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António Robalo

Portugal and Germany in the eyes of American and Asian businessmen

A comparison study*

1. MANAGEMENT, BUSINESS AND CULTURE

The relationship between Management and Culture has been the subject of a great number of studies and still gives rise to a number of controversies and unsettled questions.

During the first half of the century, the classical theories of Management derived from Taylor, Fayol or Weber were held largely as universal. After the 2nd World War two developments helped to question this assumption.

At the theoretical level some authors, building on empirical evidence, managed to show that the universal claim could no longer be accepted: there were no optimal management principles which could be applicable everywhere and by every firm. The management methods to use depended on the situation of the firm, namely on certain contingency factors. The main factors identified were the technology of the firm (Woodward, 1965), the environment (Burns and Stalker, 1961 and Lawrence and Lorsch, 1967) and size (Pugh, 1968, 1981 and Blau and Shoenherr, 1971). Other factors could also logically be (and in fact have been) considered. Among these, the culture of the country or region where the firms operate is of particular concern in our analysis and can be considered as another important contingency factor. This means that the choice of a management system and organisation should be made, among other things, according to the culture of the country and of the employees of the firm.

The second development was concerned with the economic and entrepreneurial upsurge of Japan. After the conquest of significant market shares in

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the world main markets and the outright dominance of a number of sectors, the success of Japanese firms also questioned the existence of universal principles and methods in management, since Japanese firms operated and were organised very differently from their American or European counterparts. This gave rise to a multitude of studies and publications attempting to explain the Japanese success and drawing lessons for western firms.

The growing globalization phenomenon we are witnessing and which, without question, is the most distinctive factor of our time, lends even more importance to the question of culture and its influence on Management.

Nevertheless, even with the prevalence of the culture-bound perspective that culture matters, the culture-free approach cannot be so easily dismissed. It can be argued that the main differences among firms of different countries and cultures can be attributable to the different stages of development of the countries in question, or to the firms themselves, with different levels of modernisation and efficiency. There should be, after all, some methods of Management and Organisation which are universal: to be successful in the world market a firm must employ similar methods, irrespective of the country of origin, be it Korea, Japan, the USA or France. If a firm from India, for example, is characterised by a different management system, then for this firm to become competitive, it will eventually become similar to its more advanced competitors, which means modernising and adopting more "advanced" management methods. Culture then would matter, but not significantly.

A second question can be added to the first one stated above on the universality of management knowledge.

Will the increasing globalization of markets lead to a convergence of management practices and systems according to patterns which become dominant owing to higher efficiency and effectiveness, or will globalization favour the emergence or reinforcement of differences due to nationality or to culture, in line with the increasing diversity and range of factors which play a role in the world scene?

Samuel Huntington's thesis on the clash of civilisations, if at a different level, addresses precisely the same type of question.

There are those who argue that culture does make a difference. Hofstede, one of the most distinguished, identified four bipolar dimensions, masculinity — femininity, power distance, individualism — collectivism, uncertainty — avoidance, to which another one was later added: long-term versus short-term orientation. These dimensions measure cultural differences and give a rationale for dissimilarities found in management and in business situations across borders. (Hofstede, 1980, 1991)

There are also those who defend the idea that much of the management knowledge and many of the relationships derived from single-nation data can be generalised, especially if these are the economic and managerial

leading countries. (Hickson et al., 1974, Ghoshal et al., 1994, Farmer and Richman, 1965)

For others, culture is still of importance but not for every area and theory of management. Technical and closed models (such as in warehousing and log scheduling for example) are more universally relevant than others including social type variables, which are of a more open nature. (Rosenzweig, 1994).

Studies aimed at drawing conclusions from the large body of research on cross-cultural management, although presenting evidence of the differences found across countries and regions and stressing the importance of the cultural factor, have difficulty arriving at general conclusions and at systematising all the partial findings reported in the literature (Roberts and Boyacigiller, 1984, Adler et al., 1986, Negandhi, 1974).

