

Culture and conflict in joint ventures in Asia

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The paper describes the issues of how culture creates conflicts in projects such as international joint ventures. It presents comparative findings from a case study of monocultural groups such as Malaysian, Thai and French managers, and multicultural groups of European and Asian managers. The findings suggest a common solution to conflicts in joint ventures based on collaborative problem solving.

Keywords: culture, conflict, joint ventures, managers, Europe, Asia, collaboration

Joint ventures usually have a hybrid organizational structure that is different from, but similar to, the organizational features of the partners involved. Joint ventures develop their own culture, with contributions from the partners, but also with whatever cultural values other organizational members bring with them. It is this process of culture in action, i.e. the development of a new culture for the joint venture, which is a source of many conflicts, and a major contributor to the failure of many joint ventures.

This paper explores the cultural issues of joint ventures, the way in which culture affects conflicts, and ways of managing those conflicts, because they will undoubtedly occur in the life of every joint venture.

Culture and joint ventures

A critical success factor for joint ventures has been the mutuality of objectives between the partners.

An effective international joint venture requires the partners to agree as to their fundamental objectives¹.

Objectives are difficult to establish, even in similar cultures. However, in multiple cultures it can be impossible. This leads to the first source of conflicts — the balancing out of different interests.

Joint ventures are difficult to manage because of the intrinsic negotiated compromises the partners must make in management decisions¹.

Culture is a strong influence on how these compromises are made, because culture provides the underlying assumptions on the basis of which the decisions are made. As the

definitions presented of culture show, assumptions are a crucial dimension. Culture has a surface quality, that is, you can see its manifestations.

Culture is the social energy that drives — or fails to drive — the organization. To ignore culture and move on to something else is to assume, once again, that formal documents, strategies, structures, and reward systems are enough to guide human behavior in an organization and that people believe and commit to what they read or are told to do. On the contrary, most of what goes on in an organization is guided by the cultural qualities of shared meaning, hidden assumptions and unwritten rules².

However, more importantly, culture has an internal dimension which provides implicit directions for organizational members. Culture is also interactive. It may be implicit but it develops through a dynamic process. Participants create

... a pattern of basic assumptions ... invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration ... that has worked well enough to be considered valid and therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems³.

Why is culture important for joint ventures? Because it is a major source of failure. The worldwide trends of joint ventures are increasing in the 1990s, but with very unsatisfactory results⁴. In a study of 110 joint ventures, 50% of all joint ventures between American and Asian firms failed. The lack of complementarity between partners is the most important factor that undermines the effective-

ness of joint ventures⁵. This lack of complementarity is caused by a failure to understand how cultural assumptions influence the development of the joint venture.

Partner selection is a critical variable, because it influences the overall mix of available skills and resources, the operating policies and procedures, and the short- and long-term viability of the joint venture⁵. Culture influences this choice, the complementarity, and the working together of the partners.

Complementary partnerships may not be sufficient. The joint venture requires considerable coordination, involves potential conflicts, and may require compromises which affect the accomplishment of the joint venture's strategic objectives⁵. Often, this is where the clash of cultural values occurs.

Cooperation is necessary for successful joint-venture operations. If there is no compatibility in the cultural match, there can be no complementarity between the partners. Cooperation comes from working well together. It is a process of defining a common organizational culture of working together.

Another influence of culture is on the organization design of the joint venture. Studies of joint ventures indicate that, rather than being carefully designed, they are more emergent, that is, they evolve over time in response to perceived opportunities.

The issue is a matter of understanding the nature of relatedness between the parts when putting together a highly interrelated network, such as a joint venture. It is the dynamics that grow with the interrelations and interactions that create complexity⁶.

As the organization develops, the balance of cultural features helps in this integration of perspectives and interests. Successful joint ventures show this harmonized cultural integration, a culture that is compatible with its partners, but adds a new dimension of mutual understanding.

They manage this cultural understanding by ensuring the following:

The mechanisms for adjusting the systems boundaries must function to maintain internal cohesion and agreement among the key stakeholders. They must provide a shared, agreed upon sense of self referencing⁶.

