# IMPACT OF ORGANISATIONAL PRACTICES AND LANGUAGE ON AN INTERNATIONAL BUSINESS COOPERATION

## The Case of a German-Slovakian Corporation

Master's Thesis

Christin Irma Schröder

Intercultural Communication

Department of Communication

University of Jyväskylä

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Coming together is a beginning

Keeping together is a progress

Working together is a success

Henry Ford

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| **Tekijä – Author**<br>Christin Irma Schröder | |
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**Tiivistelmä – Abstract**

In the course of the EU integration process, Slovakia became a target of choice for German investors. The percentage of German foreign direct investment has increased sharply since 1995. A growing number of German small to medium sized enterprises discover Slovakia as profitable location for outsourcing and offshoring. However, little is known about German-Slovakian corporations and expatriate management in Slovakia.

The aim of the study is to get an understanding of the impact of organisational culture and language on one specific case of a German-Slovakian business cooperation. During the study, the research question is divided into three sub-questions: How is the organisational culture constructed? How does organisational structure and practice influence the organisational culture? How do linguistic differences affect the day-to-day business? This objective is investigated through a qualitative study with a participant observation in Slovakia. Then the special role of expatriates in this cooperation is examined through interviews, that try to answer the following sub-questions: Which role do expatriates play related to organisational culture? Which role does expatriate management play?

The study revealed that culture in the cooperation is contextual and individually constructed among the involved parties depending on the circumstances. The organisational culture is a construct of local culture, regional history, organisational practice and organisational culture in Germany. It was not based on a cultural line between the nationalities, but on professional identities or rank in internal hierarchy. Here the constructed culture differentiated between management and production level. The German expatriates had an exceptional position. Moreover, the thesis discovered that language barriers covered up fundamental underlying structural problems and had a negative impact on organisational culture. The thereby caused difficulties influenced the flow of information, performance and interpersonal relationships. Additionally, insufficient expatriate management had a negative impact on the established organisational culture. The expatriates shaped the organisational culture with their behaviour. Structural difficulties hindered their adjustment to the setting and performance. Summing up, organisational culture was strongly affected by organisational structure and practice, which reflected in working atmosphere, employee retention and motivation. Language and constructed cultures only reinforced already existing structural weaknesses caused by organisational culture and structure.



**Asiasanat – Keywords**

Central Eastern European Countries, Diversity Management, Expatriate Management, German-Slovakian Cooperation, Intercultural Communication, Organisational Culture, Participant Observation

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# ABBREVIATIONS

| | |
|---|---|
| AL | Albania |
| BA | Bosnia and Herzegovina |
| BG | Bulgaria |
| BY | Belarus |
| CEE | Central Eastern Europe |
| CEEC | Central Eastern European Countries (Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Czech Republic, Estonia, Croatia, Hungary, Kosovo, Lithuania, Latvia, Macedonia, Montenegro, Poland, Romania, Serbia, Slovenia, Slovakia) |
| CG | Montenegro |
| CQ | Cultural Intelligence |
| CZ | Czech Republic |
| EE | Estonia |
| FDI | Foreign Direct Investment |
| EQ | Emotional Intelligence |
| GBP | German Business Partner, German factory with most contact to SF |
| GDR | German Democratic Republic |
| GE | German Expatriate |
| HCN | Host Country Nationals |
| HQ | Headquarters of the Co-operating Company in Germany |
| HR | Croatia |
| HRM | Human Resource Management |
| HU | Hungary |
| KS | Kosovo |
| LT | Lithuania |
| LV | Latvia |
| MK | Macedonia |
| PL | Poland |
| RO | Romania |
| RS | Serbia |
| RU | Russia |
| SE | Slovakian Employee (machine operator, quality management, tool manufacturer, technicians, electricians etc.) |
| SF | Slovakian Factory, Examined Factory in Slovakia |
| SI | Slovenia |
| SK | Slovakia |
| SM | Slovakian Management (executive management, HRM, administration) |
| SME | Small to Medium Sized Enterprises |
| UA | Ukraine |

# 1 INTRODUCTION

## 1.1 Aim

The eastern European enlargement of the EU in 2004 and 2007 transformed Central and Eastern European Countries (CEEC)1 into a promising business location for outside investors (German Chamber of Industry & Commerce, 2014; Price, Fidrmuc, Wörgötter, & Klein, 2013). The past decades have seen the rapid development of their economy and socio-political structures, which opened up new markets and generated business opportunities. Slovakia in particular became a target of choice for German investors. The percentage of German foreign direct investment (FDI) in CEEC took a leap in 1995 and has increased sharply since then. By 2001, it surmounted the total percentage of German FDI in China, Asia and Latin America – a trend that remained steady throughout the last years. Slovakia was ranked among the four most attractive CEEC for investment in 2014 by German investors. In 2012 alone, a capital expenditure of € 8.8 bn was dedicated to Slovakia (German Chamber of Industry & Commerce, 2014). More than 330 German companies with a total staff of 112.000 employees generated an annual turnover of € 24.3 bn (Deutsche Bundesbank, 2014).Slovakia had a turbulent history throughout the last 25 years. The events after the Fall of the Berlin Wall in 1989, collapse of the Soviet Union and the dissolution of Czechoslovakia caused fundamental changes (Karoliny, Farkas, & Poór, 2009; Schroll-Machl & Nový, 2003). In

[1] It is important to note that there is no universal definition of CEE countries. The terminology depends on applied parameters such as history and geographical position. In this thesis the official definition of the German Bank of Social Economy (*Bank für Sozialwirtschaft*) is used. CEE countries include in the narrower sense all countries that joined the EU in the course of the eastern enlargement in 2004 and 2007: Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. In the broader sense it includes all former communist countries: Albania, Belarus, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro, Russia, Serbia and Ukraine.

particular economic landscape underwent fundamental changes from planned to market economy (Larson, 2013) and can still be considered as transforming or transitional (Brewster & Bennett, 2010; Larson, 2013; Škerlavaj, Su, & Huang, 2013). These circumstances pose a challenge on any business partner since it "(…) involves coping with the paradox of needing to import ideas and practices from the global business but also needing to understand and adapt to particular constraints within the new country" (Brewster & Bennett, 2010, p. 2583). Traditional intercultural communication studies link success in international business cooperation to the level of understanding of the host culture (Briscoe, Schuler, Jackson & Tarique, 2012; Maude, 2011). Hence, a basic understanding of local conditions and customs in Slovakia is inevitable for German investors (Škerlavaj et al., 2013; Takei, 2011; Vaňová & Babeľová, 2014).

