matter how many contracts you sign and how the contract is written if the other party do not take responsibility for their part. In business a handshake should be as valid as a written contract. If you do not act the way you agreed, there will not be a solid ground for further cooperation. He had also experienced that some cultures have other ethics in business than what is considered the norm in Sweden. In those cultures you make contracts and then try to violate them, trying to get a bigger share than agreed.

### Rebuilding trust

It is possible to rebuild trust but it takes time and a lot of work. It is negative for the group since that time and energy could be used to something more important. One of the respondents referred to a survey made by Jan Carlzon, CEO at SAS, the leading airline in Scandinavia. A customer that lost trust in SAS due to one incident needed 14 positive incidents to rebuild their trust for the company.

### Different kinds of trust

Different kinds of trust that were mentioned by the respondents were:

- Personal trust
- Competence based trust
- Character based trust
- Trust in a company
- Trust in a product

Everyone did not agree with the concept of different types of trust and thought that the base for trust is always the same.

### Bases for trust

The basis for trust is not regarded to vary in different cultures but it can be expressed in different ways depending on what is considered important.



Trust is regarded as more shallow in the USA. Americans trust others very much very soon and can also easily take it back. Swedes are more demanding about trust but also tend to have a deeper relation with a person they do trust.

#### Importance of trust

Trust was considered crucial in all collaborations, as you need to feel safe in your situation at work. The project manager has an important role noticing what is going on in the project group and to be clear about the conditions in the project. One opinion was that trust is not needed in some cultures since the manager decides everything and does not rely on the subordinates' opinions. When comparing the importance of trust between the national and the international level, some thought that importance of trust is equally important regardless of the type of collaboration. Others thought trust was more important at the international level, since there are more barriers for a successful collaboration.

#### Factors affecting trust

Showing that you try to fit in a group and doing your best to contribute to the result of the group was considered as factors that affect trust positively. Honesty and keeping promises are also positive factors. Criticising ideas and having a negative attitude are factors that affect trust negatively.

#### Building trust

The main view was that it is considered more difficult to build trust in an international context since the view of trust is different within different cultures. The opposite view was also presented; since we know more about each other at the national level it is easy to have prejudices about each other. One of the respondents thought there were no differences between a national and an international context if communication is maintained at a high level. In a larger organisation, building trust probably takes longer than in a small organisation.

#### *Summary*

In this chapter, the results from the empirical part of the study were presented. The respondents had a positive view on working in international collaborations, but they also had remarks on disadvantages they had experienced. They presented a rather similar view on how to improve international collaboration, where the personal meeting were regarded as the main issue. When discussing culture, they also had a similar view of what culture is and they provided both positive and negative aspects of working in multicultural teams. In the power section, the respondents provided their perception of power, typical leader qualities, the importance of typical leader qualities, negative leader qualities, sources of power, power in different cultures, power sharing between organisations and power sharing within a group. Trust was regarded as crucial in all organisations and different aspects of trust in different situations were presented.

## Discussion

In the previous chapter the results from the qualitative study were presented. This chapter will provide a discussion about those results. The discussion is divided in the same four categories as in the theoretical framework and in the results; international alliances, culture, power and trust. The main questions in each category will be discussed.

### *International alliances*

Personal relations are considered as the foundation of all collaboration. To meet people with different backgrounds in person and to learn from them are mentioned as both positive and necessary for the success of an international collaboration. The reason for that is probably that the respondents as individuals are most interested in the daily work. When discussing motives for international alliances all respondents are well aware that all motives are purely economic. The results may have been different if a majority of the respondents had been managers. The respondents view fits well with motives presented in the literature. There are, however, two issues that the respondents did not mention; reducing risk and competition. The cause of this is probably that these issues are not obvious and more central at management level. When discussing how to improve collaboration within international alliances, once again personal interaction and behaviour are what is mentioned. No one said anything about routines and ways of working. At the same time the perceptions that there are cultural differences leading to misinterpretation, bad communication and conflict are considered as the biggest disadvantages with international collaboration. Sending e-mails “back and forth” were regarded as a possible source for misinterpretation. Is it possible that new techniques are used without any consideration, thus creating obstacles instead of improving the work environment? Could it be that what is considered positive is so important that you are prepared to work out all negative differences in order to make the collaboration work?