But beyond the issues of generalisation and transferability of management models and techniques and of the exact nature of the relationships, culture is of practical relevance in many situations, not least in the following:

- in commercial and international business contacts in general, and specifically in negotiation processes, where it can be of paramount importance to understand the other party,
- by way of foreign direct investments, where it is critical to know the behaviour of the local market and to choose a management system and organisation type which take into account distinctive characteristics of the country and culture,
- in large multinational firms, where communication among managers of different countries and cultures poses the problem of choosing the degree of uniformity and harmonisation which still allows local autonomy and better attention to the country particularities.

It seems that a firm should simultaneously take into account local and cultural particularities and try to apply those models which are, to a certain extent, considered more universally effective. Even McDonalds offers some products which vary from country to country to satisfy specialised local tastes. At the same time, ambitious firms cannot do without some kind of international benchmarking, scrutinising and, wherever possible, copying best practices and methods, irrespective of their national origin.

2. AIM OF THE STUDY

This study presents results derived from research projects conducted in Portugal and in Germany. A comparison is drawn between the opinions and evaluations of Portugal and Germany by Asian and by American businessmen and managers who made a business trip to one of these two countries. It is a four sided analysis, but the main concern here lies in the comparison

of Portugal and Germany, the different origins of the businessmen interviewed serving to lend more plausability to the findings, if their opinion is coincidental.

Here, then, we are not concerned with differences between the opinions of American and Asian businesspeople, nor between each of these regions, say between North and South American nor among different Asian nationalities. Some of these differences did show up in the findings, but not to an extent to prevent the comparison we are pursuing here, that is, the differences between Portugal and Germany as these are fairly consistent, no matter what the origin of the interviewees.

The subjects of the study were interviewed while travelling back home after a business trip to Portugal or to Germany. The enquires were conducted at the Frankfurt and Lisbon airports by students of FH Pforzheim and of ISCTE respectively.

Topics covered included language and communication problems, food and accommodation, the non-official part of the program and business atmosphere during contacts and negotiations.

Although a systematic sampling process was followed, and one of the four samples (Portugal — Asian businesspeople) is of a relatively small size, the results were consistent enough to have confidence in the conclusions. Moreover, the subjects were genuine businesspeople and not students of different nationalities taking part in some common university course, as is the case in some studies. (By involving an artificial context such results, albeit useful, require special interpretation).

As the questionnaires were not completely coincidental, the results for the American survey will be presented first, followed by the results from the Asian survey. Finally some common conclusions will be drawn.

3. IMPORTANT RESULTS

3.1 AMERICAN BUSINESSPEOPLE

3.1.1 CHARACTERISATION

Regarding the Portuguese sample, 70% of the businessmen visited Portugal as suppliers and most of them represented firms of medium size (50 to 500 employees). As for Germany, most businessmen represented large firms (with over 500 employees) and were there as suppliers (75% of the North Americans) and as clients (75% of the Latin Americans). The most represented industries in both cases were electronics, services, and chemical/pharmaceuticals. The car industry was also prevalent in Germany whilst Portugal had representation from the clothing, shoe and machine tool industries as well.

3.1.2. SIDE PROGRAM AND COMMUNICATION

English was the language most often used and in general there were no communication problems, although for Germany some difficulties were reported, 15% regarding differences of understanding and 20% regarding language.

A side-program was offered to fewer than half of the businessmen and it was rated as positive and with a good atmosphere. As it will be shown below, the importance of the side-program was greater for Asian people.

