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Teaching and learning intercultural business communication through an authentic case study: An experience report

Lehren und Lernen der interkulturellen Wirtschaftskommunikation durch eine authentische Fallstudie: Ein Erfahrungsbericht

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Abstract (English)

This experience report describes how an authentic case study from a Northern German engineering company was used in a German institution of higher education in order to encourage students to think about endeavours across borders in a more complex manner. A possible procedure for implementation of the case study in a training situation is proposed, including a suggested categorisation of the cultural issues involved (Bolten 2008 / 2012). Finally the advantages of using such a case study in order to enhance awareness of intercultural issues are underlined.

Keywords: Case Study, intercultural, communication, offshoring, cross-cultural, teaching

Abstract (Deutsch)

Der Erfahrungsbericht beschreibt, wie eine authentische Fallstudie eines norddeutschen Maschinenbau-Unternehmens an einer deutschen Hochschule eingesetzt wurde, um die Komplexität grenzüberschreitender Unternehmungen den Studierenden internationaler Wirtschaft näher zu bringen. Ein mögliches Verfahren für den Einsatz der Fallstudie in einem Trainingsszenario wird erläutert und eine mögliche Kategorisierung nach Bolten (2008 / 2012) vorgeschlagen. Am Ende wird der Ausgang der Fallstudie beschrieben und die Vorteile des Einsatzes einer solchen Fallstudie werden aufgezeigt.

Stichworte: Fallstudie, interkulturell, Kommunikation, Offshoring, Lehren

1. Introduction

This paper will illustrate how a business case study can be helpful in preparing students or business people for the process of entering into a business venture across borders. The case study was implemented during two 90-minute seminars within the framework of the International Business programme at the Hamburg University for Applied Sciences. The case study approach was chosen since it enabled the students, the facilitation of the lecturer to:

- select a number of relevant cultural factors for the particular situation – enough to do justice to the complexity of intercultural interaction, but not so many that the case is too complex to be workable in a project situation;
- raise awareness of the large number of cultural issues that are at play in such business processes and thus show how culture is not –as suggested by many business textbooks - a factor that exerts a small, external influence on the business context, but that culture is inherent in every person and every act that takes place in such a business situation;
- enable students analysing such a case study to categorise cultural issues and therefore be better equipped to both suspend judgment as well as endeavour to cultivate a greater tolerance of ambiguity through their realisation of the breadth of factors influenced by culture (Ruben 1976:339ff.) and to refer back to these insights when they encounter such issues in their career.
- help students to connect theoretical constructs to a real and complex business situation, thus enabling them to benefit more from a subsequent interactive training seminar in the future.

The case gives the participants a *toolbox* with which they can analyse future cases and also suggests which factors might be considered, depending on the particular situation.

2. The Case Study

The following case study emanates from a real situation encountered by a northern German, mid-sized manufacturing company that decided to locate production abroad with little consideration for the consequences of the venture in terms of culture. The case can either be presented in its entirety or revealed sequentially. It is recommended that first a brainstorming approach is used in order to elicit suggestions from the participating students regarding possible consequences of locating the manufacture of machines abroad (in this case India) in order to activate pre-existing knowledge¹ and channel attention. After the initial presentation, further ideas regarding possible areas for consideration can be noted in group work. Finally, a possible categorisation of problematic issues can be presented and students asked to allocate their suggestions to four areas, namely technical competence, personal competence, social competence and methodological competence, alongside input from the trainer / lecturer. According to Bolten's map of didactic methods, this method of teaching intercultural communication fits into the "Learning by Distributing" and "Intercultural" category (Bolten 2007). It would therefore be good preparation for methods of teaching that are both *intercultural* and *interactive* or *collaborative*, such as the intercultural negotiation simulation, *InterCulture Live* (Bolten 2008 / 2012).

The following case study text can be distributed before the seminar. It hints at some of the issues, and is a test of the students' intercultural sensitivity with regard to how many and which intercultural issues are identified by the reader:

3. Case Study: Made in Germany (Or India?)

A large German engineering company *HENNES AG* (name changed) manufactures high-performance customised filling and packaging systems for multinational companies such as Heineken, PepsiCo and Anheuser Busch. In this industry, precision, quality and punc-

tual delivery (to avoid unnecessary downtime) are paramount.