Besides personal interaction, legal issues, ethics and moral in business were mentioned as something you need to be aware is different in different cultures. However, it is not enough to be aware of what is different. You need to establish routines how to handle differences in order to be prepared when problems appear.

### *Culture*

The respondents' perception of culture is similar to the definition presented in the literature; “*the way individuals behave due to their background*”. Several of Hofstede's dimensions of culture discussed in the theoretical framework are represented in the respondents' experiences. Often they are not aware of that these concepts actually have names, they just explain situations they have experienced.

It is important to point out that there is a tendency among the respondents to generalise about cultural behaviour in certain areas. Asia and Europe are examples of large areas containing many countries, all with their own national culture. In some contexts, instead of mentioning a specific country or nationality, the respondents generalize. Hence, the

results concerning cultural behaviour are more general than specific. Another tendency is a rather distinct ethnocentric approach among the respondents where Sweden and the Swedish way often are considered best and most effective. It is interesting since the respondents considered it positive to learn new views from other cultures which indicate that they are unaware of their ethnocentrism. Cultures with large power distance (Asia, Russia and the USA) were mentioned as well as cultures with small power distance (Sweden). Collectivism and individualism were also recognised and Asia was recognised as a collectivistic culture. Sweden and the USA were used as examples of individualistic cultures. Instead of discussing femininity and masculinity during the interviews the interaction between man and woman were discussed. Unfortunately, all respondents work in male dominated business which resulted in little input. Further, it was well recognised that the way of dealing with conflicts varies in different cultures. The dimension of culture presented in the first chapter that needed eastern minds to be discovered remains undiscovered by the respondents. They could not understand any other view than using all possible resources to reach result as fast as possible. This indicates that there exist fundamental differences in perception between eastern and western minds.

All respondents agreed on the fact that in Sweden, there is less respect for age and superiors than in most other cultures. What is the cause of this? Swedish society has changed a lot since the beginning of the 18th century. Differences between rich and poor, between women and men and between parents and children have decreased and the Swedish society is considered more equal today. The level of education among the population is also higher today. In today's Sweden the motto is that everyone is equal, which is a big difference compared to the situation a few decades earlier. When society changes relations between individuals also changes, both private and at the workplace. The younger generations tend to be more educated and trained than previous generations. Since they live in a more egalitarian situation in the society than ever before, their expectation to be able to influence and to question the present order increases. If you compare this with cultures where the development of society is slower, it is not strange that their power structures and interaction between different levels look different. In hierarchical cultures where differences between people are still big, equality does not exist. One of the respondents did mention that he perceived some cultures to be at the level where Sweden was in the 50's and the 60's. The flow of information has also increased. TV, radio, newspapers and the internet has a given place in most Swedish homes, which make everyone aware of their rights but also of their obligations. A lot of cultures do not have this kind of information flow. In some cultures the only information comes from the government. Upbringing is also important; it is a big part of who you are. If the society is constantly changing, a new generation will have other influences than their parents and will possibly raise their children in a different way than how they were raised. This could lead to the fact that future generations have more or less respect for age and superiors than we have today. Another aspect is that most teenagers trying to break free have little respect for parents and teachers, but that it changes when the person grows up and matures. The demography in Sweden today is widely different than before. That is probably also a factor that influences our behaviour. One of the respondents mentioned that the tendency in Poland is that society has become more individualistic than before. If that is a fact, the reason

for that is probably when society becomes democratic and individuals get more rights, they become more individualistic.

When discussing interaction between women and men, a difference between male and female respondents emerged. Female respondents thought they had to explain their own perception of how they had been treated while male respondents kept the answers at a general level. Could that be an expression of how you act when you feel that you are in a minority? Considering the statements from the respondents, they see Sweden as a leading country regarding equality. If that is the truth, one question still remains; why is the amount of women in leading positions still very small in Sweden?

DiStefano & Maznevski's (2000) theories about diverse teams are presented in the theoretical framework. When discussing different groups it seems that most team works as "equalisers". You collaborate by finding easy and smooth ways to solve problems. You do not deal with differences and lift them up as something positive. None of the respondents recognised these different patterns of behaviour. That is not very surprising since these research results can be hard to detect if you have not studied the topic yourself. The theories among the respondents about why some teams fail were unawareness of cultural differences and communication difficulties. The suggestion of how to handle these issues was to find a common organisational culture for the group and some kind of education on cultural awareness. It is remarkable that only one of ten respondents stated that he had some kind of cultural education at the company he worked for. Is it possible to find similarities between the respondents' comments and what is presented in the theory? Figure 3 presents a striking correspondence between the results from the interviews and DiStefano & Maznevski's (2000) MBI approach. None of the respondents mentioned that anything similar existed in their organisation. If the subordinates see what is necessary in order to improve results from international collaboration, why are not measures taken within the organisations to improve results? It could be that these thoughts are not presented further up in the organisation. It could also be that management do not realise the advantage of having such an approach or that it is considered to demand too much resources. The answer is probably a mix between these three reasons.