This study examines one specific case of a German-Slovakian cooperation. Due to the ethnographic approach of this thesis, research questions could not be formulated before a first overview of the field was gained (see van Maanen, Sorensen, & Mitchell, 2007). In retrospect, the main research question was: Which impact do organisational culture and language have on international business cooperation? During the study, the question is divided into three sub-questions: How is the organisational culture constructed? How does organisational structure and practice influence the organisational culture? How do linguistic differences affect the day-to-day business? First, an overview is gained through an ethnographic approach, respectively participant observation. Then the special role of expatriates in this cooperation is examined through interviews, that try to answer the following

sub-questions: Which role do expatriates play related to organisational culture? Which role does expatriate management play?

Poór, Szabó, Óhegyi, and Farkas (2014a) urge that, besides economic data, little is known about international corporations in CEEC. Therefore, the study offers some important insight into a German-Slovakian corporation. It aims to contribute to a better understanding of the impact of organisational culture in business cooperation. Moreover, it contributes to the field of research on expatriates in Slovakia. Thereby it provides a starting point for further research of international business cooperation in Slovakia. A better understanding of these settings will help companies engaging in German-Slovakian corporations to understand problematic fields. In addition, the findings form a basis for practical implementations and targeted preparations of enterprises before entering the Slovakian market. Thus, the findings of the thesis can help improve performance and efficiency. The thesis does not seek to provide universal solutions or guidelines on business practices in German-Slovakian encounters. Due to practical restrictions, this study cannot provide a comprehensive review of common causes of friction between German and Slovakian trading partners. Differences will be pointed up and discussed, but by no means evaluated.

It should be mentioned at this point that two different types of triangulation were utilised during the study. First, two different qualitative methods were deployed to learn more about the studied phenomena (participant observation and interviews). Second, the data was triangulated because both times it was obtained in a different setting (Slovakian and German factory), at different times (autumn 2012 and spring 2013) and involved partially different

participants (mixed group of Slovakian and German employees and German employees only). This procedure matches different constructs of reality and illuminates the same event from different points of view (Erlandson, Harris, Skipper, & Allen, 1993).

## 1.2 Background Information

This study was implemented in cooperation with a German manufacturer. The medium-sized enterprise operates several factories all over Germany. All production facilities are decentralised and self-governing, coordinated by the headquarters (HQ). In 2005, the enterprise expanded and opened a factory in Slovakia, which became the main setting of this thesis. The German manufacturer was familiar with international sales and distribution, but an international production site was uncharted water. The Slovakian assurance followed the same modus operandi as national assurances: adjusting production facility to common practice of the HQ through close supervision and gradually increasing self-governance. All levels of operation were fully run by Slovakian employees ab initio under supervision of German experts. It turned out that cooperation with one particular production facility in eastern Germany was the most fruitful and it became their German business partner (GBP). From day one until nowadays, German expatriates (GEs) are present in Slovakia. The Slovakian factory (SF) employs circa 100 employees in the production area and ten on administrative and management level. In 2012, I worked temporary in the production line of the enterprise in Germany. Reports about low production output, high employee turnover and failing communication in Slovakia caught my attention. However, second or even third hand information did not allow any speculations about possible reasons for the challenges. My

interest in the topic led to a cooperation with the company in order to develop strategies to improve the situation. In autumn 2012, I spent four weeks in the SF. The findings of the participant observation evolved in an internal report for the enterprise and a second phase of the study. In spring 2013, interviews with GEs were conducted.

## 1.3 Structure

The overall structure of the study takes the form of six chapters, including this introduction. The second chapter begins by laying out the theoretical dimensions of the research. It investigates the business relationships between Slovakia and Germany and defines the concept of culture. Then organisational culture in international cooperation and the concept of expatriate management is illuminated. The third chapter considers the ethics as a naturalistic inquiry, since the applied method raises moral dilemmas. The main body of the thesis is divided into two parts. The first part deals with the conducted participant observation in Slovakia. It begins by considering the main aim of the method, its benefits and pitfalls and proceeds with its implementation and findings. The second section of this study is concerned with the methodology of qualitative interviews, assets and drawbacks as well as implementation. Moreover, it illuminates the fact sheets used to complement the interviews, which produced the only quantitative data in this thesis. The sixth chapter draws upon the entire thesis, tying up the various methodological strands in order to discuss the findings of both parts. In the following, conclusions are drawn. In addition, the limitations of the study are mapped out subsequently followed by suggestions for future research. The deployed data sheets and field manuals can be found in the appendix in German and English translation.

# 2 THEORETICAL FRAMEWORK

This thesis takes the stance that theory-based research can only generate new findings within the limiting frame of an already existing theory or hypothesis. Thus, several aspects are disregarded right from the beginning. This procedure may increase reliability and validity of a study and produce generalizable data, but if certain aspects are not taken into account, their importance for the studied phenomena remains unknown. This procedure bears the risk of altering the results of a study by ignoring important variable. In order to avoid this effect, the present thesis takes a data-generating stance. Prior to the study very little was known about the setting, which forced the researcher to adopt an open-ended approach and include any aspect which might come up. Thus, reliance on existing research was not an option. Consequently, the first part of the thesis employs an ethnographic method. The thereby generated data was matched through quantitative interviews in the second part.

Even though the study is not based on existing theory, the findings touched upon several existing concepts. Hence, the theoretical framework is more of a literature review of previous studies on issues related to this thesis. In addition, some basic background information is required to place the findings in the right context. Before the focus is narrowed down to the individual case examined in this study, the scope will be widened to the general business relations between the Slovakia and Germany. The following chapter is an excerpt on the recent economic history of Slovakia and its business relations to Germany. This basic information is important to understand the studied example in its wider context. Before the thesis processes to the concept of organisational culture in international business encounters, the general concept

of culture will be examined. The next chapter scrutinises the phenomena of culture and critically evaluates common definitions. Thereafter, the aspects of organisational culture in international cooperation will be illuminated. Hereby, the concept of culture is transferred to the investigated setting. In this context the special role of expatriates, sandwiched between home and host organisation, strikes the eye. Consequently, the concept of expatriates will be discussed including a synopsis on the several stages of expatriate management.

## 2.1 Business Relations between Germany and Slovakia

The events after the Fall of the Berlin Wall in 1989 and implosion of the Soviet Union lead to fundamental changes in the political-socio-economic system of the entire CEE region. In 1992, Czechoslovakia fell apart into two independent countries: the Czech and Slovakian Republic (Karoliny et al., 2009; Koyame-Marsh, 2011; Larson, 2013; Schroll-Machl & Nový, 2003). The economic landscape did not stay unaffected of these dramatic changes and underwent a "shock therapy" (Brouthers, Lascu, & Werner, 2008) due to immediate change from planned to free economy. Right after the peaceful dissolution Slovakia struggled with a high unemployment rate and economic crises. The following years were characterised by rapid privatisation as counter actions to the economic downtime (Brouthers et al., 2008; Gauselmann, Knell, & Stephan, 2011). Under these circumstances, FDI was seen as the foundation for any further development (Lokar & Bajzikova, 2008), that sparked political and structural reforms, active investment promotion policy, price liberalisation and low corporate income taxes. These measurements succeeded to attracted a remarkable amount of FDI and Slovakia could turn the tide (Brouthers et al., 2008; Curwin & Mahutga, 2014; Dean, Muchova, & Lisy, 2013; Price et al.,

2013; Sass & Fifekova, 2011). Already in the mid-1990s, when the main transition process was over, the CEEC experienced a rapid economic growth (Dombi, 2013).