An interesting example of this is the joint venture between Fujitsu and ICL, UK, in which ICL still retains a degree of autonomy, and has started to branch out with other joint ventures in Asia⁷. ICL follows the same pattern of autonomy and balancing of interests with its Asian partners.

This means that there has to be an active process of building a common set of assumptions in the organization about objectives, and how the joint venture will be managed and organized to match those assumptions.

Most joint ventures do not consider this to be important, or they consider it to be a natural process over which they have no control. However, for the success of the joint venture, this building of a common culture can and should be managed.

Measuring culture

The most methodologically supported perspective on culture

is Hofstede's. On the basis of a survey of over 116 000 employees of IBM worldwide in 72 countries, and an extensive methodology of factor analysis, Hofstede⁸ identifies four basic dimensions of culture:

- *Power distance*: A greater power distance indicates an accepted hierarchy in organizational relationships; a smaller power distance relates to greater participation in decision making, and greater equality in the organization.
- *Individualism–collectivism*: This relates to whether participants are concerned about their own needs, goals and achievements, or whether the social group norms and benefits take precedence.
- *Uncertainty avoidance*: This refers to a tolerance for ambiguity, or a need for stability in an organization, that is, people with a high uncertainty avoidance try to limit conflict and avoid situations where the risk is high. Those with low uncertainty avoidance encourage conflict and risk taking.
- *Masculinity–femininity*: There is a basic dichotomy between the rational-achievement orientation and the emotional-affiliation orientation.

Asian cultural features

Looking at Hofstede's comparison of some Asian cultures, Japan is characterized as being in the middle range of the individual and collective dimensions and power distance, but high in uncertainty avoidance. It is the most 'masculine' of all cultures⁸.

Other countries in Asia are described as being very low in individualism. Thailand, Malaysia, Singapore and Indonesia are all in this category. Also included are Taiwan, Korea and Hong Kong⁸. In terms of large power distance, all of these countries are classified in this category. On certainty *versus* uncertainty, there is a split. Singapore, Hong Kong, Indonesia and Malaysia are classified as being more tolerant of uncertainty, but Thailand, Taiwan and Korea are classified as strongly avoiding uncertainty⁸. In the category of achievement affiliation (masculine–feminine), there is also a split. Singapore, Hong Kong, Malaysia, Indonesia and the Philippines are identified as achievement-oriented, but Thailand, Taiwan and Korea are affiliation-oriented⁸.

More recently, Hofstede has added a feature that is characteristic of Asian cultures, which is Confucian dynamism. Confucian dynamism emphasizes the importance of

- persistence;
- ordering relationships on the basis of status;
- thrift;
- a sense of shame⁹.

The values are not just held by entrepreneurs, but throughout the society. As it applies in Korea, Confucian dynamism is described as follows:

The fundamental nature of human relationships in Korea is not that of interactions among equals but rather interactions among unequals. 'Correct' interpersonal behavior is determined by gender, age, position in society, and a breach in this social etiquette carries severe penalties¹⁰.

Confucian dynamism is, however, not the only kind of set of values which should be considered relevant to joint

ventures and conflict. For example, another characteristic of Korean culture is important: *kibun*.

Kibun is a uniquely Korean characteristic that has to do with one's feeling of internal peace and harmony or well-being¹⁰.

Many Asian cultures have a similar concept of maintaining a balance of feelings. The Philippines culture emphasizes *pakikisama* (smooth relationships). In Thailand, it is *kriengchai* (deference to another's wishes). Conflict is seen as a negative effect on the balance of feelings caused by someone who does not understand the culture. If the cultural values of Asia are considered, there is a strong possibility of a clash of values between individualist values and collective values, power relationships, certainty and uncertainty, and achievements and relationships. The underlying perspective of balance helps to limit these potential conflicts.

Joint ventures and culture

Because joint ventures are mechanisms for technology transfer, it is useful to look at a cultural analysis based on Hofstede's work to see how it is necessary for culture to fit with effective technology transfer. For example, certain cultural impacts have an influence on this process:

- Better transfer takes place between cultures if both cultures can tolerate uncertainty.
- Better transfer takes place if the balance of power in relationships is not affected.
- Individualistic cultures transfer technology more successfully than collectively oriented cultures.
- However, group-oriented cultures which emphasize achievement can also be more successful in the transfer of technology.
- Transfer is more successful in success- and achievement-oriented cultures¹¹.