It is also mentioned that management plays an important role in successful international collaboration. In Cox & Blake's (1991) theory, that is one of five core components for multicultural organisations. Training and research are two other core components mentioned that can be considered to be included in the MBI approach. The last two core competences are audit to discover unfairness and disadvantages in the organisation together with following up on-going processes. These two theories seem to match each other very well.

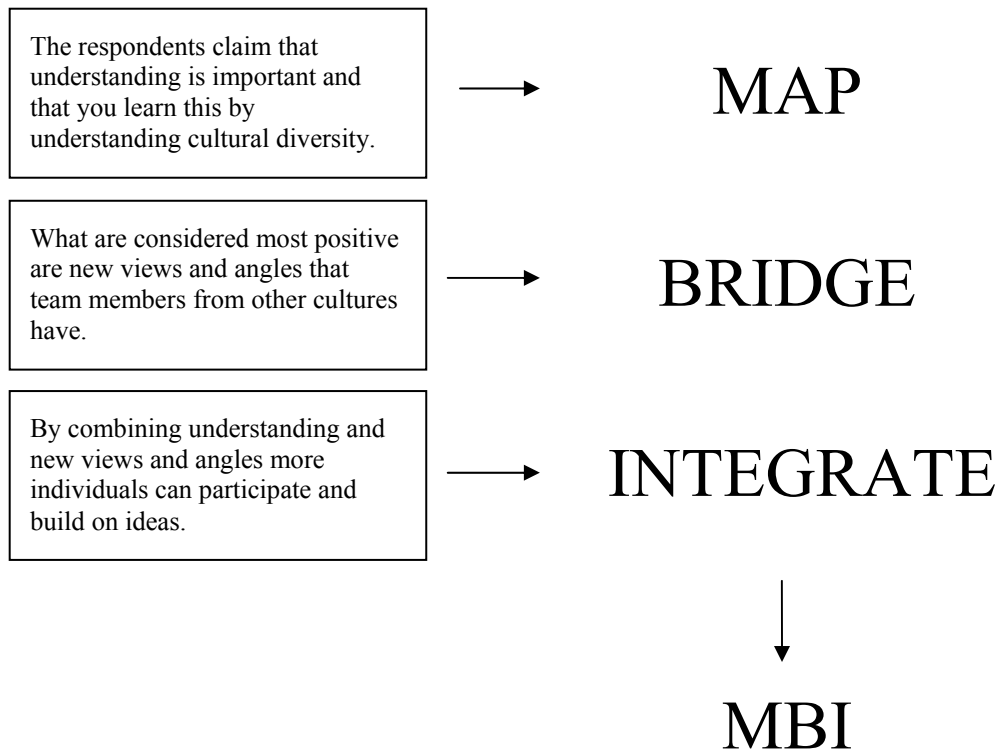


Figure 3. Possible improvements of international collaboration. The respondents' view of possible improvements (to the left) combined with the MBI approach (to the right) presented by DiStefano & Maznevski (2000).

### *Power*

When discussing power within different cultures it seems that managers in different cultures have different possibilities to use their power. It corresponds to Raven's discussion about the difference in having ability to use power and actually using it that is presented in the theoretical framework. Power was perceived as a positive topic among a majority of the respondents but negative perceptions did also exist, which probably is explained by the respondents' own experiences; if you work in situations where power is used in a negative way, you will have a negative perception of power and vice versa. Sharing of power is one of Stiles' (1995) cornerstones for a successful strategic alliance. The respondents' view on power sharing is that all parties need to be realistic; if a company's contribution to collaboration is smaller you have to settle with a smaller power share. However, even if power is not equal it must be fair making all parties satisfied with the constellation. In the theoretical framework two different views of power sharing in international collaboration are presented. The respondents support the theory saying that power sharing does not have to be symmetric.