The eastern enlargement of the EU helped to speed up modernisation in Slovakia. The country joined the EU in 2004 and entered the Eurozone in 2009 (Brewster & Bennett, 2010). Even though the currency change decreased the interest for investors outside the Eurozone (Price et al., 2013), expectation of a single currency attracted many investors from Western Europe (Dean et al., 2013). The Slovakian economy was one of the fastest growing economies in the EU between 2005 and 2008 and the real GDP growth rate was the highest in both the EU and Eurozone (Dean et al., 2013). According to Price et al. (2013), the employment growth is directly positively linked to FDI inflow. The employment rate grew constantly until the economic crises in 2009, which was a major drawback for the foreign trade oriented economy (Brewster & Bennett, 2010; Price et al., 2013; Sass & Fifekova, 2011).

Besides the recent development, the transition process does not seem to be over. One could say, "[w]hilst it is clear what they are transitioning from, it is not clear exactly what they are transitioning to" (Brewster & Bennett, 2011, p. 2569). The simultaneous presence of old and fast adapting new structures form a unique mélange challenging foreign business partners (Karoliny et al., 2009; Larson, 2013; Škerlavaj et al., 2013), who have to find strategies to transfer global business practices to a developing economy while adapting to the changing local structures (Brewster & Bennett, 2010).

Worldwide business has been in a deuce of stir through technical innovations, globalisations and increased mobilisation during the last decades

(Briscoe et al., 2012). The internationalisation of business allowed companies to enter the international market through trading, manufacturing, service and sales (Sommer, 2010). This development did not only open up new business opportunities, it also forced enterprises to implement new strategies to stay competitive. Nowadays organisations seek globally for the best economic and institutional conditions (Gauselmann et al., 2011). Since the 1990s, outsourcing and offshoring is a common strategy to drive down costs (Sass & Fifekova, 2011). In the last two decades small to medium sized enterprises (SME) discovered the CEEC as a new market for subcontracting, outsourcing and offshoring (Gauselmann et al., 2011).

Slovakia is seen as one of those "Geographic Optimization of Production Possibilities" (Dean et al., 2013) within Europe. One of the main forces of attraction for outsourcing from the old to the new EU-member states is the discrepancy in the level of labour costs (Stare & Rubalcaba, 2009). In Slovakia labour costs are significantly lower than EU-15 average and it is among the most attracting CEEC measured by ratio between labour costs and productivity (Eurostat, 2015; Gauselmann et al., 2011; Price et al., 2013; Sass & Fifekova, 2011) – a factor, which is of significant importance in the manufacturing industry (Gauselmann et al., 2011).

Besides cost factors, several other criteria turn Slovakia into an interesting location for FDI from Western Europe. Its geographic position and well-developed road network provide short transportation distances. Harmonized standards and regulations within the EU simplify business across borders. Slovakia offers political stability and good macroeconomic conditions (Sass & Fifekova, 2011), which are important for foreign investors. Cultural

similarities and historical ties play another important role why some companies based in the EU-15 prefer to outsource rather to the CEEC than other low-wage destinations (Sass & Fifekova, 2011; Stare & Rubalcaba, 2009). Guzik and Micek (2008) found that Slovakia has a "knowledge advantage" when compared to other low-wage locations due to its high number of well-educated workforce. Nevertheless, Stare and Rubalcaba (2009) critically evaluate the current development and warn of extensive outsourcing and offshoring to Slovakia and CEEC. They point out the danger of exploitation. Other researchers (Larson, 2013; Lokar & Bajzikova, 2008) claim that the transformation from planned to market economy came already at the price of increased inequality in society.

However, the recent development has not only affected Slovakia's own economy and society; it has also altered the relationships between Slovakian and other countries on various levels. Among them are the business relations to Germany. In the course of the EU integration process, Slovakia became a target of choice for German investors (Handl & Paterson, 2013). The percentage of German FDI in CEEC took a leap in 1995 and has increased sharply since then. By 2001, it surmounted the total percentage of German FDI in China, Asia and Latin America, a trend that remained steady throughout the last years (see Figure 1). In 2012 alone, a capital expenditure of € 8.8 bn was dedicated to Slovakia (German Chamber of Industry & Commerce, 2014) and more than 330 German business companies with a total staff of 112.000 employees generated an annual turnover of € 24.3 bn (Deutsche Bundesbank, 2014). Moreover, Slovakia was ranked among the four most attractive CEEC for investment in 2014 by German investors (see Figure 2). On the other hand,

Germany is the recipient for 20.4% of Slovakia's export. Generally, 50% of Slovakia's export is aimed at the Eurozone and 85% at the EU (Dean et al., 2013; Handl & Paterson, 2013).

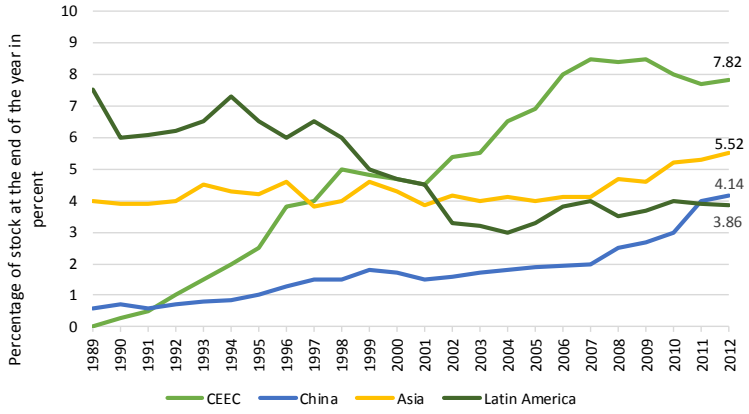


*Figure 1.* German Investment in Foreign Countries per Year in Percent. China: incl. Hong Kong, Asia: excl. China, Latin America: Central- and South America. Retrieved from AHK Konjukturumfrage Mittelosteuropa 2014 (p. 3) by AHK: German Chamber of Industry and Commerce.


*Figure 2.* Attractiveness of a Country for Investment from Germany. 1 = very attractive ... 6 = not attractive at all (the average rating denominates the mean of the grades, which were assigned to the respective country in all participating countries, excluding the grade for the own country.). Retrieved from AHK Konjukturumfrage Mittelosteuropa 2014 (p. 16) by AHK: German Chamber of Industry and Commerce.