Using these criteria, Thailand, Taiwan and Korea, because they are collectively oriented and high on the femininity scale, are not good candidates for technology transfer. Malaysia, Singapore, Indonesia and Hong Kong are, because they are collectively oriented and high on the masculine scale. Thailand, Taiwan and Korea are also highly intolerant of ambiguity. Therefore, they have less technology transfer from countries with cultural aspects of risk taking or uncertainty accepting, such as Japan and European and North American countries. This does not seem to be the case in reality. The cultural fit does not appear to be consistent with what really happens in technology transfer. This suggests that a process takes place inside joint ventures that balances potential problems between cultures which might result from the process of technology transfer.

Culture and conflict

Conflicts emerge in joint ventures because of differences in perspectives between partners. The classic management definition of conflict is as follows:

Conflict: a condition in which the concerns of two or more parties appear incompatible¹².

Table 1 Dimensions of culture and conflict

Individual	Collective
Self goals	Group goals
Look after self	Belong to in group
Self interest	Loyalty to group
Temporary alliances	Stable relationships
Universalistic	Particular
Use same standards	Different standards for in group
Individual judgment	Social norms
Competitive	Cooperation
	Paternal
Manage uncertainty	Avoid uncertainty
Informal	Formal
Confictual-ambiguity-accepting	Compromising
Spontaneous	Rules
Flexible	Low tolerance
Risk-taking	Absolute
Masculine	Feminine
Assertive	Accepting
Success	Satisfaction
Achievement	Affiliation
Quantity	Quality
Performance	
Large power distance	Small power distance
Distance natural between superior and subordinate	Equality
High context	Low context
Social definition	Individual definition
Spiral logic	Linear logic
Indirect speech	Direct speech
Symbolic	Nonsymbolic

[Sources: References 10, 13 and 15.]

Table 1 lists the patterns of culture developed by Hofstede⁸. From Table 1, it is clear what the cultural roots of possible incompatibility could be. There are significant differences in cultures, because certain values are emphasized more than others. Compare, for example, the categories of individual *versus* collective. Individualistic cultures emphasize the individual's goals. People are supposed to look after themselves and their immediate families. They form specific relationships. They tend to be universalistic, and apply the same value standard to all¹³.

The following is in contrast.

Collectivistic cultures emphasize goals, needs and views of the in-group over those of the individual; the social norms of the in-group, rather than individual pleasure; shared in-group beliefs rather than unique individual beliefs; and a value on cooperation with in-group members, rather than maximizing individual incomes¹⁴.

In Asian cultures, the concept of 'face' (self image and social image) is also important. Face is a measure of social value without which a person cannot function in society. It is also indicative of how a person fits into that society, a demonstration of being civilized.

Loss of face occurs when an individual, either through personal action or the action of people close to him, fails to meet essential requirements of the social position he occupies¹⁰.

Face becomes important in conflict because it is a major indicator of whether conflict is taking place. In a culture with strong face considerations, conflict tends to be subdued, because everyone in that culture understands what needs to be done to maintain stable relationships. If conflict does emerge, conflict management includes appropriate behaviours to smooth the conflicts and return the relationship to balance.

This concept is also related to the individualistic–collective dimension of culture.

While individualistic cultures are concerned with self-face maintenance, collectivistic cultures are concerned with both self-face and other-face maintenance. Individualistic cultures value autonomy, choices and negative-face need, while collectivistic cultures value interdependence, reciprocal obligations and positive-face need¹⁶.

Individualistic and low-context cultures tend to be confrontational and direct. Face becomes associated with an individual's success. This becomes a major problem when this type of culture interacts with a collective, high-context culture in which concern for others and accommodation are important.

Differences in conflict management

When these cultural values come into contact, major difficulties emerge. The best example of this clash of cultures can be understood in the contrasting styles of Japan and the USA.