As a global player, HENNES AG also provides a large amount of Indian companies with turnkey lines for the manufacture of beverage, food and non-food products. These companies are comprised of local manufacturers and producers under license from large food and drinks conglomerates (such as PepsiCo). Since the large multi-national players require high degrees of performance and precision in their production lines (some of them, for example, running 24 hours a day at a speed of 81,000 PET bph with a maximum permissible reject rate of 0.02%), the amount of original HENNES AG spare parts required to maintain these machines is considerably high, as is their price.

Contrary to expectations, a sales analysis revealed that HENNES' spare parts' sales in India were in no relation to the amount of HENNES AG machines operating there. In fact, the sales of spare parts were rapidly diminishing. On closer inspection, HENNES AG discovered that the Indian companies had been re-tooling and repairing their machines with generic, locally produced parts. In order to regain these lost sales, HENNES AG entered into a joint-venture with a large Indian producer and distributor of spare parts for production lines (*Jaipur Machine Parts (JMP)*). By combining JMP's local expertise and their access to local distribution channels with the German concept of quality, HENNES AG was soon able to serve their Indian customers successfully with reasonably-priced, original parts.

The venture was so successful that two years later it became a HENNES AG subsidiary. And when a new Production Director, previously from the automobile industry, was appointed to the HENNES AG Board of Directors (*Vorstand*), he decided to expand the JMP manufacturing facilities and move the production of one of their less complex products (labelling machines) from Germany to the Indian plant in order to lower production costs. The machines were to be sold both in India and in Europe, including Germany.

One of the consequences of this measure was that most of the workforce in the German division *Labelling* was laid off, apart from five (of the original ten) key engineers, who were kept on in order to train the Indian engineers how to manufacture the labelling machines in India. To this end, five Indian engineers visited HENNES AG for six months (and were booked into rooms in a local hotel) in order to learn the manufacturing techniques which they were to put into practice in India. They were to work closely with the German engineers and clearly part of the success of this venture would rely on good communication between them. However, the German engineers (introduced as Herr Sievekind, Herr Beeck, Herr Holler) often complained that their Indian colleagues (introduced as Ajay Singh, Dipak Chandra, Mandeep Bhakta) were difficult to understand and too familiar: they seemed to get very close to them when they were explaining the machine assembly, used first names and did not maintain an adequate distance. Furthermore, they wanted to talk about issues outside of work, and did not seem to want to go home when it came to leaving work at 3.30 p.m. (what the German engineers called *Feierabend*). In addition, the Indian engineers often nodded enthusiastically when the construction of a machine part was explained to them (after a while the German engineers learned that an apparent shaking of the head meant *yes*), but were then unable to put the parts together when asked. The Hennes AG engineers at one plant explained the task repeatedly and became increasingly frustrated. In one case, Mandeep Bhakta was asked to weld two machine parts together but Herr Sievekind regarded the work as sloppy (too much welding material was used and the join did not form a neat line) although the parts adhered to strength requirements. Mandeep did not seem to understand the problem. In general, the engineers Ajay, Dipak and Mandeep were convinced that the engineers from Hennes AG did not like them, since they rarely smiled and did not appear to want to socialise with them after the 3.30 pm deadline.

Ajay, Dipak and Mandeep were, however, pleasantly surprised when one of the personal assistants, Sarah Fischer, who helped to coordinate their trip, smiled and joked with them, called them by their first names and was prepared to give them her mobile phone number. So, when Ajay realised that it was her birthday, he called her to congratulate her (it was her day off) but was surprised not to encounter an enthusiastic response from Sarah on the other end.

When the Ajay, Dipak and Mandeep were finally sent back to JMP, they felt reasonably capable of performing the tasks that were required of them, but were puzzled and somewhat shocked by the reception they had been given and the way they had been taught and evaluated, since the phrase *in Ordnung* seemed to be the most praise they had received.

When a particular part that was required by JMP did not appear to have been sent out by Hennes, one JMP employee wrote an e-mail to the Production Department and copied the mail to the Board of Directors, which was located in the headquarters in a different part of the country. According to the German employee who received the mail, it was felt to be “direct and accusatory”. According to the sender of the e-mail from JMP, sending such an e-mail and copying the BOD was seen to be normal procedure and was in no way meant to be offensive or disruptive. This was, in his interpretation, “the appropriate method to choose when voicing concerns about a logistics issue”.

When production began in the Indian plant, problems began to emerge, such as deadlines not being met, parts going missing and many machines being unsaleable on the German market (for both functional and aesthetic reasons).