When discussing power within different cultures the respondents are well aware that power appears different in different cultures and also that the indicators of power is different. In the theoretical framework there are both individual and structural attributes mentioned as sources of power. These are recognised by the respondents with one following exception; physical strength. All other attributes are mentioned either as sources of power or as typical leader qualities. The explanation ought to be as simple as it seems; physical strength is not regarded as necessary today. A manager very seldom uses physical strength at the work place.

### *Trust*

Not very surprising, trust was considered as a corner stone in all personal relations. It fits well with Stiles' (1995) thoughts presented in the theoretical framework. What was more surprising were that there existed business relations that did not work out due to lack of trust. The Swedish part in this case could not trust the other part since he perceived the other part was trying to take more than the agreed share in every situation. The author's opinion is that since it occurred more than once you can not neglect that the situation actually happen. The conclusion is not, however, that individuals from this certain culture is dishonest. It is more likely that the Swedish way to handle these situations is incompatible with the other part's way to deal with contracts etc. This is probably a situation where better knowledge from both sides had been valuable in order to avoid the failed business relation.

Even if the respondents are not aware of the terms cognitive and emotional trust, they are well aware of the meaning of those terms. It is possible to draw a parallel to relations outside work. If you want help with your car you ask a person you know is good with cars, but if you want advice in a personal relation you ask another person. You expect different things from different persons due to your relation to them and experience from prior situations. Trust building in international alliances is explained in the theoretical framework to occur in several steps where trust is built over time where knowledge about the other part is gained due to repeated interaction. However, repeated interaction does not necessarily involve trust. This is exactly the reflection made by the

respondents; it is probably easier to build trust in a national collaboration since you have knowledge about the other part, but it can also be harder for the exact same reason if prejudices are involved.

### *Summary*

The main questions from the result section are discussed in this chapter. It seems that the respondents' view regarding the discussed issues corresponds well to previous research presented in the theoretical framework. However, the respondents have a tendency to generalise about cultural behaviour and seem to have an ethnocentric view they are unaware of. A comparison of the respondents' perception of how to improve international collaboration corresponds very well to DiStefano & Maznevski's (2000) MBI approach if combined with Cox & Blake's (1991) research regarding multicultural organisations. When discussing power, the respondents have different views, which probably depend on their different backgrounds. Finally, trust is regarded as the foundation of personal relations, which was not a surprising finding.

The results from this study confirm previous research within the same area which suggests that future research should focus on how to implement changes in organisation in order to improve international collaboration.

When looking at suggested improvements, it is easy to think that it is not much the respondents ask for; introduction/education to handle the new environment and to give the group more time to get to know each other and the different ways to work. It is remarkable that only one of the respondents mention that he had some kind of education regarding cultural issues. Unawareness of cultural diversities seems to be a thoroughgoing problem that is neglected at management level. In order to improve the situation within organizations, these problems need to be lifted up at a higher level for consideration.

## Conclusions

In the previous chapter the results from the interviews were discussed and compared with existing research. This chapter presents the findings in the study and suggestions of how it is possible to improve international collaboration. Suggestions to future research are also presented.

### *Perception among respondents vs. previous research*

This study confirms the majority of the statements made in previous research presented in the literature. What is interesting is that the respondents have experiences that match the theory very well without knowing that these situations have been studied and are established concepts.

### *Important measures to improve international collaboration*

The respondents want to learn about cultural diversity in order to understand each other better and to avoid conflicts. What is mentioned as the most positive experience in international collaboration is to get new views and angles from other cultures. It is also mentioned that all parts of the organisation need to participate in one way or another. If these concepts are combined you get something that corresponds very well with DiStefano & Maznevski's (2000) MBI method. If the important role of management, auditing and follow up are added to this concept all areas mentioned by the respondents will be represented.

The author's suggestion to improve collaboration at the international level is to combine the MBI approach with Cox & Blake's theory, both of which are presented in the theoretical framework. The implementation of such a model is a long term solution that will demand both time and resources. It is possible to implement smaller changes in the organisations that also will improve international collaboration. The author's suggestion in that case is to look into the organisation in order to see what is needed. The employees will provide useful information of what is working and what is not at the present stage.

