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U.S.-German Cooperation:
A Framework for an
Organizational Analysis Project

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CONTENTS

1   Introduction

Global competition and markets are the "catch-words" in today's business environment. The academic (e.g. *Welge* 1980; *Bartlett/Ghoshal* 1989; *Porter* 1990) and professional literature (e.g. *Bass* 1971; *Trompenaars* 1993) are full of articles reporting on the state of affairs in international business. However, most of this reporting is descriptive, i.e., how a company became international or a firm marketed its products in the global marketplace. From these descriptions, suggestions have been derived, how to deal in an international environment: These suggestions are basically derived from anecdotical events and try to generalize the observed behaviour of some - often so-called "excellent" - companies.

Therefore, not too much sound and country-specific prescriptive advice as to how to approach the international business scene and be successful is available. This advice becomes particularly important when a company enters a new country and establishes a subsidiary operation. For the internationalization of the company to be effective it is critical that the parent company establishes organizational practices, policies, and procedueres that ensure that the foreign subsidiary will be successful in the new country. This parent-subsidiary relationship is the focus of this research project.

Success in the international arena must come through success in subsidiaries of the parent company. This seems axiomatic, but very little research has focused on what makes subsidiaries successful. There is certainly plenty of literature describing how subsidiaries evolve and develop (*Adler* 1983; *Dowling/Schuler* 1990), but very little on the way in which one plans, organizes, and staffs a subsidiary in a new country in order to be successful.

Research on international business has been concerned with the identification of differences and similarities between organizations from different countries and their effect on international business (*Grosse/Kujawa* 1992). Part of this general research field has been the impact of "national culture" on a variety of organizational aspects (*Adler/Ghadar* 1990; *Hall/Hall* 1990; *Beermann/Stengel* 1992; *Kavanagh/Scholz* 1994). Most important for this research project is the controversy regarding of the relevance of culture to organizational functioning. Proponents of the "culture-free" hypothesis argue that patterns of organizational functioning are free of cultural influence, especially in industry, because contingencies of scale, technological development and so forth impose a common logic of administration, which is

functionlly imperative to adopt in terms of organizational performance (*Kerr/Dunlop/Harbison/Myers* 1952; *Inkeles* 1960; *Hickson/Hinings/McMillan/ Schwitter* 1974; *Child* 1981; *Laurent* 1983).

Countering the "culture-free" hypothesis is the "culture-bound" one, which argues that different societies exhibit distinct and relatively persistent cultures, meaning, widely shared patterns of thoughts, values, and manners. It is argued that, even if organizations located within different societies do face similar cultural contingencies, but adopt similar models of formal structure and organization, deep-rooted cultural forces will re-assert themselves in the way people actually behave and relate to each other. The culture-specific hypothesis has been supported by some empirical research (*Farmer/Richman* 1965; *England* 1973; *Neghandi* 1973), which indicates that culture should be considered an organizational contingency in international research in business.

Directly relevant to this research outline presented in this paper is a recent study comparing subsidiaries of German and British parent companies (*Scholz* 1993). This research examined the organizational functioning of subsidiaries both in Germany and Great Britain on a variety of variables, including national and corporate culture. Although a number of variables were related to organizational effectiveness, it is important for this project that the cultural variables added significant predictability of organizational effectiveness.

This project is concerned with the extending of the results of the German-British study by examining American and German subsidiaries. The general hypothesis of this research, following the culture-bound argument, is that the corporate culture of the subsidiary, as influenced by the national culture, mediates the relationship between organizational variables, such as organizational structure and business strategy, and the effectiveness of the organization.

The logic underlying this general hypothesis is the notion of "fit" of the subsidiary to its new environment. However, this "fit" is not only in terms of national and corporate culture, it also relates to other important organizational variables (e.g *Waterman* 1982; *Scholz* 1987b; *Venkatraman* 1989; *Goshal/Nohria* 1993). These more specific hypothesis will be described in the following section along with a description of a model of organizational functioning that is guiding this research study.