Suggested questions:

1. What are the main issues (technical, social, personal, methodological) in this venture (brainstorming)?

2. Assess which of the issues will be most crucial in the success or failure of the venture, and nominate a member of the group to present these ideas.
3. How might the *content* (the facts and the technical situation) be influenced by the human relationships vital for the success of the venture?

4. Using the case study: a suggested procedure

The case study presented should add to the student's prior knowledge as well as helping the student to widen and refine his / her categories regarding the effect of culture on such a business venture and make connections with other subjects in his / her field of study². The end goal is the creation of a greater awareness of the breadth of issues that can occur in such a cross-cultural endeavour and to increase sensitivity towards these³.

To begin with, it is necessary to activate students' prior knowledge. An open question regarding the possible problems that might be encountered in a venture involving moving manufacturing from India to Germany⁴ would be one way to activate this prior knowledge. In order to begin to make connections and activate the cultural element of the suggestions, the course facilitator could, for example, start to map out the areas touched upon by the students in a mind map or concept map (see for example Moon / Hoffman / Novak / Cañas 2011). Having guided the students regarding how to view some of the issues from a cultural perspective, the next step might be to ask students to work in groups to collate, discuss and give consideration to further cultural issues illustrated by the case. These would be presented at the end of the phase and commented upon by peers and the facilitator. Thus, by engaging in this lesson, students build on their previous knowledge, expand the areas in which they realise the possible effects of cultural factors, connect issues to other

subjects (this should be encouraged in the sense of open networks of knowledge) and start to form ideas regarding areas in which Hennes AG could improve its operations abroad.

The next phase would be the introduction of the model of competences as described above. Students can then (either in class or as homework) assign the issues already mentioned to the various categories. Indeed, the introduction of the model might stimulate the production of more ideas as areas for consideration.

After the introduction of the intercultural competence model, students then group their ideas into the areas technical, personal, social and methodological intercultural competence.

The following should give just a few ideas as to how the case study might be used to highlight some crucial aspects of intercultural communication, although each trainer will have his / her own key aspects that they would like to emphasise:

4.1. Technical Intercultural Competence

Consistent with a constructivist approach, it was noted here that there is not a finite number of issues that fall into the category Technical Intercultural Competence and any issue can have any number of connections with issues from other areas of competence. In fact, the realisation of the existence of connections with other competences and indeed business or social science disciplines were actively encouraged.

The most basic question that was seen to face Hennes AG in its endeavour to manufacture their labelling machines in India, related to whether the product manufactured by the factory might meet Hennes AG's and its customers' technical standards. There are many aspects that contribute to the fulfilment of these technical requirements. The basic issues ranged from whether the factory can be configured for such

exact requirements (administrative and legal issues) to whether the infrastructure will support such a venture (consistent energy supply, road, rail and air network, supply of educated workforce). These factors seem easy enough to identify when planning such a venture. However, in this case it was often the unforeseeable issues relating to patterns of behaviour, expectations and assumptions that proved to be the major obstacles to successful operations. These cultural factors confronted the German managers with issues that were outside their frames of reference. For example, how should a manager from Hennes AG react when, several times in a row, important machine parts that were to be used in manufacturing are sent to India, are documented through customs, but apparently do not arrive at the factory? Students speculated here on possible reactions to this phenomenon from a technical, communication style and also methodological point of view (connection to methodological intercultural competence).

An equally challenging issue for Hennes AG was the difference in conception of quality standards. What was striking in this case was that while the assembly of machine parts was adequate from a functional point of view, aspects such as the aesthetics of the machinery were viewed quite differently. The perception of quality and its definition and value / desirability is crucial and is essentially a cultural issue. For example, a welding engineer from the Indian factory seemed baffled by the need to keep his weld line neat (*ordentlich*) even though the seam fulfilled all technical specifications. Despite being told that the machine needed to look impressive as well as perform the task, the welder seemed unable to conceive that German customers would refuse to buy his functional but less aesthetically pleasing machines. Here, the feeling of trust and wellbeing produced by the aesthetically pleasing finishing of machines needed to be communicated to the Indian colleagues. It was suggested that the colleagues from India might visit customers' manufacturing facilities for example.

Conclusions from this part of the analysis were that in general Hennes AG possessed the technical competence to produce valuable machines at its Northern German plants, but ignored cultural factors relating to the conception of technology within the minds of the Indian engineers.