3.1.3 ASSESSMENT OF THE NEGOTIATIONS

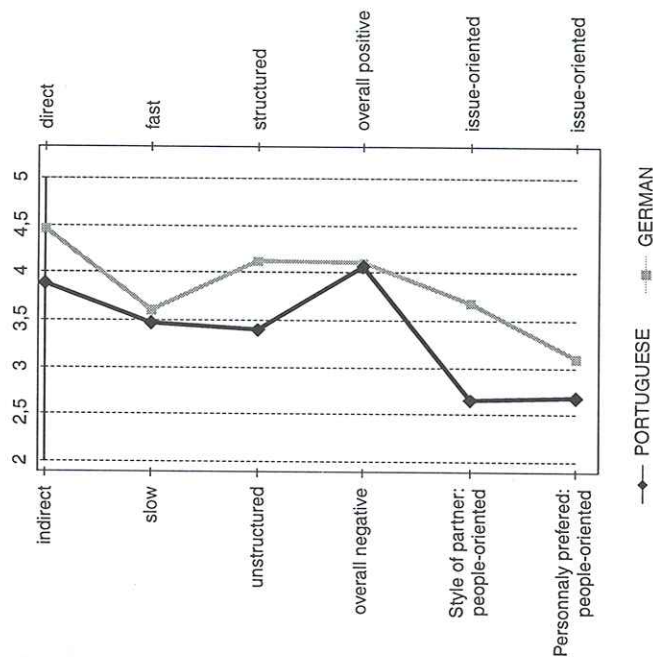
Atmosphere during negotiations

There were no statistically significant differences regarding the categories formal — informal, quiet — talkative and impersonal — personal between Germany and Portugal.

Negotiation style

The German negotiation style was rated very significantly more direct and structured than the Portuguese style and also faster (although here the difference was not statistically significant). Overall the style was equally rated as very positive.

Figure 1
Negotiation style of German and Portuguese partners
as viewed by American Businessmen



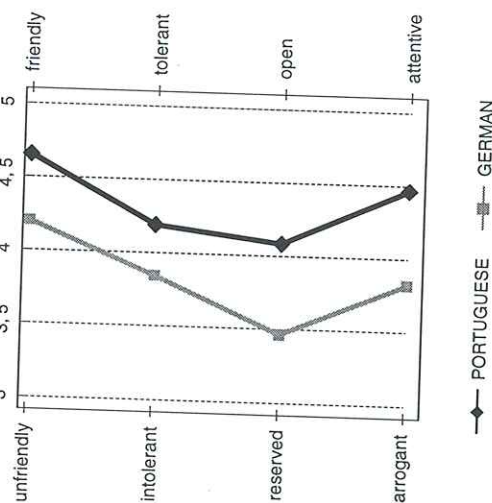
The Portuguese style is very significantly more people-oriented than the German style. The American businesspeople curiously found no difference between the style they personally preferred and the one encountered in Portugal, whereas such a difference showed up in Germany, where the negotiation style was much more issue-oriented than the one preferred by the visitors.

Partner's behaviour during business meeting

The Portuguese scored significantly as being more friendly, more tolerant, more open and more attentive than their German counterparts, these differences being statistically very significant.

Ultimately for both countries, American businesspeople felt treated adequately and with respect and rated the business trip very positively overall, although the Portuguese experience was declared significantly better.

Figure 2
Partner's behaviour during business meeting



3.2 ASIAN BUSINESSPEOPLE

3.2.1 CHARACTERISATION

In this case one important difference was apparent at the very outset — whereas in Frankfurt it was relatively straightforward to get a sample of adequate size of Asian businessmen and with a lot of countries represented, in Lisbon this proved very difficult and the few obtained were almost all from one country (Japan). This has to do directly with Germany's position

at the centre of Europe (geographically and economically) and its large market, which contrasts with the marginal position of Portugal. In the case of Germany, the world's top exporter, besides being a target market for many Asian firms, it is also the location of the European headquarters of quite a number of firms.

As was the case for the American part of the study, the visitors to Portugal belonged to firms of medium size (100 to 1000 employees) while for Germany they came from larger firms (with more than 1000 employees).

3.2.2 SIDE PROGRAM AND COMMUNICATION

The language used was English and in a number of cases (20 to 30%) the help of a translator was sought. Likewise, some communication problems were reported, mainly in Germany.

With regards to the food there were a large number of problems concerning food and drinks, mainly in Germany (more than 30%), with 40% of the visitors saying they prefer their home food while abroad. In Portugal fewer problems were reported, with just 12.5% preferring to maintain their home food.

As to the side program, in Portugal there was such a program in all cases, while in Germany only 20% didn't offer one. This contrasts with the Americans to whom such a program was offered in less than 50% of the cases.

The atmosphere was good during the side-events, but for Germany a significant number found it rather business-like and not so relaxed or friendly.

In almost all cases private contact with the business partner was deemed very important, and many said they had had such a contact.

3.2.3 ASSESSMENT OF THE NEGOTIATIONS

Germany scored higher in the organisation of the time schedule and on punctuality (in this case the difference was statistically very significant) while Portuguese achieved a higher evaluation on atmosphere, respect to the partner, willingness to compromise and sensitivity (all these differences were statistically significant), as shown in figure 3 (see next page).