2   Model of Organizational Functioning and Specific Hypothesis

Relating to the object under investigation in this study, e.g., a German parent company can set up its subsidiary as
(1) a typical German company,
(2) a typical U.S. company, or as
(3) a typical "multinational" company.
"Typical" in this sense means a company which strongly reflects the national culture of the mother company. A typical German company therefore is strongly influenced by the German business culture, even though the corporate culture itself always plays an important role.

Current literature (e.g. *Perlmutter* 1965) basically implies three stages in international activities, namely
(1) the ethnocentric approach,
(2) the multinational approach, and
(3) the global approach.
Extensions of this model appear to be necessary (e.g. *Scholz* 1994); these three alternatives are a meaningful basis for further research. Still contrary to most authors (e.g. *Ghoshal* 1987; *Meffert* 1989) who see in an as descriptive as prescriptive sense a life cycle from (1) to (3) with an growing company becoming always more global, the research to be presented in this paper does not see size and age as the most important contingency-variables: This means that all three approaches can be suitable for subsidiaries of all sizes and all ages.

Following the concept of strategic choice (e.g. *Prahalad* 1976; *Butler/Carney* 1986), there is evidence that companies may chose dependend on industry and market a particular strategy which sets itself up as a subsidiary of type (1), (2) or (3). This decision then has to go along with a decision regarding the autonomy of the subsidiary as one of the most important variables in our model.

The framework (and the variables) to be considered in this research will be similar to those constructed for a research dealing with German subsidiaries in Great Britain and British subsidiaries in Germany (*Scholz/Stedham* 1993) - even though it was possible to learn from experience which means that several adjustments had to be made (see figure 1).

In particular, the framework (*Scholz* 1993, 10-12) can be described as a complex system with the situation as base: it covers both the internal and external

environmental factors of the companies. The relationships of the situation can on one hand be found towards the strategy and towards structure and system. On the other hand, there are impacts on cultural issues existing, i.e. on the stereotypes in national culture and phenotypes in corporate culture. The final variables of interest are those of effectiveness as a result of the interactive implications of environment, culture, structure, system, and strategy.

Structure & System

Formal structure
STRUCTUR

Coordination
HOLDCOMP   SEPTDEPT
BRANCHES   TWOLINE
CORPSTRU   THIRDCOU
*   CEBOARDM*

Autonomy
PCFORMUL
INFLUTAR
PARTICIP
PURCHASX   *PURCHAS*
AUTISSUE
CONTMECX   *CONTMECH*
-->AUTONOM   QCL_3

HRM
DEFINCAR   *INTEDUC*
APPRAISS   *FORCOMP*
INTLENG   *CARHIST*
                   MAINEXPE

Information supply
Info-channels
--> INFSTAND
'not informed'

Critical decisions
STATDEC   DELAYS
INITIATI   CORRECTD

Strategy

Structure of competition
CUSTMAIN
COMPCATE
COMPSIZE
CUSTSPRE
COMPTYPE
COMPNATI

Main strategic target
TARGETA

Competitive advantages
COMPADVA
UNIQUENE

Range of activities
MANUFACT
ASSEMBLY
PROJDESI
RESANDDE   QCL_1
SELLING
TECHSERV
CUSTSERV
MARKETIN

Strategic Impulses
Reasons for   QCL_2
activity

Success

Criteria of effectiveness

ACHIEVED
COMPAREC
CHANGETA
---->   E_ACH_T
                   E_COMP_T
                   E_CHAN_T

---> EFFECT   QCL_6

Situation

Internal context
SIZE_PC   *SIZE_PCK*
SIZE_SUB   *SIZESUBK*
AGE_PC   *AGE_PCK*
AGE_SUB   *AGE_SUBK*
M_ALL
S_ALL
W_ALL

External context
BRANCHE   FORMESTA
OWNERSHI   STATUS
SHAREHOL   ACQUISIT

Perception of environment
LIMITINA   OPENBORD
LIMITEXA   SINGLEMA

Interviewees
                       INTPOS
                       INTNAT

Phenotypes in corporate culture

Attitudes, values, and priorities

--> 16 dimensions of culture

CUL_BIND
CUL_KOMM
CUL_MITA
CUL_TEAM
CUL_SYST
CUL_BURE
CUL_ERGE
CUL_LEIS
CUL_KURZ
CUL_SPEE
CUL_KOST
CUL_INNO
CUL_QUAL
CUL_TECH
CUL_KUND
CUL_RISK