4.2. Social Intercultural Competence

When members of Hennes AG met their counterparts from Jaipur Machine Parts, one crucial factor was the difference in expectations regarding communication. Not only the goals of communication, but also the style of communication reflected values and learned behaviours from the socialisation of the individuals involved. Added to this was the more obvious language problem. In more concrete terms, we can examine what happened when the Indian engineers came to Hennes AG to learn the manufacturing techniques that they were to use back in the Indian plant:

The JMP engineers came to Germany with a set of expectations regarding work, colleagues and priorities. The first experience contrary to expectations was that the JMP engineers were housed in a hotel on the edge of town, quite separate from their Hennes colleagues. They were left to navigate the local public transport procedures, confronted with questions such as where to buy a ticket, how (and whether) to validate the ticket, where to catch the bus etc. But more disturbing for them was the cursory *Tschüss* at the end of the day from their German colleagues signalling that it was *Feierabend* and that there was to be no more contact. The German colleagues also seemed to keep a great distance from them, and a collegial pat on the shoulder from one Indian engineer was almost viewed as an affront by one of the Hennes' engineers.

This was a good opportunity to talk about such aspects as proxemics⁵, emphasising the difference in physical distance at which members of different

cultures feel comfortable and which physical gestures of touch are appropriate. Another issue that was pointed out was the way in which cultures separate issues and relationships differently. For the Hennes AG colleagues, the relationship between them and their Indian counterparts was purely work-oriented, and therefore any contact outside of work was considered inappropriate and quite possibly undesirable. For the JMP engineers, the idea of relationships with colleagues was a holistic conception, and therefore not only involved business matters. This was illustrated when one of the engineers telephoned the mobile phone of an office employee who had been kind to them to wish her happy birthday while she was on holiday, an act that was viewed as wholly inappropriate by the employee.

Some other issues also occurred relating to communication style. One of the Hennes engineers became quite angry when, after having explained how to assemble two parts and after having received reassurance that the task had been understood, the JMP engineer clearly could not assemble the parts when asked to do so. The engineer from Hennes could not understand why his Indian counterpart would keep nodding and saying he understood when clearly he did not. This event was an opportunity to examine the idea of direct versus indirect communication, relationship and content aspects of communication and reciprocity.

We can assume that the German engineers possess a set of social skills that work reasonably successfully in their own culture (in a Northern German mid-sized engineering company). Some of these skills might be, for example, organising schedules, teaching an intern how to use / assemble a machine, evaluating a colleague's work, building a working relationship etc. However, transferring and adapting these skills to a situation in which reactions and behaviour from the counterpart are clearly unexpected, is where intercultural competence is demonstrated (or not). Indeed, it is not the breach of

rules of proxemics or the separation of life spheres that caused the problems between engineers as such, but more the lack of a negotiation of meaning and acceptable behaviour that was lacking here (meta-communication, communication of expectations). A socially interculturally competent person has an ability to reach out to their counterpart and negotiate an acceptable variant for both parties (even if it is in a trial-and-error process). This renegotiation of consensus behaviour needs to be both reciprocal (satisfactory for both sides) and sustainable (neither party goes beyond their long-term acceptance limits, which would make long-term cooperation untenable).

Other issues that were discussed included how to negotiate a solution when deadlines are not met or when the business partner claims that certain machine parts failed to arrive (a simple laying down of the rules and obligations on the part of Hennes clearly did not work here). It was concluded that the interculturally competent communicator needs to find a way to engender trust even in an insecure situation through a process of enquiry on both sides as to priorities and associative value judgments. Humility, the importance of ensuring reciprocity and open, non-judgmental questioning was seen to be key. Additionally, the importance of engaging a bi-cultural mediator and facilitator during the offshoring process was seen to be vital.

4.3. Personal Intercultural Competence

In order to meet the challenge of adapting one's skills to a situation with fewer common assumptions, interpretations and behaviours, an individual requires a number of skills relating to self-mastery. One is, for example, not allowing the initial shock and maybe even disdain for the counterparts' behaviour to govern one's further actions. Thus, related characteristics might be self-control, withholding of judgment, patience, awareness and knowledge of one's own

cultural values. Additionally, basic personal skills such as language proficiency are clearly important here as well as one's basic attitude and motivation.

As outlined above, intercultural skills are *meta-skills*, i. e. they are the ability to effectively transfer an already gained skill in one's own cultural context into a little known cultural environment. Therefore, the engineers' ability to teach (something that is not inherent in an engineers' training) needed to be transferred to a context where basic assumptions and communication patterns were lacking. This is a highly complex *meta-skill* and can hardly be expected of the engineers at Hennes. Equally, the engineers from JMP would need to leave their expectations to one side regarding learning styles⁶ and adapt to (or better negotiate with) their German counterparts.