Due to the ongoing FDI, offshoring and outsourcing, a great number of expatriates can be found in Slovakia (Poór et al., 2014a). According to Selmer, Kittler, Rygl, Mackinnon and Wiedemann (2011), the high amount of GEs in Slovakia is due to a shortage of qualified local employees. Nevertheless, there are no official statistics determining their number. Interestingly, the estimated high number of expatriates in Slovakia and the available research literature

form a paradox. While expatriates have been a popular subject of research during the last decades, Selmer et al. (2011) noticed a general absence of studies focusing on expatriates within Europe. The low interest in international assignments and expatriate management in CEEC in particular was also pointed out by the organisers of the International Human Resource Management Conference in 2014. In the same vein, Poór et al. (2014a) urge that, besides economic data, little is known about international corporations in the CEEC. Due to this general lack of research on the effect of FDI on Slovakian business life, little is known about the interaction of foreign expatriates and Slovakian employees or the evolving organisational culture. Albeit, knowledge about internal processes and their effect on organisational culture can be a competitive advantage for foreign investors in Slovakia. This knowledge could help to adjust faster to the local setting by adopting suitable organisational practices and structures. However, before the impact of organisational culture can be investigated, the concept of culture in general has to be clarified.

## 2.2 Definition of the Concept of Culture

Traditional research in intercultural communication argues that knowledge about intercultural differences in business encounters is linked to economic success (e.g. Gudykunst, 2005; Hofstede, Hofstede, & Minkov, 2010; Thomas & Bürger, 2007; Trompenaars & Hampden-Turner, 2012), which implies that each culture has standard preferences and will most likely adopt a certain behaviour in international business encounters. Knowledge about these structures will enable foreign actors to adapt and act accordingly. This understanding of culture is a rather stiff construct and bears the risk of ignoring

individual variation. Even though this understanding is widely used in literature concerning international business, as noticed by Breidenbach and Nyíri (2009), a different concept is employed in this thesis. Here the concept of Fellow and Liu (2013) is adopted, who define culture as

> (…) a human-group (two-plus persons) construct which contains both innate (genetic) and learned elements and which is evolving constantly, although rates, degrees and causal mechanisms are contested. In the vast majority of instances, the groups are large (nations, organizations, occupations, generations). (p. 403)

Clifford notes that culture is "(…) neither an 'object to be described' nor a 'unified corpus of symbols and meanings that can be definitively interpreted' (…) [but] contested, temporal, and emergent" (Clifford cited in Breidenbach & Nyíri, 2009, p. 275). Hence, culture is abstract, complex, multi-faceted and involves uncountable factors. This concept allows a more flexible approach to cultural groups beyond (externally) ascribed boundaries, such as nationality and ethnicity. Moreover, individual varieties and unique aspects of a setting can be integrated. Contrary to the previously discussed traditional concept, this focus of this approach is not to *explain* a setting, but to *understand* it (Derwin, 2011).

In addition, this "liquid approach" (ibid.) does not perceive cultures as a detached entity and takes interaction with other surrounding systems into account. It acknowledges that individuals and social systems define themselves through a constant interaction with their surroundings (van Maanen, 2011). Hannerz (2004) summarises that "(…) culture tends not to be a long-durable consensus but a shifting, sometimes distracted debate" (p. 231 cited in Breidenbach & Nyíri, 2009, p. 73). The thereby adopted identity[2] of a person

[2] Holliday, Hyde and Kullmann (2010) describe in detail the contextual construction of identity.

or group is situational and contextual bound. Hence, identity is not universal and generalizable and may undergo dramatic changes in another context. Humans selectively deploy systems of values or identities depending on the situation (Breidenbach & Nyíri, 2009; van Maanen, 2011), subjective experience and individual perception (Fellows & Liu, 2013). In conclusion, culture is not a ‘straitjacket’ determining people’s behaviour.

Throughout the last decades, the term ‘culture’ conquered public discussions in any field. According to Breidenbach and Nyíri (2009), the invasion started at the end of the 1980s when 'ethnicity' and 'culture' replaced the ideology of different classes and political systems. Suddenly these concepts displaced rivalling ideologies as explanation for local and global conflicts. Especially Huntington’s (1993) theory of clashing civilisations marked the breakthrough into mainstream media and general perception. The categorising of humans into ‘civilisations’ was common in many mid-twenties anthropological schools and reflects a much generalised understanding of culture (Breidenbach & Nyíri, 2009). Out of this Zeitgeist some well-known concepts of culture (e.g. by Schein, Adler, Hofstede & Hall) and concepts of cultural dimensions (e.g. Katayama, Hofstede, Hampden-Turner & Trompenaars) were developed (Schneider, Barsoux, & Stahl, 2014; Thomas, 2011). They are still widely used nowadays. Fellows and Liu (2013) suspect that these functional paradigms were only established to make culture measurable and thereby create the illusion of cultures as easily manageable and predictable construct (see also McSweeney, 2002). This cultural generalism fails to recognise local varieties or differences and rejects the idea of globally spreading trends and interaction among cultures (Breidenbach & Nyíri, 2009;

van Maanen, 2011). Moreover, it bears the risk of covering up underlying conflicts and problematic issues, such as local or global power struggles, access to resources and economic imbalance (Fellows & Liu, 2013), by overemphasising the aspect of 'culture'. Dervin (2011) stimulates a different approach to interculturality. Instead of perceiving intercultural encounters as interaction between two or more cultures, he urges researchers to view it as an encounter between individuals from different “space-times”.

Since the 2000s, the terms ‘intercultural communication’ and ‘intercultural competence’ are inflationary used in academic, professional and political fields. In the field of business, an entire industry of trainers, consultants and (self-proclaimed) experts developed around the phenomena of culture, offering solutions from talent management, intercultural trainings to customer research. The case of Hofstede, Trompenaars, Bennett and Hammer illustrate the (questionable) close link between academic research and business interests: they are academic scholars and simultaneously big players in the field (Breidenbach & Nyíri, 2009). However, the discrepancy between academic standard and business interests in the field of intercultural communication is not the only point of criticism. Breidenbach and Nyíri (2009) complain that many scholars and intercultural trainers claim that culture is like “a language to be learned”. They argue that cultural differences cannot be boiled down to a simple formula with easily applicable strategies and solutions. One could gain the impression that many intercultural trainers and guidebooks passively support Huntington's (1993) underlying assumption of clashing civilisations; just they focus on the aspect of prevention.