QCL_5

Stereotypes in national culture

Perception of nationality
NATIOCOM
             --> DEGREEUS

Auto-/heterostereotypes

Opinion
.. about Americans
.. about Germans
seen by
.. subsidiaries
.. Americans/Germans

Problematic areas

Problems of
collaboration
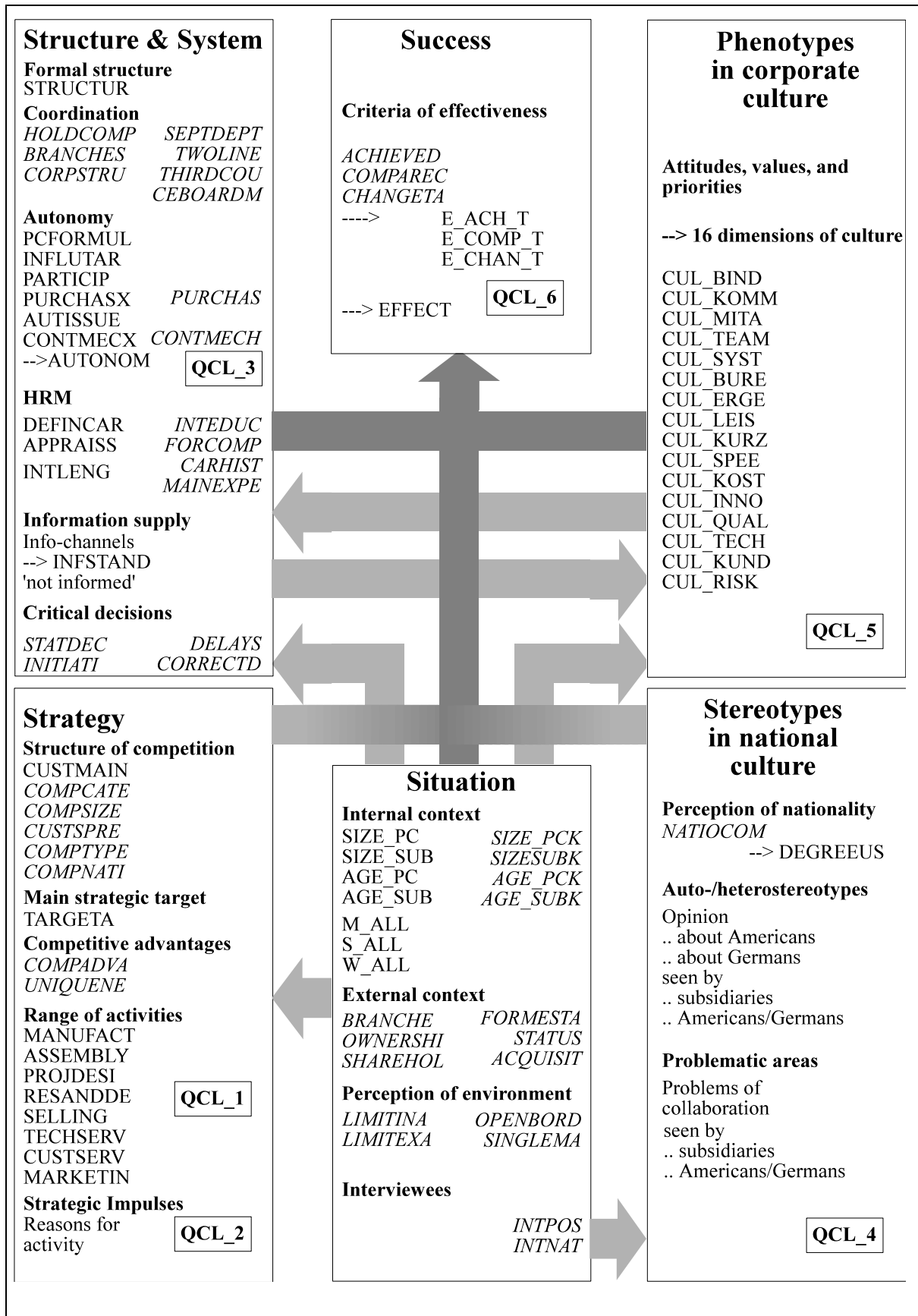seen by
.. subsidiaries
.. Americans/Germans

