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### **Be a Roman in Rome - Avoiding Cultural Clashes in Joint Ventures**

What should managements of amalgamating companies do to ensure their success?

Firms look for venture partners outside their own industry to gain complementary capabilities that strengthen their core business. For example, ex-computer firms ally with telecom. It is mandatory for these firms to carefully compare the work cultures of the allying partners. This will provide them an advance warning to potential cultural problems.

Globalization expands the search for complementary capabilities to the whole world. Comparing the values ascribed to task, authority and interpersonal relations by the potential partners helps the management understand their similarities and differences in work culture.

Amalgamating firms must examine how both the partners perceive the primary task. Different emphasis yields different attitudes, not only towards the work but also towards management and quality.

It is not just sufficient to be acquainted with top management's intentions and attitudes towards the primary task. It is mandatory to understand how the human assets, who will be conducting the day-to-day activities, feel about the merge.

Geert Hofstede showed that cultures vary along a dimension called power distance. Power distance captures the extent to which those with lesser power accept unequal distribution of power. High power distances indicate a tolerance of disparities in power distribution, and vice versa. Partners of diverse power distances are likely to disagree over matters of legitimate exercise of authority.

Amalgamating firms must pay a lot of attention to this concept. Power distance determines leadership styles, span of control and delegation. Attitude towards authority also reflects on interpersonal relations.

A study of the work environment helps understand the political activity among the employees. The structures of the organizations are clear indicators of power distance and interpersonal relations. The identities of the individuals assigned to negotiate partnerships also give the amalgamating firms an insight into this phenomenon. The extended familiarization process should extend to chief executives and cross sections of management. Managers from both sides need to interact frequently to develop a cordial working relationship.

These joint ventures should be viewed not as organizational forums, but as a means for companies to achieve their respective organizational goals by complementing each other. Difference in opinion between partners nurtures distrust, which leads to cessation.

Keep the following points in mind when attempting to make a joint venture work.

1. A clear strategic vision as to why the venture is essential



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2. An intimate knowledge of the context in which the company proposes to execute the venture is necessary.
3. The vagaries of all the contexts and compromises that will be required by these firms must be counterbalanced by the strategic importance of the venture.
4. Extended periods of familiarization are crucial to analyze the work culture and its various components.
5. Working in a new environment almost inevitably demands adaptation on the part of both the partners.

Partners should modify their work culture in accordance with the strategic intent of the unification.