Contrary, this thesis takes an open-ended approach towards the investigated setting. Thus, it does neither predict nor expect 'clashes between cultures'. The reported difficulties in the setting must have an origin, but are not necessarily linked to 'culture'. Moreover, the setting is not analysed through the concept of 'national culture' since this would predefine cultural groups. It would bear the risk of perceiving the setting through the lens of 'nationality'. Moreover, the liquid approach demands a concept, which is open for both internal and external aspects. Here the concept of organisational culture is deployed since it allows to include both external (e.g. national, regional, local) and internal factors (e.g. structural, practices), as well as larger (e.g. type of industry) and smaller scale aspects (e.g. personal characteristics). It keeps the focus open to any upcoming topic and approaches the setting with an unbiased view. Simultaneously the scope is limited to everything happening within the organisation. The investigated setting is regionally defined, what helps to prevent this study from escalating out of the frame of a thesis. The study is open-ended and treats the setting as an individual case with an organisational culture exclusively evolving in this setting. Thus, it is based on neither previous research, theory nor cultural dimensions.

Despite the already discussed point of criticism on the concept of 'intercultural communication', literature about culture in international business is often based on the conceptual weakness of determining culture within national boundaries, e.g. see studies of Cook (2012), Hofstede et al. (2010), Maude (2011), Schroll-Machl and Nový (2003), Thomas and Bürger (2007). Breidenbach and Nyíri (2009) warn not to mistake “passports for cultural categories” since politico-geographic borders are subject to change (see also

Fellows & Liu, 2013). When considering historical aspects it becomes clear that most borders are drawn artificially through colonial, postcolonial or state regimes and do not necessarily reflect the social groups living within these boundaries. Even if a group may seem homogenous at the surface, it can include a great number of varieties of micro- and subcultures (Moran, Abramson, Moran, & Harris, 2014). Thus, an investigation, which focuses only on distinct and visible aspects of a culture, is likely to lead to superficial results and ignore hidden but important aspects.

Slovakia is a vivid example of constantly changing borders, political systems and governance throughout the last centuries. The inter-regional migration lead to a heterogeneous population (Karoliny et al., 2009; Larson, 2013; Škerlavaj et al., 2013). Despite this fact, not a single publication dealing with international business in Slovakia examined for this thesis addressed the ethnic mixture. Moreover, all studies shared the tenure that difficulties based on cultural differences will definitely occur within international business encounters in Slovakia. Usually they relegated to Slovakia's recent change in political systems but failed to take current phenomena, such as the relationship and position within the EU or financial discrepancies, into account. Slovakian culture was treated as a fixed entity immune to changes (e.g. in Schroll-Machl & Nový, 2003; Stemplinger, Haas, & Thomas, 2005; Takei, 2011; Thomas & Bürger, 2007). Due to these aspects, only some of the results of these studies are used in the discussion of this thesis. Otherwise they are disregarded.

Another point of criticism on research investigating the influence of culture in business is the wide use of popular cultural dimensions. Chirkov (2009, referred to in Dervin, 2011, p. 39) criticises this approach as “presenting

cultures as essential entities composed of different dimensions and components which are able to 'influence', 'predict', 'affect', and 'change'; people's functioning as if they are some kind of physical force or natural power." This approach is systematic, but seduces the researcher to evaluate data uncritically by applying a standard method and examining human interactions through a certain pattern. This procedure bears the risk of ignoring important internal and external variables. As an example, Cook (2012) investigates the effects of American values and traits on doing business in CEEC limited to Hofstede's cultural dimensions. She fails to consider that other possible explanations might exist. Adhering to the idea cultural lines occur only across nationalities, might lead to wrong interpretations.

Contrary, in her analysis of German and Indian engineers Mahadevan (2009) discovers that the "cultural clash" happened between the engineers and management level, irrespective of national cultures. The professional identity was stronger than national identity. Hence, Mahadevan urges researchers to question if the "other" really exists or if it is (externally) constructed. Researchers should be sensitive towards culture "without falling into the trap of determinism, essentialism, and misinterpretation – a trap that (…) can have the dangerous consequences of a self-fulfilling prophesy" (Breidenbach & Nyíri, 2009, p. 29). The definition of culture adopted in this thesis agrees and sees culture as too multi-layered, unpredictable and contextual to be analysed through a standard pattern. A basic understanding can only be gained through a careful analysis, which includes all upcoming aspects. This approach strongly influenced the research methods of this study (see paragraphs 4.1 and 5.2).

In order to achieve these targets, studies investigating culture should choose a methodology, which "(...) can take into account that the world is fluid; that the methodology we use not only produces research, but produces the reality it aims at understanding" (Cunliffe, Sergi, & Hallin, 2011, p. 194). Thus, an ethnographic approach was selected in this study. Breidenbach and Nyíri (2009) establish questions for a critical cultural analysis, which were heeded throughout this thesis:

- What explicit and implicit statements about culture are involved, about which groups?
- What are the fault lines along which groups are defined and differentiated?
- Are you overlooking important differences within (or across) these groups? (p. 343)

The thesis employs a liquid approach to cultural groups, which perceives them as a situational and temporal construct with permeable borders. Hence, they may be more heterogeneous than they seem at first glance. Moreover, this means that before it is claimed that the behaviour of a person is influenced by a certain culture, it has to be ensured that this person is imprinted by the given culture. In the investigated example, somebody perceived through the lens of 'Slovakian culture' could be socialised in Hungarian traditions or imprinted by an education received abroad.

Derwin (2011) notices a widely common "Janusian approach" in studies concerned with intercultural aspects. In his perception, many studies start with a liquid approach towards culture in the theoretical framework, which acknowledges the uniqueness of developing culture. However, the analysis falls back on a static approach with bias and set categories. In his opinion, researchers are aware of the constructivist nature of culture but fail to translate this concept for their own research. The present thesis tries to avoid this effect.

However, the circumstances of a Master's Thesis demand to stay within a limited frame. This means that the liquid approach to culture is used throughout the thesis, but at some points, the use of rather stable concepts is inevitable. In particular, these concepts appear in the context of organisational culture and expatriate management. The use of these concepts in this context could be subject of critical discussion but would exceed the frame of a thesis.

In this thesis, references to persons will be given according to nationality. This procedure is adopted only to facilitate readability of the text and increase anonymity of the participants.

## 2.3 Organisational Culture in International Business Cooperation

In international business encounters organisations have to balance the strength and weaknesses of cultural diversity already in the set-up phase (Škerlavaj et al., 2013; Takei, 2011). They can select an ethnocentric, polycentric or geocentric business model (Heenan & Perlmutter, 1979), determining the level of independence of the subsidiary and degree of exchange between both organisational cultures.

Just like humans, enterprises do not function as detached entity; they are embedded in a larger context. Jablin and Putnam (2001) see culture as a stowaway, which "(…) enters organisations artfully, unconsciously, and piecemeal through several avenues simultaneously. People create, enter, and leave organisations not as autonomous individuals but as members of highly interconnected and interdependent cultural networks" (p. 357).