QCL_4

Figure 1: The framework and variables of the study

One of the basic paradigms in the research to be discussed is that of strategic fit. "Strategic fit is the situation in which all the internal and external elements relevant for a company are in line with each other and with the corporate strategy" (*Scholz* 1987, 78). Thus, the call for strategic fit describes the necessity for a manager to chose the elements for his strategy in accordance with each other, with the given overall strategy, and with the given or selected circumstances. Even it might use or produce synergy, strategic fit is not identical with it: It is a phenomenon which represents the integrative nature of the overall strategy.

Related to our research, we therefore have to have a fit between
− the market situation,
− the internationalization strategy as a selection between (1), (2) and (3), and
− the degree of autonomy,
from which then other organizational design variables may be derived.

From these variables, specific hypotheses will be formulated, which bring the variables together in an meaningful context (see table 1). E.g.: To be a "typical German" subsidiary in the U.S. and having an extreme high degree of autonomy causes problems since the interaction between the German parent company and the subsidiary in the U.S. is necessary in order to enforce the identity as a "German" company. To be a "pure" U.S. company and at the same time permitting no autonomy at all, will as well cause problems.

Stage	Market situation	Internationalization strategy	Autonomy
(1)	stable	ethnocentric	low
(2)	dynamic	multinational	high
(3)	large scaled (?)	global	medium

Table 1: Postulated fit between market situation, internationalization strategy, and autonomy

3   Methodology

3.1   The Sample

The sample being relevant for this study should consist in subsidiaries of U.S. companies in Germany and German subsidiaries in the U.S. The size of the data base to reach is 50 to 75 subsidiaries each.

To compare the data, it has to be ensured that the subsidiaries are to a certain degree similarly stratified in industry type, size, and age of subsidiary or parent company.

3.2   Variables and Measures

Variables representing the external and internal environment of the organization, the structure, strategy, processes, and culture as well as management's perceptions and behaviour have to be developed and measures for these variables must be found. By the German-British study mentioned above, valuable experiences can be used to define and operationalize the variables, e.g., composite variables measuring organizational culture.

Organizational effectiveness should be measured by objective and subjective measures: Objective measures are figures like sales volume or RoI, whereas subjective measures focus on the personal perceptions of the interviewees. They have to state to what extent they feel that organizational targets have been achieved, exceeded, or not achieved, to what extent and how targets have been changed during the past year, or how well they think they have been doing in comparison to their competition. An overall effectiveness measure based on these effectiveness variables is to be developed.

3.3   Planned Analysis

The statistical analysis of the data will be supported by the "SPSS" statistical software. Descriptive statistics, means and frequencies, will be computed to describe the organizations in the two countries. ANOVA procedures are to be employed to compare the organizations from the two countries with respect to the relevant variables. In order to get an insight into the relationships among the variables, particularly the relevance of the variables to organizational effectiveness, cross-tabulations and product-moment correlations should be calculated. In which way effectiveness is caused, the method of multiple regression can answer.

The method of pattern recognition (e.g. *Niemann* 1980; *Scholz/Josephy* 1984; *Scholz* 1987a) which should be used aims to realize the processing of large quantities of data by an extreme reduction of complexity: Many profiles are reduced to some few average-profiles or patterns. In its theoretical conception, it follows the contingency approach, and the appropriate statistical method is the cluster analysis.

4   Specific Literature

Organizations and national culture can be systematically described in terms of dimensions or characteristics common to all organizations. The basis for comparing the organizations in this study is a traditional contingency model (*Child/Kieser* 1975; *Pugh/Hickson* 1975; *Kieser* 1993), which basically follows the paradigma of strategic fit (*Scholz* 1987b). In this study, organizations will be described and compared concerning internal and external environmental factors, the organizations' structure, strategy, processes, management behavior, culture and effectiveness measures. Existing research implies that differences between organizations might be due to differences in the organizational contingencies or to cultural differences but also to the type of sample, subsidiaries. It seems reasonable to expect that the parent company-subsidiary relationship, independent of environmental contingencies or cultural influences, has an impact on organizational characteristics. Finally, since management behavior and decisions are based on perceptions, it is important to distinguish between actual and perceived differences.