3.2.4 NEGATIVE AND POSITIVE ASPECTS NOTICED DURING THE VISIT

When asked which aspects had most strikingly impressed them, in Germany, Asian businessmen mentioned the service in shops, hotels and restaurants and a lack of flexibility as minus points, and tidiness, sense of duty and discipline, and overall quality as positive points. For Portugal, slow service and punctuality were mentioned as minus points, and kindness, negotiation atmosphere and the food as positive points.

Figure 3
Assessment of negotiations by Asian Businessmen

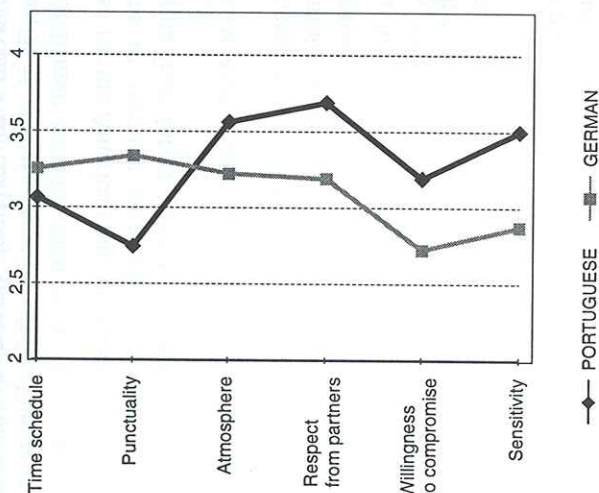
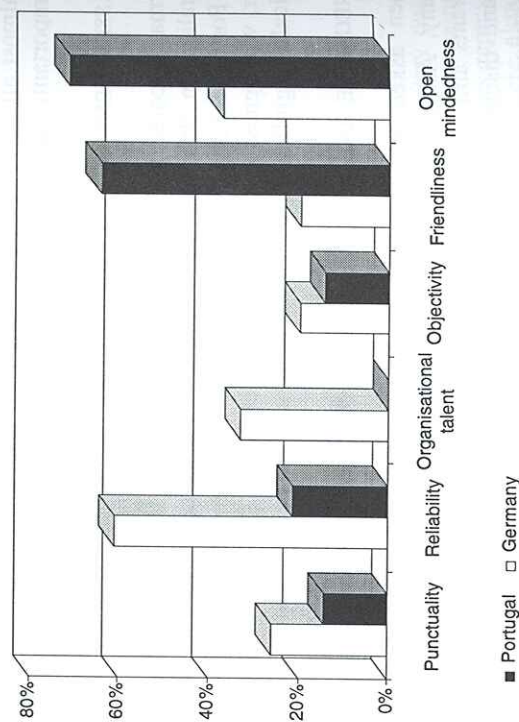


Figure 4
Qualities of partners most often mentioned by Asian Businessmen



When asked in a more structured way, with the help of a list, which qualities were most appreciated in their European partners, the results were in line with previous results and were also especially revealing, as the figure 4 chart shows.

The differences in reliability and in organisational talent in Germany contrast with the differences in friendliness and open-mindedness more favourable with the Portuguese.

When asked to rate the course of the business trip in general, in Portugal everyone indicated they had had a good or very good trip, in Germany the evaluation was mixed and not so favourable.

4. CONCLUSIONS

The opinions of American businessmen on their business trips to Germany and Portugal and their evaluation of their German and Portuguese partners are fairly consistent with those of Asian businessmen.

The German are held as more reliable, more direct and issue-oriented, while the Portuguese are more open, tolerant and attentive and are considered friendlier.

Special care should be taken concerning the context of the negotiations. For Asians a side-program with a good atmosphere is very important. European businessmen should also try to prevent problems regarding food and accommodation, since these can indirectly have a negative influence on negotiations.

These results confirm widely held views and stereotypes on the way Germans and Portuguese behave. The interesting factor here is that they could be confirmed by two very different groups of businesspeople (American and Asian) and in a real setting, immediately after the contacts and negotiations had taken place.