Japan's culture reflects

- a strong respect for hierarchy;
- homogeneous values rooted in collective accomplishments;
- strong commitment to the firm;
- pride in work;
- a strong need to maintain public face;
- a long-term view¹⁷.

In contrast, US cultural values emphasize

- a strong sense of individual freedom;
- competition;
- equal opportunity;
- individual accomplishment;
- focus on the pragmatic;
- a short-term view¹⁷.

Many of the current conflicts between Japan and the USA can be traced to this clash of cultures, and the misunderstanding and misinterpretation that accompany it. Table 2 lists the differences between cultures which are individualistic and low-context, such as the USA, and collective and high-context cultures, such as Japan. What is also difficult about these cultural features of the conflict is that approaches to conflict management have their foundation in these same cultural values.

The Japanese style of conflict management can be described as follows:

In Japan the national values emphasizing homogeneous beliefs, collective achievement, and maintenance of public face lead to an emphasis on collaborative bargaining, or a strategy of conflict resolution in which all parties to a conflict get all they ask for as long as it is consistent with the common value system¹⁷.

Table 2 Summary of low-context and high-context conflict management

Conflict issues	Individualistic, low-context cultures	Collective, high-context cultures
Identity	Emphasis on 'I'	Emphasis on 'we'
Face	Self face	Others-face high concern
Motivation	Autonomy	Association
Conflict emphasis	Direct	Indirect
Style	Controlling or confrontational	Obliging or avoiding
Strategy	Competitive strategies	Collaborative strategies
Communication	Direct speech/fact	Indirect speech/allusions
Nonverbal	Obvious and direct emotional expressions and reactions	Indirect emotional expressions and reactions

[Adapted from Reference 16.]

For this type of conflict management, relationships and ritual are important to smooth and ease the potential conflicts and minimize loss of face.

Contrast this with the US style:

In the United States the national values emphasizing competition, equality of opportunity and a strong sense of individualism lead to an emphasis on competitive bargaining, or a strategy of conflict resolution in which each party to a conflict tries to get as much as possible even at the expense of others¹⁷.

This style concentrates on results and on a temporary calculus of accomplishing the most out of a bargaining situation for a limited period of time. It is often zero-sum. Someone has to give in, which often leads to further conflicts.

Comparing Asian styles of conflict management

In conflict terms, the Japanese style can be described as win–win. The US approach can be termed win–lose. Most cultures fall between these two poles of cultural features and conflict-management styles. Asian countries cluster closer to the Japanese example. European and other Anglo-Saxon countries more resemble the US situation.

For example, Taiwan shows a pattern close to Japan's.

For Taiwan the cultural literature indicated that collectivism, high power distance and belief in paternalism were important cultural dimensions¹⁸.

Conflict does not occur overtly if the stability of social relationships continues and harmony and face are maintained. However, these cultural patterns may be changing as a consequence of economic development:

... evolving values toward a more individualistic and pragmatic direction regarding employer–employee relationships. This direction is greater for managers in Taiwan than in Singapore¹⁹.

Other observers view Singapore as also being individualistic and very achievement-oriented²⁰. In this instance, the culture of conflict management changes to one of competition. This leads to more conflicts within organizations, as the stability of relationships is based on social or group values, and not on individual values.