The existing literature on the relevant organizational contingencies, on the impact of culture on organizational characteristics, on the parent-subsidiary relationship, and on cultural stereotypes implies what specific differences are to be expected between organizations from different countries in general, and between organizations from Germany and the U.S. in particular.

(a) Contingencies and Organizational Characteristics
Ghoshal and *Nohria* (1993, 23) re-state that "one of the most enduring ideas of organization theory is that an organization's structure and management process must 'fit' its environment." Specific external and internal environmental characteristics have been linked to specific structural characteristics that enhance the effectiveness of the organization. *Pugh/Hickson* (1975) and *Kieser/Kubicek* (1992) identified the following contextual factors, which represent the theoretical framework for this study: The external environment consists of the economic, competitive environment, the legal, the social, and the technological environment of the organization; the internal environment includes the size, type of ownership, manufacturing method, organizational culture, and information systems. Structural variables (*Pugh/Hickson* 1975) are functional specialization, role specialization, standardization, formalization, which together describe the structuring of activities; the concentration of authority is defined through the centralization of decision-making, the autonomy of the organization, and the standardization of procedures for selection and advancement;

line control of workflow including the subordinate ratio, formalization of role performance recording, percentage of workflow superordinates; finally, the relative size of supportive component described by the percentage of clerks, percentage of non-workflow personnel, and vertical span.

Another important aspect is the strategic orientation of the organization (*Scholz* 1987a). The economic or competitive external environment determine the strategic orientation. According to *Porter* (1980), internal rivalry, the bargaining power of suppliers, the bargaining power of buyers, the threat of potential entrants and the threat of substitutes determine an organization's strategy. Based on these factors, generic strategies are distinguished in terms of cost leadership, differentiation and focus. The industry an organization primarily operates in is most relevant.

Communication and decision-making systems prevalent in an organization characterize an organization. The level of centralization and formalization of these processes are seen here as most important. Finally, management's perceptions and behaviors determine the success of the organization, especially leadership, interpersonal skills, and motivation. Effectiveness is indicated through financial measures, like ROI and sales, and non-financial measures like employee satisfaction, turnover, and absenteeism.

(b) The Effect of Culture on Organizations

Hofstede (1980; 1991) developed a systematic approach for the comparison of cultures by finding a "measure" for national culture. Countries are described in terms of five dimensions: the uncertainty avoidance index (UAI), the power distance index (PDI), individualism (IDV), masculinity (MAS), and long term orientation (LTO). The results of his study of 64 countries showed that countries differ clearly on these dimensions. *Hofstede* (1991) comprehensively summarizes the results of his studies on national culture and identifies some relationships among the cultural dimensions and between the cultural dimensions and organizational characteristics.

For three dimensions both the U.S. and Germany show similar results: They are characterized by relatively high levels on the dimensions individualism ($IND_{GER}=67$, $IND_{USA}=91$) and masculinity ($MAS_{GER}=66$, $MAS_{USA}=62$) and by low levels on the dimension power distance ($PDI_{GER}=35$, $PDI_{USA}=40$). Differences are shown in the dimensions uncertainty avoidance and long term orientation. Germany belongs in both dimensions to the medium third ($UAI_{GER}=65$, $LTO_{GER}=31$), the U.S. on the other hand to the bottom third ($UAI_{USA}=46$, $LTO_{USA}=29$).

Concerning the impact of culture on organizational characteristics, it has been shown that national culture has an impact on organizational structure (*Scholz/Hofbauer* 1990). Several studies investigated the contingencies involved in determining a "structural" fit for multinational enterprises. *Doz* and *Prahalad* (1984) argue that the simultaneous need for global integration and local responsiveness must be managed. In their most recent study, *Ghoshal* and *Nohria* (1993) classify businesses based on forces for global integration versus forces for local responsiveness. The requisite organizational structures are defined in terms of structural integration and structural differentiation. This study implies, that the extent of international activities, i.e. extent of exposure to and impact of different cultures, has an impact on organizational structure.