Table 1
Summary of values

AMERICAN SAMPLE	PORTUGAL		GERMANY		T-TEST for EQUALITY OF MEANS	
	Means	Standard dev.	n	Means	Standard dev.	n
<i>Atmosphere during negotiations</i>						
Formal — informal	3.15	1.27	48	3.16	1.34	167
Quiet — talkative	3.20	1.19	46	3.44	1.27	167
Impersonal — personal	3.59	0.80	46	3.3	1.15	167
<i>Negotiation style of European part</i>						
Indirect — direct	3.89	1.25	46	4.46	0.77	167
Slow — fast	3.47	1.28	47	3.6	1.08	167
Unstructured — structured	3.40	1.25	48	4.12	1.07	167
Overall negative — overall positive	4.06	0.84	47	4.11	0.79	167
Style of partner: people oriented — issue-oriented	2.66	1.20	47	3.68	1.17	167
Personally preferred: people-oriented — issue-oriented	2.69	1.40	49	3.1	1.33	167
<i>Partner's behaviour during business</i>						
Unfriendly — friendly	4.65	0.48	49	4.20	0.72	167
Intolerant — tolerant	4.19	0.98	48	3.85	0.99	167
Reserved — open	4.08	1.13	48	3.46	1.19	167
Arrogant — attentive	4.47	0.58	49	3.82	1.07	167
<i>How European company treats business partners</i>						
Poor treatment — excellent treatment	4.33	1.05	49	4.12	0.96	167
Overall experience: Very bad — very good	4.50	0.58	48	4.27	0.79	167

ASIAN SAMPLE	PORTUGAL		GERMANY		T-TEST for EQUALITY OF MEANS	
	Means	Standard dev.	n	Means	Standard dev.	n
<i>Assessment of the negotiations by Asian Businesspeople</i>						
Time schedule	3.06	0.68	16	3.26	0.64	163
Punctuality	2.75	0.77	16	3.34	0.68	161
Atmosphere	3.56	0.51	16	3.22	0.51	162
Respect from partners	3.69	0.48	16	3.19	0.59	159
Willingness to compromise	3.19	0.54	16	2.72	0.66	159
Sensitivity	3.50	0.52	16	2.87	0.67	159
<i>Qualities most often mentioned (two from a list given)</i>						
Punctuality	Portugal 14%	Germany 26%				
Reliability	21%	61%				
Organisational talent	0%	33%				
Objectivity	14%	20%				
Open-mindedness	64%	20%				
Friendliness	71%	37%				

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Neo-proteccionismo, GATT e acordos regionais (entre a Mundialização e a Regionalização)*

O «surto» recente dos acordos de regionalização e, em particular, de zonas de comércio livre coexiste temporalmente com a utilização intensiva de medidas protecionistas de carácter não tarifário e com o acordo saído das Negociações Comerciais Multilaterais (NCMs) do Uruguay Round. Esta é a razão imediata que nos leva à reflexão sobre estes três aspectos.

Sendo que a virulência do surto neo-protecionista foi largamente reconhecido pela literatura e pelas organizações internacionais e, em particular, o GATT, procura-se fazer uma primeira análise, que apresenta naturalmente limitações, sobre o recurso intensivo a acordos comerciais regionais nos contextos já enunciados.

Trata-se de pensar por que motivos os mesmos países utilizam largamente as barreiras não tarifárias para se protegerem (ponto I), acordam reduções tarifárias e não tarifárias no quadro do acordo final do Uruguay Round, sendo que em simultâneo se propõem estender a liberalização ao comércio de serviços e protegem a propriedade intelectual no quadro da constituição da Organização Mundial do Comércio (OMC) (ponto II), e estabelecem entre si acordos comerciais regionais de grande diversidade e heterogeneidade e dimensão espacial muito diferenciada (natureza, cobertura sectorial, impactos sobre o comércio mundial, impactos sobre o IDE) (ponto III).

1. O NEO-PROTECCIONISMO DOS ANOS 80/90¹

Apesar de existir evidência de que o ressurgimento das tensões protecionistas é anterior aos anos 80 (segundo alguns autores já mesmo, desde finais dos anos 60, se poderiam encontrar estas tensões), foi claramente durante este período que se tornou visível que o cenário desenhado no pós-guerra se encontrava invertido.

Assim o surto neo-protecionista deve ser compreendido no quadro de desarmamento tarifário multilateral realizado no seio do GATT. As sucessivas

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