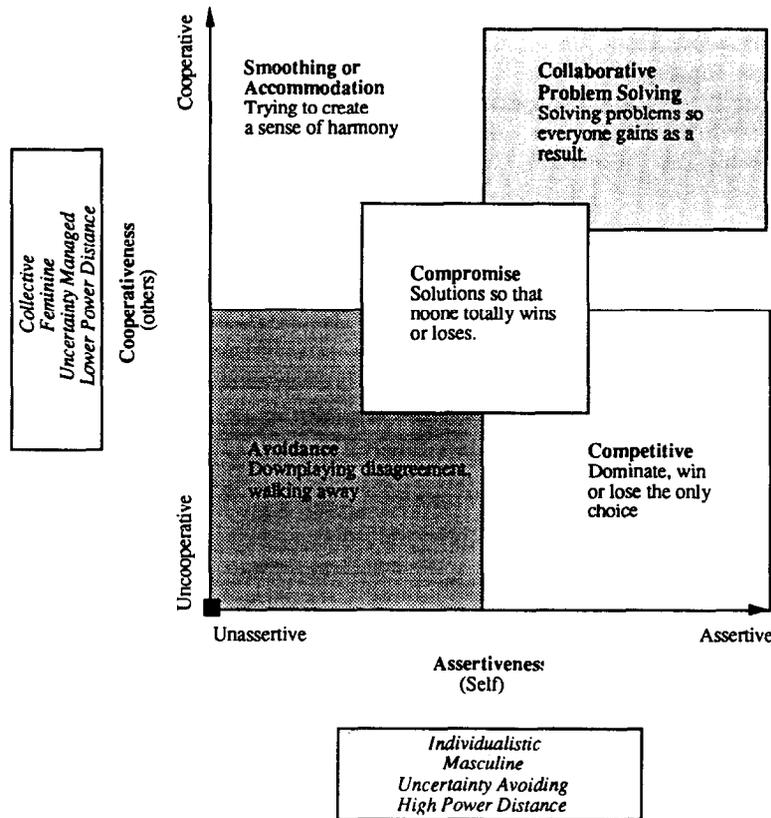


Figure 1 Cultural influences and conflict-management styles [Adapted from Reference 12.]

Malaysia appears to be both more collective and more accepting of power distance.

The Malaysian social and cultural environment is not conducive to consensus decisionmaking. The responsibility for making decisions is given to management and is not team oriented²¹.

Even in cultures that resemble each other, differences in cultural management develop. In dissimilar cultures, such as those in Singapore and Malaysia, the differences are very dramatic.

Figure 1 shows conflict-management styles as they relate to two important dimensions of the interpersonal psychology of the conflict: assertiveness and cooperativeness. In cultural terms, assertiveness reflects values that are individualistic, competitive, wanting to limit uncertainty, and wanting to use power (a feeling of superior distance on the part of the individual). Cooperativeness reflects a different set of cultural values that are collective, relationship-oriented, tolerant of uncertainty, and relate to a low use of power.

In Asia, the tendency in conflict management is to avoid it or smooth it over. In joint ventures, this leads to more problems. The two styles of conflict-management approaches which are most important in these organizations are the compromise style and the collaborative style.

From a variety of examples of joint-venture problems, there are clear patterns of conflict management as seen by different cultures. Table 3 shows these patterns. It is interesting that some groups do not identify with a specific national identity when it comes to conflict management. Rather, they describe it as a general Asian or European

Table 3 European and Asian styles of conflict management

Country	European styles
France	Avoid conflict if possible; if not, be confrontational. After a period of confrontation, seek a compromise
UK	Conflict is also avoided if possible; if confrontation takes place, it is light-hearted and informal, at least on the surface
Germany	Discuss problems and the sources of conflict. Behaviour is confrontational on the topics and facts, but smooth on personal issues. Conflict is both positive and negative
European in general	Confrontational, less respect for hierarchy, will point out the negative; if there is no agreement, arguments take place
Country	Asian styles
Thailand	Avoid conflict, no direct confrontation; maintain relationships through authority or seniority. No direct conflict with the person. Let the solution evolve
China	Avoid face-to-face conflict; try to solve problems informally
Vietnam	Solve by informal contact and personal relationships. Avoid direct clashes
Philippines	Solve by personalities. Keep the anger inside
Sri Lanka	Informal discussions on the conflict taking place outside work situation
Indonesia	Authority figure to facilitate conflict solving through formal and informal meetings; encourage managers to share opinions and ideas
Malaysia	Also emphasizes use of authority to identify causes of conflict and to suggest a compromise solution
Singapore	Use a professional approach to diagnose and solve; create an effective organizational culture
Asian in general	Avoid conflict wherever possible; avoid negative aspects; respect seniority and hierarchy

approach. The Asian style concentrates on avoidance. The European style is more confrontational.

Even more interesting are those groups that do not identify any specific cultural style of managing conflict, but identify an overall style of conflict management which is described as the consensus style. This style is described as follows:

A personal approach which is flexible in terms of the situation. It encourages participation and personal commitment. It tries to develop the mutual understanding of participants. It is open and direct, concentrating on problems and the behaviours needed to solve the problems.