Sackman's model (1997) of culture in a business context illustrates the different internal and external levels of cultural context any organisation has to deal with (see Figure 3). On a larger scale, they are embedded in the national,

regional and local culture. Political, economic and financial variables (Fellows & Liu, 2013) as well as the type of industry (Ratajczak-Mrozek, 2014), ownership and level of participation (Škerlavaj et al., 2013) define how much the company is affected by these outer factors. External cultural differences can be encountered on any level of business, from customers to suppliers (Vaňová & Babeľová, 2014). On the organisational level, culture can influence the main structure of the subsidiary down to practices in administration and management (Maude, 2011). Jablin and Putnam (2001) identify several aspects of cultural influence on business on a structural level:

- political/ legal prescription and prohibitions, legal requirements and regulations
- constrains and opportunities of the institutional environment
- preferences, values and premises about what organisations can and should be
- rites, rituals and communicative practices
- the ways individuals perform their roles and relate to one another
- the mind-sets of occupational communities
- the manner by which problems are solved
- the representation of spatial/ temporary boundaries (p. 340)

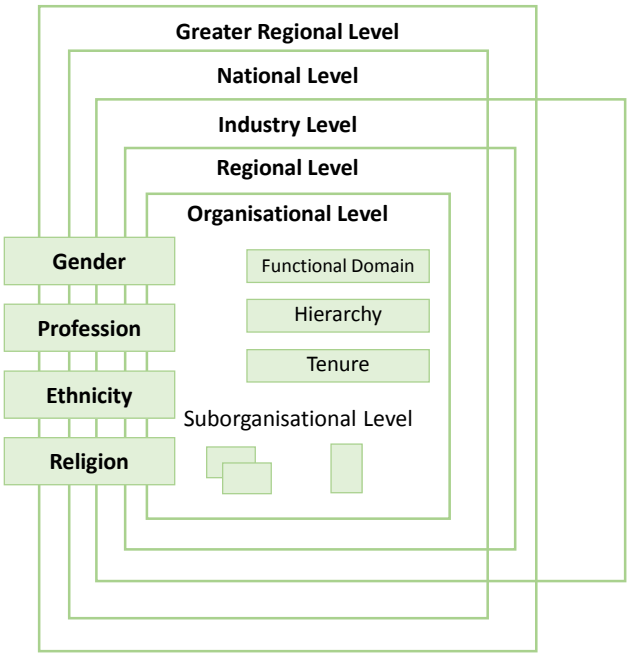


*Figure 3.* Cultural Context of Business. (Sackman, 1997, p.76)

In the studied case, the cooperation takes place within a CEEC. On a national level, the socio-political context of the last twenty-five years and the resulting transitions and transformations on all levels of society have to be considered. Previous research claims that strategy planning and decision making in organisations operating in transitional markets are affected by political, environmental and cultural factors (Martinez-Zarzoso, Voicu, &Vidovic, 2015). On a regional level, conflicts between local minorities and languages can add their share. Additionally, business can be affected by local structures of power among different old and new social groups and their interests.

Sackman's model (1997) includes also aspects, which affect both internal and external aspects, such as gender, profession, ethnicity and religion. Internally organisations can be influenced by organisational and professional culture (Briscoe et al., 2012). Fellows and Liu (2013) add that ‘culture’ in an organisation can develop on an interpersonal level. In their opinion, the so-called “project culture” is the sum of organisational culture and social context. In the context of international business, visibility of the external and internal factors may be blurred due to the limited awareness or insight into surrounding structures. Breidenbach and Nyíri (2009) point out the special role of local interlocutors. Often the foreign actors select them according to language skills and cultural similarity. Due to their local knowledge, their role can shift towards the position of a gatekeeper who determines the perception of the local culture.

As shown above, culture in organisations is a contextual and multi-layered amalgam of internal and external factors. In case difficulties come up

in international business, it is simple to reduce them to ‘culture differences’. Mahadevan (2009) criticises this as a simple, but dangerous method. Simultaneously, she questions research concerning difficulties in international business encounters that predetermine its origin in culture, for the risk of covering up real obstacles. The present study takes up this criticism and is not based on the premise that the reported difficulties root in cultural issues.

All of the aforementioned inner and outer circumstances of an organisation shape the internal organisational culture. This culture is claimed to be unique to every organisation and develops through a process of learning, external adaptation and internal integration (Übius & Alas, 2009). Denison’s (2015) model of organisational culture defines four aspects: adaptability, mission, involvement and consistency (see Figure 4). These aspects consider the relationships between the organisation and its customers, relationships to the surrounding environment and to everyone working within the organisation.


*Figure 4.* Denison’s Model of Organisational Culture (and Leadership). (Denison, 2015)

According to Fortado and Fadil (2012), organisational culture is sensitive towards internal and external factors and contextual. Ravasi and Schultz (2006) describe organisational culture as a “(…) set of shared mental assumptions that

guide interpretation and action in organizations by defining appropriate behavior for various situations" (p. 437). They are visible in practices, artefacts and rituals and "(…) manifested in a web of formal and informal practices and of visual, verbal, and material artefacts, which represent the most visible, tangible, and audible elements of the culture of an organization" (ibid., p. 437). Organisational practices are the visible aspect of organisational culture and interdependent with organisational structure. Thus, if one wants to find more about organisational culture, one should investigate the practice and structure (Bantz, 2001).

Organisational culture may result in a "collective identity" (Mahadevan, 2012). Fellows and Liu (2013) claim that organisations are forced to develop common goals and objectives in order to "(…) maintaining effective and efficient working relationships among organizational members and stakeholders, both temporary and permanent" (p. 412). In their opinion, organisational culture is initiated through the founder and influential members and passed on to new members (Sommer, 2010). Thus, organisational culture forms a 'climate' which

> (a) is experienced by its members,
> (b) influences their behaviour, and
> (c) can be described in terms of the values of a particular set of characteristics (or attributes) of the organization (Fellows & Liu, 2013, p. 404)

Nevertheless, it cannot be assumed automatically that all members of an organisation share the common identity to the same extend. Internal power-struggles, threat of unemployment and power-imbalance among working groups can pose a threat to their climate.

In binational corporations, another influential factor is added to the already existing internal and external factors. The attitude of both partners is believed to influence the organisational culture (Ravasi & Schultz, 2006; Steger et al., 2011). Sommer (2010) argues that a positive attitude of all relevant hierarchical levels of both parties of the organisation towards internationalisation will create an organisational culture, which is open to the new experience. A negative influence can sabotage the relationship.

The organisational culture and local external factors can reflect in the business practice of an organisation. A number of studies compared Western business practices with CEEC and found significant differences (e.g. Brouthers et al, 2008; Michailova, 2000; Steger, Land, & Groeger, 2011; Übius & Alas, 2009). Steger et al. (2011) claim that the local management style in CEEC is influenced by the political, economic, ideological, religious and social system in which the managers were socialised. This finding emphasises the importance of historical and socio-political aspects in this region. Brouthers et al. (2008) found differences already among different generations of managers in CEEC. They conclude that the length of exposure to the former system determines the management style. Steger et al. (2011) suspect that business methods proven in Germany may fail in CEEC. In their sample, wrong assumptions of similarities lead to frustration and negatively influenced the business relationship. Übius and Alas (2009) assume that the lesser an enterprise considers cultural aspects in CEEC, the more likely they will be surprised by sudden dilemmas in unexpected areas and challenged by unfamiliar situations.