Bergemann and *Sourisseaux* (1992) present research concerned with cultural differences in organizational processes and managerial behavior. They conclude that leadership, motivation, decision-making, and communication processes are influenced by national culture. Communication is an essential basis for effective management. *Adler* (1986, 53) notes that "Cross-cultural communication continually involves misunderstanding caused by misperception, misinterpretation, and misevaluation." According to *Samovar/Porter/Jain* (1981), culture is the foundation of communication. Scholars of communication maintain that language reflects the diverging values of society (e.g. *Lötscher* 1983; *Kopper* 1992).

Culpan/Kucukemiroglu (1993) analysed the U.S. and Japanese management styles in relation to six dimensions: supervisory style, decision making, communication pattern, control mechanism, interdepartmental relationships, and paternalistic orientation. They found out, that both management styles differ in each of the six dimensions; American managers emphasize supervisory style, decision making, and control mechanism. Derived from this results, differences to German management styles are expected.

(c) The Parent-Subsidiary Relationship
General issues concerning the parent-subsidiary relationship center around the appropriate type of ownership (*Chowdhury* 1992), the role of subsidiary boards in MNE's (*Kriger* 1991), and intensity of coordination (*Welge* 1980, 1981). *Welge's* (1980) study provides important insights in the parent-subsidiary relationship. He distinguished between structural coordination intensity, person-oriented coordination intensity, and technocratic coordination intensity where several dimensions describe each type of coordination intensity. Differences between countries were observed primarily with respect to person-oriented coordination intensity. Differences were also

identified concerning the number of employees sent on expatriate assignment and the length of the assignment and frequency of and reasons for visits between organizations. The least differences were observed for technocratic coordination intensity, i.e. the financial aspect of the parent-subsidiary relationship. Results also indicated that size of the organization, ownership, and type of "acquisition" influence the parent-subsidiary relationship. Geographical distance and level of diversification are factors that may be important influences and should be further investigated. As a general conclusion, *Welge* suggests that low coordination intensity, associated with decentralized decision-making should result in above-average organizational effectiveness, measured through financial and non-financial criteria.

These results imply that the actual parent-subsidiary relationship might be influenced by the national culture of the two organization's countries. Depending on the cultural characteristics a parent company is more or less likely to implement a system of low coordination intensity and decentralized decision-making (see *Hofstede*).

(d) Cultural Stereotypes
Assigning characteristics to a group without conscious regard for the individual members has been termed "stereotypes". *Samovar/Porter/Jain* (1981) emphasize that stereotyping in a cultural context allows individuals to cope with unfamiliar situations and behavior. International managers, particularly, if not effectively prepared, will tend to rely on their cultural stereotypes in their interactions with organizational members from another country. Rather than basing their behavior and decisions on a systematic evaluation of national culture, using for instance *Hofstede's* study, managers base their behavior and decisions on perceptions of the relevant culture. *Adler* (1986) suggests that stereotypes are useful when they are consciously held, descriptive rather than evaluative, accurately describe the group norm, the first best guess prior to having direct information, and open to modification based on further observation and experience. *Kopper* (1992) concludes that the ability to differentiate between individual behavior and cultural stereotypes and to possibly discard inaccurate stereotypes is a key factor in cross-cultural communication.

Researchers studying stereotypes report that there are universally held stereotypes about the behavior and capabilities of persons from particular regions of the world (*Miller/Cattaneo* 1982). Additionally, people tend to prefer their own kind and to stereotype ethnic groups, especially those considered to be of lower status in a negative fashion. Expatriates base managerial processes on what they think their subordinates qualities are and not on the actual qualities of the subordinates. Some

research on stereotypes concerns the congruence between stereotypes concerning one's own culture and the stereotypes held by others about that culture, autostereotypes and heterostereotypes, respectively (e.g. *Everett/Stening* 1987). *Everett* and *Stening* (1987) conclude that an effective long-term relationship rests on a reasonable degree of similarity between one group's autostereotype and the other's heterostereotype of that group (see also *Bass* 1971).