### *A possible model to improve international collaboration*

The suggested model contains four steps. Since organisations are different in many ways, they are different in size and do not have equal resources, the model has to be adjusted in order to make it suitable to the specific organisation. A model like this will demand resources, especially from the beginning, but it will with time improve quality in the organisation. As mentioned by one of the respondents when discussing perception of the goal; *"It depends on what is considered most important, quality or cost"*.

#### Step 1 – Understanding differences

The first step is the foundation of the model. The purpose is to make group members aware of differences, what is different and why by training awareness. Examples of questions that need to be answered in this step are:

- Who are we?
- Are we different?



- In what way are we different?
- Why are we different?

#### Step 2 – Use differences

When the questions in the first step are answered it is possible to move to the second step. It is no use to move on to the next level if the group is not ready, group members will be confused and will not be able to see advantages with a new way of working. The purpose with the second step is to find ways to use differences within the group to support creativity. By using this creativity, team members are supposed to get motivated and integrated in the group. Questions that need to be answered in this step are:

- How do we use our differences to create something positive?
- How can we communicate this within the group?
- How do we motivate and integrate?

#### Step 3 – Bring the group together

Presence of the manager is important throughout the lifecycle of the model but is especially important in the third step, where the purpose is to bring the group together. When reaching step three, group members are supposed to be integrated in the group and motivated to get along with the task. What is important now is to get all group members to get along and to participate as group members. Now the group have reached so far that it is time to use what they learned in order to succeed. Answers to the following questions are needed in step three:

- How do we manage participation?
- How do we get group members to get along?
- How can we use what we learned in previous steps in order to succeed?

#### Step 4 – Monitor and evaluate

Like any other quality system, it takes time and resources to implement. However, it is crucial to continuously monitor and evaluate changes within the organisation. It is the only way to continuously improve. Important questions in step four are:

- Can we discover sources of unfairness in our organisation?
- How do we evaluate results in order to continuously improve?

#### *Strengths and weaknesses of the present study*

All respondents that were contacted agreed to participate in the study which makes the answering rate of the study 100%. All participants were positive about the study and took their time answering all questions which made the interviews a very positive experience for the author. The respondents represents different business areas, have different gender, experience and age. This makes the study broader than if all respondents had similar background and age. Of course, if given more time, the study would have been extended in order to contain more respondents from areas not yet represented. It would also have been valuable to include a quantitative part of the study since it makes it possible to include more respondents.

*Future research*

A suggestion for future research would be a research project with the aim to find out which measures an organisation need to take in order to implement the suggested model. In the long run it would be interesting with a case study with two similar organisations where one of the organisations implements the suggested model and the other does not. That would, of course, be an extensive study proceeding during a long period. Nevertheless it would be a valuable study; if the result from such a study could prove the advantages of implementing the model and make it as common as today's quality systems; it is the author's opinion that international organisations would improve their results widely.

## References

- Bachmann, R 1998, Conclusion: Trust – Conceptual Aspects of a Complex Phenomenon, in Lane C & Bachmann R (eds), *Trust Within and Between Organizations*. Oxford University Press, New York.
- Bass, B M 1990, *Bass & Stogdill's Handbook of Leadership*, 3<sup>rd</sup> edn, The Free Press, New York.
- Child, J 1998, Trust and International Strategic Alliances: The Case of Sino-Foreign Joint Ventures, in Lane C & Bachmann R (eds), *Trust Within and Between Organizations*. Oxford University Press, New York.
- Chowdhury, S 2005, "The role of Affect and Cognition-based Trust in Complex Knowledge Sharing, *Journal of managerial issues*, vol. 17, no. 3 pp.310-326, Retrieved December 14, 2006, from Business Source Premier (EBSCO)
- Collins B E & Raven B H 1969, Group Structure: Attraction, Coalitions, Communication, and Power, in Lindzey G & Aronson E (eds), *The Handbook of Social Psychology, Volume IV*, 2<sup>nd</sup> edn, Addison-Wesley Publishing Company Inc, Massachusetts.
- Cox T H & Blake S 1991, Managing Cultural Diversity: Implications for Organizational Competitiveness, in Redding G & Stening B W (eds), *Cross-Cultural Management, Volume II, Managing Cultural Differences*, Edward Elgar Publishing Limited, Cheltenham.
- Das T K. & Teng B 1997, Sustaining Strategic Alliances: Options and Guidelines, in Redding G & Stening B W (eds), *Cross-Cultural Management, Volume II, Managing Cultural Differences*, Edward Elgar Publishing Limited, Cheltenham.
- DiStefano J J. & Maznevski M L. 2000, Creating Value with Diverse Teams in Global Management, in Redding G & Stening B W (eds), *Cross-Cultural Management, Volume II, Managing Cultural Differences*, Edward Elgar Publishing Limited, Cheltenham.
- Gajda, R 2003, "Utilizing Collaboration Theory to Evaluate Strategic Alliances", *American Journal of Evaluation*, vol. 25, no. 1 pp. 65-77, Retrieved January 18, 2007, from [www.sciencedirect.com](http://www.sciencedirect.com)
- Hampden-Turner C & Trompenaars F 1997, Response to Geert Hofstede, in Redding G & Stening B W (eds), *Cross-Cultural Management, Volume I, The Theory of Culture*, Edward Elgar Publishing Limited, Cheltenham.
- Hingley, M K 2005, "Power to all our friends? Living with imbalance in supplier-retailer relationships", *Industrial Marketing Management*, vol. 34, no. 8 pp. 848-858, Retrieved January 13, 2007, from [www.sciencedirect.com](http://www.sciencedirect.com)