However, researchers advise organisations to consider cultural differences and the political and legal environment before entering a new

market (e.g. Briscoe et al., 2012; Maude, 2011). Collings, Scullion and Morley (2012) point out that often organisations focus on the legal and political aspects, but leave culture aside. This does not necessarily imply that organisations should fall back on concepts of 'national culture', 'cultural dimensions' and 'cultural standards'. Breidenbach and Nýiri (2009) advise companies not simply add culture as another value to their organisational culture, but to inhere and implement cultural awareness, including a critical evaluation of techniques and strategies used in the home organisation. What works in one context, might not be successful in another (Brouthers et al., 2008; Fellow & Liu, 2013; Mahadevan, 2009). Here the development of "locally based capabilities and knowledge to match the competitiveness of local firms" (Choi & Johanson, 2012, p. 1151) is recommended.

Traditionally intercultural awareness is seen as the ability to recognize that culture can influence judgment, thinking, emotions and behaviour of oneself and others. A culturally aware person/ organisation recognises, appreciates and respects differences without drawing hasty conclusions (Thomas, 1996). The thereby established non-judgmental "third culture" takes neither the stance of the home, nor the host culture but observes and responses in an appropriate manner (Gudykunst, 2005). According to Moran et al. (2014), respect for otherness and a non-judgmental approach are the alpha and the omega for intercultural business encounters. Mutual adaptation and tolerance of certain incompatibilities seem to help to develop synergetic forms of cooperation and exchange. Maude (2011) argues that the attempt to see the world through the eyes of the others does not only broaden the mind, but also helps to understand their perspective.

Data from several sources seems to show that in a business context intercultural awareness is important at all levels of organisation, ranging from interpersonal communication up to the organisational level. Sensitivity towards diversity can lead, amongst others, to a better performance of employees and increase sales figures (e.g. Avril & Magnini, 2007; Bhatti, Battour, & Ismail, 2013; Carr-Ruffino, 2009; Gesteland, 2012; Hofstede et al., 2010; Trompenaars & Hampden-Turner, 2012). The process of learning happens on a personal level before it is implemented on a superior level. Thus, the level of intercultural awareness of an organisation is the sum of the capability of its members. Intercultural awareness is seen as a basic requirement for the development of intercultural competence or the competence to integrate cultural knowledge, reflection of own behaviour, values and beliefs into own attitude and behaviour (Gudykunst, 2005; Thomas, 2011).

Shapiro, Ozanne and Saatcioglu (2007) define intercultural competence on a personal level as a four-stage process with varying levels of cultural sensitivity. The learner passes through the phase of a romantic sojourner, foreign worker, skilled worker and partner. According to their model, each stage means an increase in understanding of the other culture and developing skills for appropriate behaviour. Alongside with increasing sensitivity and cultural knowledge trust develops and (business) relationships evolve. The increasing self-confidence in the new environment fosters the ability to "take a risk" and actively invest in relationships. Benevolence, credibility and trust are the foundation for business relationships and strategies. Nevertheless, there are several points of criticism in their categorisation. Amongst others, they assume that the first encounter is experienced as positive (e.g. "Fascination"), what

might not be the case every time. Furthermore, the development of intercultural competence and awareness is not a linear constant process. Depending on intrinsic and external parameters, the process may be differential or disrupted (Moran et al., 2014).In addition, the entire concept of intercultural awareness has been criticised for its abstraction. In their review of different models of intercultural awareness, Shapiro et al. (2007) identify culturally specific knowledge as key element. Yet, the investigated models provide very little detail about the nature of this knowledge, where it comes from, how it is used and inhered.

In the studied case, a part of the production was outsourced to Slovakia. Hence, intercultural frictions can be expected internally between the HQ and subsidiary. Due to the nature of the binational cooperation, especially one group of employees stood out with their high demand for intercultural awareness: the German expatriates in Slovakia. Researchers argue that expatriates with a high intercultural awareness can adapt to the new setting, perform at a high-level, work effectively, establish interpersonal relationships (Abugre & Debrah, 2013; Hemmasi & Downes, 2013; Stahl, Mendenhall, & Oddou, 2012), understand the challenges of the particular setting and develop strategies on how to tackle them (Lee & Kartika, 2014). In order to understand the impact of organisational culture on an international cooperation, attention should be paid to the German expatriates.

The expatriates are the interface between two nationalities and organisations. They are simultaneously actively and passively shaping and effected by the process of internationalisation. The same applies to their function related to organisational culture. On one hand, they have the function

of a mentor who actively shapes the local organisational culture through the transfer of values, beliefs and norms of the home to the host organisation. In addition, their personal characteristic may play an active role. Moreover, their personal characteristics may reflect in it. How strong they are actively influencing the organisational culture through the implementation of certain structures and practices depends on their position and level of influence in the subsidiary. On the other hand, they are themselves affected by the local organisational culture. The organisational structure and practices in the host organisation can influence their position, level of influence, responsibilities and relationships to other employees. In conclusion, expatriates are an important factor for the organisational culture in an international cooperation. Therefore, their experience will be investigated separately in the second part of this thesis.

As the previous section has shown, organisational culture becomes visible in organisational structure and practice, as well as in interaction among all involved parties (staff, managers, customers, competitors etc.). Hence, if one wants to investigate the organisational culture of a setting, these aspects need to be taken into account (Bantz, 2001). The present study tries to discover the underlying organisational culture in this cooperation by exploring the structure, practices and working atmosphere in Slovakia. Despite the aspects mentioned in Sackman's model (1997) of cultural influences on an organisation, this specific case requires the consideration of several additional aspects. Since the investigated setting is a subsidiary of a German enterprise, the relationship between the Slovakian and German actors on a structural and personal level needs to be considered. One indicator for the attitude towards the internationalisation is the expatriate management. Hence, this aspect will be

examined. The organisational culture already established in the German enterprise adds another external factor, which influences the local setting. Moreover, the several languages involved in the cooperation can be expected to alter the organisational structure, communication and human interaction. Hence, this study pays special attention to the role of linguistic barriers in the cooperation and their influence on the organisational culture.

However, before the thesis processes to any further investigation of the impact of organisational culture and language, the concept of expatriates has to be defined. The following chapter is concerned with the definition of expatriates and the evolving requests on the organisation through expatriate management.

## 2.4 Expatriate Management

The concept of expatriates existed even before the Roman Empire (Adler & Gundersen, 2008) and became a focal point of interest of Human Resource managers during the last 50 years (Evans, Pucik, & Björkman, 2012). The following chapter defines the term expatriates, illuminates the relationship between expatriate and home and host organisation, and points out the challenges of a foreign assignment.