Existing studies show that the Americans see the Germans as hardworking, enterprising, and thorough, but also as nationalisitic or militaristic (e.g. *STERN* 1980). But all in all the view of the Germans is not too negative, for the Americans feel quite similar to the Germans (e.g. *Jones/Ashmore* 1973). In another study, *Stapf/Stroebe/Jonas* (1986) analysed the picture of American students about Germany and the Germans. The comparison of the students' attitudes show that they ranked their own country in most of the issues higher than other nations, so for example in "powerful", "democratic", and "similar to the perfect country". Furthermore, by interviews the researchers found out, that the students think of Germany as a technologically advanced nation with high work ethics. The comparison of the attitudes towards the inhabitants showed similar results: Americans are higher rated than Germans in positive attitudes like intelligent, honest, efficient, and congenial. The more negative attitudes like conservative, or hostile are rather attributed to the Germans. The American students ranked Germany in comparison to other European nations behind those nations.

Comparing the sympathy Americans and Germans show against their countries, it can be estimated to be on the same level: The U.S. counts as one of the five most likeable countries for Germany, and Germany as one of the five most likeable countries for the U.S. (e.g. *Haftendorn* 1985, 136).

Within their study examining cultural differences, *Hall/Hall* (1990, 35-84) referred a lot of factors showing differences between Germans and Americans. In contrast to Germany, the U.S., as a melting pot society, shows a high geographic, social, and economic mobility. In Germany, everything is smaller, and the sense of privacy is much stronger. In German psychology, one can find attributes like stubborn, persistent, often arrogant, but also prompt, precise, cleanly, and orderly. Their friendships seem to be less superficial as in the U.S. In Germany, business does not enjoy such a high status as in the U.S. and even business success has a negative image. Power is a very important topic which influences for example the way information is shared in German companies.

Concerning verbal communication, the lack of equivalence between American and German words hinders effective communication. For instance, the American word "friend" implies a lower level of intimacy than the German word "Freund". The American words "achievement", "commitment", "common sense", "fair play", "management", and "skill" have no exact and/or only partial equivalents in German. "Authority", a key business term, is defined differently in the American management literature than in German (*Kiechl* 1977). German is a more "direct" language than English. Written documents in German have a rigid structure and are more deductively construed versus the American's inductive approach (*Knapp* 1992).

(e) Conclusion

In conclusion, sufficient research exists providing a framework for the study of organizations. Dimensions to be used in the description and comparison of organizations have been developed. Previous research implies differences to be expected between German and U.S. companies based on cultural differences or on the parent-subsidiary relationship. In this study, organizations are to be comprehensively described, analysed and compared, rather than just focusing on a specific organizational aspect. The emphasis is on determining to what extent differences between the organizations are related to differences in national culture and to what extent perceptions and stereotypes are relevant.

5   Phases of the Research Project

By the main specific goals for the project
−   identification of problems in cross-cultural management,
−   determination of the relevant success factors given the organization's specific cultural environment,
−   identification and analysis of differences and similarities between German and U.S. companies concerning organizational culture, structure, and strategy implementation, and
−   development of suggestions for effective U.S.-German management cooperation, the process of the project is planned to consist of nine phases specified in this section.

5.1   Core Questions

The conceptualization of the study of which this working paper is the first result has been initiated in the U.S. in October 1993 by the authors: The core questions were

defined, and the conceptualization was discussed. Until December 1993, the researchers then specified the conceptual frame by adding further considerations derived from discussions in doctoral seminars and the individual research focus.

The formal proposal is directly derived from the conceptual frame. The central idea is the objectivistic-interpretative research paradigm (e.g. *Scholz/Hofbauer* 1990, 35-54) which leads to the collection of objective facts as well as of perceptions of the interviewees.

5.2   Framework and First Literature Scanning

The design of an appropriate framework for the study and a prior literature review have taken place from January to June 1994, basically by the Saarbrücken team. On one hand, the literature about international and intercultural cooperation was to be scanned. On the other hand, questions related with the effectiveness of a parent-subsidiary relationship are to be answered by the literature. Interesting results are expected in different issues; first literature-based approaches to the topic are given in the above survey.