All these perspectives on conflict management, taken from the descriptions of the participants themselves, are consistent with the cultural features described in *Figure 1*.

Case study: Trétel

To explore how managers with different cultures view conflict and develop management approaches to the conflict, a case study based on an actual joint venture was developed. It is called the Trétel case.

This case has been used in a variety of executive-development programmes in Southeast Asia and Europe. These have included single cultural groups of managers and multicultural groups of managers. Overall, nearly 250 participants have responded to the case.

The Trétel case is a case of conflict which is organizational, but has an overlay of the influence of national cultural features. The organizational issues of management style, objectives, mission, communication and team building would be problems even if the managers had the same cultural background. In addition to the national culture, the case includes the situation of building or translating an appropriate organizational culture with a set of professional cultures: engineering, finance, marketing and project management.

It is designed to assist the participants to identify the sources of conflict, assess the influence of culture, and develop specific solutions.

Trétel case

Trésor Telecom (Trétel) is a Franco–Thai joint venture that manufactures telecommunications equipment such as PBXs and mobile telephones. It is part of the multinational Groupe Trésor. The general manager is French. The finance director is Dutch. Both the marketing manager and the personnel manager are Thai. The headships of the technical departments are split equally between Singaporean and Taiwanese managers.

Trésor Telecom is a green-field venture located on a newly developed industrial estate in the northern district of Bangkok, Thailand.

Jean-Luc Mobilé, the general manager, started the joint venture, and developed the project from the ground floor up. The project was in planning for two years, and under construction for a year. It commenced operations six months ago. His partner in developing the project was Chaiwat Songprasong, as assistant general manager. However, Khun Chaiwat has resigned, and gone off to start his own business.

About Khun Chaiwat, M Mobilé has often said:

We could not have developed this project without him. He was fantastic. I could tell him to do anything and he would do it just as I would like it. His work was nearly perfect just as I would do it.

M Mobilé has still not found a replacement for Khun Chaiwat, although he has interviewed a large number of people.

Groupe Trésor has developed a specific international culture with a philosophy of absolute quality, attention to detail, and *esprit de corps*. M Mobilé translates this into Trétel teamwork. He hopes to build his team. Currently, he is quite frustrated with his managers.

In his management meetings, the following often occur:

- The Dutch finance manager reviews financial reports or printouts, and pays attention only when a finance-related issue comes up.
- The Singapore managers talk a lot, and not all of it is related to the topic to be covered.
- The Thai managers hold back unless directly asked a question.
- The Taiwanese managers seem to be very confused about what is going on.

M Mobilé describes these meetings as very painful:

It's been like this for six months. They just don't seem to get what I want. I just don't understand. I gave them the Trésor philosophy and I told them I want *esprit*, but they just don't get it.

Comparative analysis: monocultures

In this section, the responses are discussed of participants from groups with the same cultural background: Malaysian, Thai and French. These are listed in Table 4.

All of the groups in this analysis identify the same issues: leadership, communication, teamwork, philosophy, the nature of the manager, and his/her skills in managing. Perhaps the only difference presented that is different from the analysis of single cultures is one of specific details. Otherwise, regardless of the cultural background, the analysis is remarkably similar.

There also seems to be a common understanding of how the influence of culture affects conflict. The differences in culture represented by differences in language, interaction, perceptions and mentalities leads to problems in communication, working together, problem solving, and team sense. Again, there is an interesting common perspective, regardless of the cultural identity, on the influence of culture.

Multicultures

The findings of six ASEAN-based groups (from Indonesia, Malaysia, the Philippines, Singapore and Thailand) and four Asian and European groups are analysed. These two sets of groups represent a unique opportunity to examine conflict between many different cultures, both those which are similar in terms of cultural features, and those which are very different.