In the case described, students reflected on the basic motivation and attitude of the Hennes AG engineers. Having seen their colleagues lose their job, and with the prospect of the JMP engineers taking over their own jobs in the future, it is unlikely that these employees were motivated and positive about their task of showing their Indian colleagues how to assemble their labelling machines. This attitude is likely to have complicated an already difficult situation in which many cultural values and expectations were counter to each other. It is crucial that in a situation with many obstacles to overcome and where patience, withholding of judgment and self-mastery are essential, a positive attitude on behalf of the engineers is evident in order to prevent negative attribution and help in the process of finding reciprocal solutions and a productive working and communication style.

In sum, personal intercultural competence was seen to involve the ability to implement one's personal skills effectively in a foreign environment. Tolerance of ambiguity, patience and other personal skills would have been

particular challenging in the particular motivational situation in this case.

4.4. Methodological Intercultural Competence

In this business situation, behaviour that was taken for granted, so-called *cultural scripts* (see Wierzbicka 1985) were identified as *welcoming a guest to the company, teaching a colleague how to assemble a machine, expressing disagreement* etc. To give a concrete example, when a particular part that was required by JMP did not appear to have been sent out by Hennes, one JMP employee wrote a very direct and accusatory (according to the German recipient) e-mail to the production manager and copied the mail to the Board of Directors, who were sitting in the headquarters in a different part of the country. According to the sender of the e-mail from JMP, this was normal procedure and was in no way meant to be offensive or disruptive. This was, in his interpretation, the appropriate method to choose when voicing concerns about a logistics issue, and corresponded to his *cultural script* (which may of course be a combination of a number of cultural and individual factors). So, not only the *method of expressing a complaint* was governed by two wholly different interpretations of that particular script, but also the reaction to an *inappropriately* expressed complaint was equally governed by a particular cultural attribution. It was mentioned here that, to a certain extent, an interculturally competent employee would use an informed *trial-and-error* procedure in order to find a method that works within the insecure cultural environment that is present here.

Other methodological issues identified here involved the method of training Indian engineers, the process of acquiring JMP and working out a procedure to allay misunderstandings in an intercultural context and the process of marketing a *made in India* product to German customers.

5. Conclusion

Towards the end of the second session the lecturer described the outcome of the venture: the project failed due to the excessive costs involved in repeated deliveries, late production and the unwillingness of German customers to buy machines that were clearly *made in India*. Production in the JMP plant was downsized and switched to domestic sales only, despite the significant investment in factory space that had been made, and the total losses accumulated to many millions of Euros.

For many management and engineering students and professionals, the act of acquiring a company abroad is a factual affair. According to them, the financial data and the technical compatibility of the companies should simply be analysed and a decision taken. This case study reflects a genuine situation in which the financial data and production modalities appeared to point towards considerable benefits for Hennes AG, the acquiring company. However, by illustrating the considerable differences in communication styles, learning styles, perception of values / standards, cultural scripts and norms for building trust and relationships (among others), the case clearly shows how culture is not a minor *add-on* factor, but rather it is inherent in every person and step involved in the process of building a common understanding between two culturally distinct companies. Such an approach is thus a plädoyer for analyses that go far beyond simplistic notions that can be gained from the application of macro, dimension-based approaches such as Hofstede (1980) and Trompenaars (1997).

The case deliberately *touches* on a wide range of issues and can thus be used at the beginning of a course on intercultural business communication to emphasise the breadth of issues involved in such a venture and to give students a framework with which they can analyse such cases in future. Each issue is deliberately *open-ended* and can thus be examined more thoroughly in later seminars with

the background of the case study in mind. A further course might also logically move to a more interactive learning environment, such as the intercultural business simulation *Interculture Live* (Bolten 2008 / 2012).

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Endnotes

1. See Entwistle (2003) on activating prior knowledge in teaching.
2. As an example, a student of logistics might connect some of the cultural implications regarding punctuality of deliveries with knowledge of infrastructural and export regulations.
3. From a psychological point of view, this would be analogous to the refining and expanding of connections and associations or neuronal *schemata* (Spitzer 1999).
4. The formulation here is deliberately vague, in order to encourage the widest range of responses.
5. "The interrelated observations and theories of man's use of space as a specialized elaboration of culture" (Hall 1966:1).