Hoecklin, L 1995, Culture: What It Is, What It Is Not and How It Directs Organizational Behaviour, in Redding G & Stening B W (eds), *Cross-Cultural Management, Volume II, Managing Cultural Differences*, Edward Elgar Publishing Limited, Cheltenham.

Hofstede, G 1997, *Cultures and Organisations – Software of the mind*, McGraw-Hill, New York.

Humphrey, J 1998, Trust and the Transformation of Supplier Relations in Indian Industry, in Lane C & Bachmann R (eds), *Trust Within and Between Organizations*. Oxford University Press, New York.

Huotari M & Iivonen M 2004, *Trust in Knowledge Management Systems in Organizations*, Idea Group Publishing, London, Retrieved January 7, 2006, from Books24x7.

Inkeles A & Levinson D J 1969, National Character: The study of Modal Personality and Sociocultural Systems, in Lindzey G & Aronson E (eds), *The Handbook of Social Psychology, Volume IV*, 2<sup>nd</sup> edn, Addison-Wesley Publishing Company Inc, Massachusetts.

Lorange P & Roos J 1993, *Strategic Alliances – Formation, Implementation and Evolution*, Blackwells Publishers, Oxford.

Johnson D & Greyson K 2003, "Cognitive and affective trust in service relationships", *Journal of Business Research*, vol. 58, no. 1 pp.500-507, Retrieved January 19, 2007, from [www.sciencedirect.com](http://www.sciencedirect.com)

Lewis J D & Weigert A 1985, "Trust as a Social Reality", *Social Forces*, vol. 63, no. 4 pp. 967-985, Retrieved December 9, 2006, from Business Source Premier (EBSCO)

McAllister, D J 1995, "Affect- and cognition-based trust as foundations for interpersonal cooperation in organizations", *Academy of Management Journal*, vol. 38, no. 1 pp. 24-59, Retrieved December 17, 2006, from Business Source Premier (EBSCO)

Muthusamy S K & White M A 2006, "Does power sharing matter? The role of power and influence in alliance performance", *Journal of Business Research*, vol. 59, no. 1 pp. 811-819, Retrieved December 17, 2006, from [www.sciencedirect.com](http://www.sciencedirect.com)

McLaren, M C 1998, *Interpreting Cultural Differences*, Peter Francis Publishers, Dereham.

Pfeffer, J 1992, *Managing With Power*, Harvard Business School Press, Boston

Peiró J M & Meliá J L 2003, "Formal and Informal Interpersonal Power in Organisations: Testing a Bifactorial Model of Power in Role-sets", *Applied Psychology*, vol. 52, no. 1 pp. 14-35, Retrieved December 12, 2006, from [www.blackwell-synergy.com](http://www.blackwell-synergy.com)

Priest S & Gass M A, *Effective Leadership in Adventure Programming*, Human Kinetics, Champaign, Retrieved February 12, 2007, from [www.books.google.com](http://www.books.google.com)

Raven, B H, Schwarzwald J & Koslowsky, M 1998, "Conceptualizing and Measuring a Power/Interaction Model of Interpersonal Influence", *Journal of Applied Social Psychology*, vol. 28, no. 4 pp. 307-332, Retrieved November 23, 2006, from [www.blackwell-synergy.com](http://www.blackwell-synergy.com)

Schein, E H 2004, *Organizational Culture and Leadership*, 3<sup>rd</sup> edn, Jossey Bass, San Francisco, Retrieved December 10, 2006, from Books24x7.