For the ASEAN group described in Table 5, there are similar findings about the lack of communication, lack of team work, poor leadership, unclear missions, and the lack

Table 4 Monocultural analysis of conflict

Group	Issues	Influences of culture
Malaysian		
1	Communication Foreign GM's sense of superiority Different management style Lack of teamwork Lack of preparedness to accept company philosophy No succession plan	Different cultural backgrounds Asians passive Language ability different Social sense of superiority Suspicion
2	Communication GM is autocratic Philosophy has not filtered down to other manager	Different cultural backgrounds don't blend; this results in the following: Low productivity Poor planning and coordination Poor spirit of cooperation Functional managers isolated in thinking
Thai		
1	Lack of leadership Lack of coordination No interpersonal communication No two-way communication No concentration on goals Lack of goals	Differences in culture makes communication difficult
2	Mix of different backgrounds — no harmony Need to build team	Culture = different nationalities, different mentalities, language, customs and beliefs
3	Corporate philosophy is not understood GM has narrow vision Lack of communication Lack of teamwork	Culture = different ways of approaching problems
4	Interpersonal relations Style of working Specific organizational philosophy Confusion during meetings No teamwork	Differences in personality, culture, and background
French		
1	Philosophy not implemented GM can't delegate Not a good people manager Lack of interest of some managers (Dutch and Thai) Lack of information	Different nationalities (Western <i>versus</i> Asian) leads to lack of understanding = no communication and no <i>esprit de corps</i>
2	Lack of cooperation — no link No director, no feedback No involvement Lack of personal objectives No initiative from other managers No <i>esprit de corps</i> Departure of Mr Chaiwat	Functions and divisions dominated by specific nationalities
3	Lack of involvement of management in projects GM too centralized Too much reliance on one local manager Philosophy of the company unclear	Different ways of working because of different cultures
4	Communication Need a link between GM and managers Poor organization of meetings No participation GM wrong type of manager	Cultural differences not recognized = poor communication and colonial spirit instead of team spirit

Table 5 Multicultural analysis of conflict

Group	Issues	Culture and conflict
ASEAN group analysis		
1	GM impatient Communication barriers Lack of communication between departments Managers are task-oriented	GM imposes French culture on the company Different cultures = different ways of resolving conflict Different cultures = different perceptions
2	Difficulty in communication Failure to adapt to local cultures in leadership and management Difficulty in understanding corporate culture Teamwork takes time to develop	Differences = potential conflict Poor communication = conflict and misunderstanding Different cultures see the world differently and see motivation differently
3	Mobile is autocratic Needs Chaiwat as link to other Asian managers One-way communication	Autocracy does not work in multiethnic groups or Asian culture
4	Implementation of corporate culture GM's expectations are not met No clear communication	Implementation of corporate culture may conflict with individual cultures Different cultures = different perceptions, different reactions Agreement difficult to reach
5	Poor teamwork Bad leadership Poor communication Poor interaction Corporate mission not well defined or understood Poor problem solving	Different work attitudes and thinking due to different educational backgrounds Differences = different behaviours Points of view are limited No crossfertilization of ideas
6	Communication problems One-way leadership style Needs more time to develop Trétel philosophy No common perspective	Language Too many nationalities Culture = values and norms which people follow in their actions
Asia/European analysis		
1	Communication — intra- and interdepartmental One-way leadership top-down	Culture = different goals Different communication style Different perception of conflict
2	Gap in vision between Mr Mobile and other managers No team spirit Lack of awareness and communication within divisions GM's lack of experience Clarify roles and create a team	Different cultures make it difficult to have a common perspective
3	Lack of clear goals No communication Lack of strong leadership Lack of teamwork	Similar cultures reduce conflict through misunderstanding Dissimilar cultures increase conflict because of so many different interpretations
4	Management style Organizational philosophy Poor meeting behaviour Low team involvement	Distinguish national culture, professional culture and corporate cultures — each influence differently

of skill of the manager. This is very similar to the results for the single-culture-based groups. However, for the ASEAN group, there is a greater awareness of the role of corporate culture, mission, and the need for a local manager as a link. This may be related to the greater experience represented in this group.

In the combined Asian–European groups, as identified in Table 5, again there are the common themes of communication, leadership and teamwork. Despite wide differences in national-culture background, it is interesting that the multicultural groups analyse the situation in a homogeneous way which is similar to the way in which single cultures analyse the Trétel case. This suggests that organizational conflict is a fairly universally perceived problem.