5.3   Identification of Organizational Sample

To identify the organizational sample, it is necessary to create a data base of subsidiaries and contact persons. The subsidiaries in Germany will be identified by the German research team, the subsidiaries in the U.S. will be provided by both the German and the U.S. research team. German-U.S. institutions like joint chambers of commerce will be very useful to get the needed information for the data base. The creation of a sample will take place from June to August 1994.

5.4   Development of Measures and Data Collection Instruments

Simultaneously (June to August 1994), the measures have to be developed. They will result in the data collection instruments. The following instruments are to be designed:
− interview with CEO,
− questionnaire with CEO,
− culture questionnaires for a sample of employees (10%, if feasible), and
− questionnaires and/or interviews with other functional managers.

Data should be collected on a variety of company characteristics derived from the literature review: Factors that might be important to the effectiveness of German-U.S. management cooperation have to be determined. In addition to cultural differences in an organization's environment, corporate culture is to be included as a factor of major interest. Other organizational characteristics included in the study will be organizational structure, the organization's human resources and marketing processes, as well as the organization's decision-making and control systems. For the personal interview section of the data collection process, senior-management (generally, the CEO) is considered the appropriate source for the data of interest in this study. Senior-management of a subsidiary represents the link to the parent-company, and thus an analysis concerned with the relationship between subsidiary and parent has to consider senior management.

The interview guidelines will be semi-structured with open questions to allow for responsiveness to specific conditions and data. Questions are to be designed to identify characteristics unique to the management of a U.S. subsidiary in Germany and of a German subsidiary in the U.S. Of major interest will also be the management's perceptions concerning the German-U.S. cooperation.

The instruments have to be translated in English and German under minimization of language differences.

5.5   Completion of Organizational Design and Measures

The organizational design and measures will be completed until the end of September 1994 by reviewing and discussing the interview guidelines and questionnaires. If need be, a meeting of the research teams can be arranged.

5.6   Data Collection in the U.S. and Germany

During the first two weeks in October, data will be collected in the U.S. and Germany simultaneously. The whole data collection will be performed in a concentrated action by only one research team (German team) to prevent a mixture of interview techniques distorting the raw data.

The interviews and questionnaires of the CEOs and the other functional managers will be done on-site.The interviews will be recorded and then put into writing. By this, method biases tied to different cultural perspectives based on value differences can be controlled if different raters score the interviews. The culture questionnaires are

planned to be returned by the employees anonymously to the investigators with only the name of the company indicated.

5.7   Data Analysis and Interpretation of Results

Precondition for the evaluation of the data is a design for data analysis: For the questionnaires as well as for the interviews it will be necessary to develop scales for coding the data. The statistical data evaluation by the means of empirical organizational research will be performed by the German research team. The U.S. research team will be the partner for discussions of the results and for the verbal analysis of the contents of the interviews. This task is planned for the period of October 1994 to March 1995.

5.8   Documentation and Dissemination of Research Results

The documentation and dissemination of research results will take place from April 1995 to August 1995. A major task will be the discussion of implications, and the identification of open questions for further research.

5.9   Synoptical Table

To sum up the phases of the project, a synoptical table will close this paper (table 2):

Number	Phase	Time
1	Conceptualization of the Project and Formal Proposal	Oct. 1993 - Dec. 1993
2	Framework and First Literature Review	Jan. 1994 - June 1994
3	Identification of Organizational Sample	June 1994 - Aug. 1994
4	Development of Measures and Data Collection Instruments	June 1994 - Aug. 1994
5	Completion of Organizational Design and Measures	Sept. 1994
6	Data Collection in the U.S. and Germany	Oct. 1994
7	Data Analysis and Interpretation of Results	Oct. 1994 - March 1995
8	Documentation and Dissemination of Research Results	April 1995 - Aug. 1995

Table 2: Synoptical table of the project-phases

6   Final Remark

The whole research project is primarily driven by the Saarbrücken team. There are still some conceptional and organizational problems to solve. And, as the experiences with similar empirical research projects show, due to the dynamics and complexity of the project, several difficulties will certainly occur. To cope with them will be a major challenge, but in the same time the chance by following this very interesting approach to gain new insights into the relationship between the Americans and the Germans.

6   Final Remark

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