



Culture and the Joint Venture:

IBM Siemens, and Toshiba

Because work teams have become so ubiquitous in management today, it follows that many new joint ventures and other alliances will have work teams as a critical component. Managers need to pay careful attention to the culturally based differences that can exist among people in such settings and how those differences can facilitate or hinder the new venture.

Consider the experiences that three multinational firms had a few years ago when they decided to “venture abroad” together. It all started when IBM, Siemens, and Toshiba entered into a new joint venture to work together in developing an advanced type of computer chip. Each firm identified a set of research scientists for the project, and the total group of around 100 people assembled for work at an IBM facility in East Fishkill, a small Hudson River Valley town in New York. The idea was that the best and brightest minds from three diverse companies would bring such an array of knowledge, insight, and creativity to the project that it was bound to succeed.

Unfortunately, things did not start out well, and it took much longer than expected for the firms to figure out how to work together. The biggest reasons cited for the early difficulties related to the cultural differences and barriers that existed among the group members. For example, the Japanese scientists were accustomed to working in one big room where everyone could interact with everyone else and where it was easy to overhear what others were saying. The IBM facility, however, had small, cramped offices that could only hold a few people at a time. The Germans were unhappy because most of their offices lacked windows— they claimed that back home no one would be asked to work in a windowless office.

Interpersonal styles also caused conflict at times. Both the U.S. and Japanese scientists criticized their German colleagues for planning and organizing too much, whereas the Japanese were criticized for their unwillingness to make clear decisions. The German and Japanese scientists felt that their U.S. hosts did not spend enough time socializing with them after work. There also were problems with employee privacy and workplace rights. The office doors at the IBM facility had small windows that visitors could use to see whether or not the occupant was busy before knocking. Both the Germans and the Japanese saw this as an invasion of their privacy and often hung their coats over the windows. They also objected to IBM’s strict no-smoking policy, which mandated that people go outside to smoke, regardless of weather conditions.

Because of these problems, the group’s initial progress (or lack of it) was discouraging. Managers felt that a big part of the problem was that they did not adequately train the group members before transferring them to the project and that better cultural training in particular would have been useful. Fortunately for the joint venture, the group members eventually started to socialize and train themselves in how to overcome the cultural differences. Indeed, after the early rough spots the new venture finally took off and the new chip was developed only a few months behind schedule.