The role of culture in the conflict as perceived by the Asian–European managers also indicates that differences in background lead to different perceptions, the lack of common perspective, and approaches to solving problems which result in difficulties in communication and working together.

Across all these cultures, there is a universal recognition that the differences in cultural backgrounds need to be addressed to reduce conflict and take advantage of the positive features of a multicultural approach.

What is clear about the cultural analysis is that, although very different national cultures see the organizational issues in the same way, they still concentrate on national culture, such as with the French managing director or Taiwanese subordinates, as a source of the problem. The analysis, however, indicates that the real problem is the failure to create an organizational culture which is multicultural in blending the features of national cultures with the professional cultures involved. Creating an effective organizational culture would be an important solution to the management of conflict in the Trétel case.

Conflict-management approaches

For joint-venture managers facing conflict situations, two styles of conflict management which could make a contribution to solving conflicts in Asia are compromise and collaboration.

Compromise style

The compromise style is the tendency to limit partially the manager's own interests in the process of making mutual concessions to reach an agreement. Compromise-oriented managers state that 'I let other people adopt some of their positions, if they let me adopt some of mine', or 'I try to find a fair combination of gains and losses for both of us or a position between theirs and mine'.

The compromise style is suitable when the following hold:

- The compromise agreement enables each party to be better off, or, at least, not worse off, than if no agreement were reached, but it is not possible to achieve a total win–win agreement.
- More than one agreement can be reached.
- Some of the parties' objectives are conflicting or their interests are opposed with regard to the different agreements that might be reached²².

Compromise is a result of negotiation. Negotiation is a process in which two or more individuals or groups, who have both common interests and conflicting interests, present and discuss proposals in terms of a possible agreement. The role of compromise in this kind of negotiation is to avoid win–lose situations.

Collaborative style

In the collaborative style, the orientation of the manager is to identify the underlying causes of conflict, openly share information, and search for solutions considered to be mutually beneficial. Collaboration-directed managers think 'I will try to deal with all concerns — theirs and mine', or 'I will try to get all viewpoints and issues out in the open; if we don't have much agreement at first, spend some time thinking about the causes of the conflict, and then look for an alternative that we can agree is the best we can do'. With the collaborative style, conflicts are recognized openly and evaluated by all concerned. Sharing, examining, and assessing the reasons for the conflict leads to a more thorough development of alternatives that effectively resolves the conflict and is fully acceptable to all parties. Collaboration is more related to a participative problem-solving process than the negotiation process. Negotiation is also involved in collaboration, but the objective is to work toward win–win situations, that is, how to arrive at the most mutual and complementary solution.

The collaborative style of conflict management is desirable when the following hold:

- The people involved have common objectives, but are experiencing conflict over the means to achieve them.
- A consensus should lead to the best overall solution to the conflict.
- There is a need to make high-quality decisions on the basis of the expertise and the best information available²².

The history of failures of joint ventures in Asia because of the incompatibility of partners and the conflict of values shows the need for a better approach to managing conflicts. Collaboration is both the most compatible approach for Asian cultures, and the most suitable managerial approach for resolving conflicts in joint ventures which impede organizational effectiveness. It creates the basis for future successful performance and for reducing potential future conflicts.

Conclusions

Joint ventures inevitably encounter conflicts, because they begin from different cultural frameworks. These values affect both the agreed-upon objectives, and the organizational design criteria for carrying out these objectives.

Understanding the main dimensions of culture and how they affect conflict assists in creating a common culture for joint ventures, and provides an appropriate perspective for managing conflicts as they emerge.

This paper has presented a framework for understanding and managing conflicts in joint ventures in Asia. It has presented findings based on managers' responses to a case study on conflict. The responses from single cultures, such as Malaysian, Thai or French, and multicultures, such as the ASEAN cultures, show a common understanding of the causes of organizational conflict and the influences of culture.

Across cultures, the collaborative approach is an appropriate perspective, because it involves finding ways to develop a mutual harmony of values, objectives and solutions.

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