Stiles, J 1994, "Strategic alliances: Making them work", *Long Range Planning*, vol. 27, no. 4 pp. 133-137, Retrieved January 20, 2007, from [www.sciencedirect.com](http://www.sciencedirect.com)

Stiles, J 1995, "Collaboration for competitive advantage: The changing world of alliances and partnerships", *Long Range Planning*, vol. 28, no. 5 pp. 109-112, Retrieved December 2, 2006, from [www.sciencedirect.com](http://www.sciencedirect.com)

Sydow, J 1998, Understanding the Constitution of Interorganizational Trust, in Lane C & Bachmann R (eds), *Trust Within and Between Organizations*. Oxford University Press, New York.

Trompenaars F & Hampden-Turner C 1997, *Riding the Waves of Culture: Understanding Cultural Diversity in Business*, 2<sup>nd</sup> edn, Nicholas Brealey Publishing, London, Retrieved December 10, 2006, from Books24x7.

Wikipedia, the free encyclopedia (2001), *Strategic alliance* [online]. Retrieved February 16, 2007, from [http://en.wikipedia.org/wiki/Strategic\\_alliance](http://en.wikipedia.org/wiki/Strategic_alliance)



---

## Appendix I – Interview guide

---

### Interview guide

The guide consists of four parts; international collaboration, culture, power and trust.

Name:

Age:

Relevant experience:

Date:

#### International collaboration

1. What do you think the motives for international collaboration are? Are they different from the motives for national collaboration?
2. What do you perceive as the advantages with international collaboration, which is not possible to get with national collaboration?
3. What do you perceive as the disadvantages compared to national collaboration?
4. Which changes do you think is possible to make to make collaboration more efficient at international level? At national level?
5. Have you experienced differences between collaboration within different groups you have been a part of? If so, what differences and what do you think they depend on?
6. Do you think all parts have had the same perception regarding the goal in the projects you have been involved with? Why/why not? Do you think there is a difference between national and international collaboration?

#### Culture

1. What does the term culture mean to you?
2. How do you perceive the interaction between individuals of different age in different cultures?
3. How do you perceive the interaction between manager and subordinates in different cultures?
4. What is your perception regarding the interaction between women and men in different cultures?
5. How do you perceive conflict handling in different cultures?
6. Describe differences you have experienced regarding individuals interacting in a group. What do you think is the reason for these differences?
7. What is most important; using all available resources to achieve prompt results, or use fewer resources and wait longer for results?
8. Which positive experiences do you have from working in multicultural groups? Do these experiences differ from those gained in national groups?
9. Which negative experiences do you have from working in multicultural groups? Do these experiences differ from those gained in national groups?

10. What reasons do you think there are for successful/unsuccessful international collaboration? Do these reasons apply to national collaboration?

#### Power

1. What does the term power mean to you?
2. Does power have a positive or negative meaning to you?
3. What do you think are typical leader qualities? Is there any difference between national/international collaboration?
4. Do you think it is important to have typical leader qualities in order to be a good leader? Is it equally important in national and international collaboration?
5. What qualities do you consider negative for a person in power position? Is there any difference between national/international collaboration?
6. What sources do you consider important in order to gain power? Is there any difference between national/international collaboration?
7. Do you believe that power manifests itself differently in different cultures? If so, how?
8. What do you think will happen in a group if power is shared between group members instead of one or a few individuals having the power? Is there any difference between national/international groups?
9. Collaborating internationally, is it important that all parts have the same amount of power/influence? Does this apply if they differ in size or competence? Is there any difference compared to between national collaboration?

#### Trust

1. What does the term trust mean to you?
2. What makes you trust a person you are working together with?
3. What makes you distrust a person you are working together with?
4. Do you consider it possible to regain lost trust? If so, how?
5. Are there different kinds of trust? If so, which are they?
6. Do you think the foundation of trust differs in different cultures? Why/why not?
7. Do you think trust is important in a group? Why/why not? Do you think it is more or less important in a multicultural group?
8. What factors do you think affects trust in national/international collaboration?
9. Do you think it is easier or harder to build trust in international collaboration compared to national collaboration, all other conditions being equal?