Generally, expatriates can be defined as heterogeneous group of any profession who lives and works abroad in the context of a foreign assignment (Maude, 2011), where they function as link between home and host organisation. Today's growing global markets and cooperation across borders increase the demand for expatriates (Lin, Lu, & Lin, 2012). Researchers (Adler & Gundersen, 2008; Briscoe et al., 2012; Collings et al., 2012; Evans et al.,

2012; Gesteland, 2012) see an effective expatriate management as the winning strategy for organisations to remain competitive.

Nowadays the stage of international business is no longer reserved for global players only. Due to technological innovations, e.g. communication and transportation technology, and globalisation the number of SME engaging in international business is constantly increasing (Stahl et al., 2012). The decision to internationalise business can lead to fundamental changes within the organisation, depending on the level and degree of internationalisation. It can pose a challenge, ranging from taxation to organisational structure. While global players can draw on their experience in the field, SME engage rather recently in international operations. Hence, they lack experience, proven methods and strategies (Lin et al., 2012). On one hand, this disadvantage bears the risk of failure connected with financial loss. On the other hand, organisations engaging later in international business can benefit from the experience of pioneers in the field and extensive research about international business.

Before entering a foreign market, organisations have to decide about their level of integration, e.g. by offshoring, outsourcing or subcontracting. Moreover, the management strategy has to be selected. Organisations can choose between a home-country-oriented (ethnocentric attitude, management mainly through HQ and expatriates) and a host-country-orientation strategy (polycentric, managers from host country) (Barakat & Moussa, 2014). The chosen strategy will determine the need and number of expatriates. While expatriates form an important pillar of the former strategy, the latter avoids their use. Foreign assignments can be short or long-term, depending on several

factors, e.g. management strategy, tasks and financial aspects (Steger et al., 2011). Starr (2009) found that while long-term assignments were common in the 1990s, nowadays the majority of the enterprises make use of short-term assignments.

Assignees have a special role in an organisation, since they have a sandwich position between the home and host enterprise. Their functional role is as representative of the home organisation, who is instilling their values in the subsidiary (Lin et al., 2012). Depending on the type of cooperation and level of involvement of the home organisation, expatriates can function as position fillers, managers or mentors (Briscoe et al., 2012; Collings et al., 2012). They are expected to motivate, transfer (tacit and explicit) knowledge and train local staff (Barakat & Moussa, 2014; Choi & Johanson, 2012; Koveshnikov, Wechtler, & Dejoux, 2014; Poór et al., 2014b). While they are representing what they know, they may be confronted with local values and moral systems of the host organisation (Maude, 2011). Thus, they may not only be sandwiched between home and host organisation, but also between two different worlds.

In order to master this challenge successfully, the task of a foreign assignment requires organisational premises and involves far more levels than the expatriates alone. In their literature review of selection criteria of expatriates, Collings et al. (2012) found that companies often underestimate the complexity of a foreign assignment. Mayrhofer, Sebast, Feitosa, Kreutzner and Kramperth (2014) argue that carelessness can cause severe financial loss and damage the relation to the host organisation. Expatriate management is much more than a standard HR process, since it requires a holistic approach, which

pays attention to personal characteristics of the expatriates as well as inner and outer circumstances (Avril & Magnini, 2007).

Adler and Gundersen (2008) describe the ideal cycle of a foreign assignment as an eight-stage circle (see Figure 5). Long-term foreign assignments start with an assignment in the home country, where the organisation and potential candidates get familiar. Among the employees, the best possible candidates for a foreign assignment are selected through a rigid recruiting and selection process. An orientation phase guarantees a thorough preparation for the assignment. Next follows the global assignment. Once the task abroad is completed, the stay is wrapped up during a debriefing involving both home and host organisation. The following re-entry sets the course for the final return. One should bear in mind that this is an ideal model. In reality, stages might be left out, change order or not follow a circular pattern. Furthermore, the cycle describes a long-term assignment. A short-term stay can have significant differences, e.g. leave out all the stages between home and global assignment. The following chapters will illuminate each stage in detail.


*Figure 5.* The Expatriates Global Career Cycle. (Adler & Gundersen, 2008, p. 276)

### 2.4.1 **Recruiting and Selection**

Even though several studies indicate that expatriates play a key role for success of international business, researchers point out that a majority of companies pay too less attention to the selection of suitable candidates (e.g. Carr-Ruffino, 2009; Hemmasi & Downes, 2013; Koveshnikov et al., 2014; Lee & Kartika, 2014; Stahl et al., 2012).

Several studies revealed a number of factors, which seem to be important for expatriate performance. Most of them are linked to personal characteristics of the assignee. Stahl et al. (2012) maintain that possible candidates should be evaluated according to four dimensions: self-perception, interpersonal facilitation, perceptiveness and cultural handling confidence. Other researchers (e.g. Avril & Magnini, 2007; Gardenswartz, Cherbosque, & Rowe, 2010; Koveshnikov et al., 2014) advise companies to identify individuals with a high emotional (EQ) and cultural intelligence (CQ). Both traits seem to increase adaptability and flexibility when settling in a new environment (Luthans, Patrick, Brett, & Luthans, 1995). Lee and Kartika (2014) claim that a high EQ indicates a high self-reflexivity, which is important when correlating oneself to others. Additionally, self-awareness and reflexivity open the door to get to know others (Stemplinger et al., 2005; Yukl, 2013) or as Baudrillard (1986) notices: "*Tournons les yeux vers le ridicule de nos propres moeurs, c'est le bénéfice et l'agrément des voyages*" (p. 209).[3] Avril and Magnini (2007) extended the definition of EQ for expatriates and included tolerance for ambiguity and differences, open-mindedness, communicativeness, empathy, flexibility, curiosity, motivation and self-reliance. In addition to these

[3] Engl. 'To open your eyes to the absurdity of our own customs is the charm and benefit of travel.'

characteristics, research mentioned emotional stability as a crucial factor. This ability helps to perform even if own worldviews are fundamentally challenged by the environment (see Chang, Yuan, & Chuang, 2013; Thomas & Bürger, 2007). Despite all the personal characteristics, Maude (2011) points out the importance of motivation and positive attitude. In case an employee fulfils all requirements but lacks motivation and personal initiative, the international project is foredoomed (Stroppa & Spieß, 2011).

Research has shown that selection criteria should not only focus on personal characteristics. Some studies considered the relationship between expatriate performance and language skills and found that language skills are beneficial for a fast integration (Choi & Johanson, 2012; Maude, 2011; Mayrhofer et al., 2014; Puck, Kittler, & Wright, 2008). A shared medium of communication fosters cross-cultural adaptation and knowledge transfer (Mayrhofer et al., 2014). Consequently, language differences can not only disturb the relationship between expatriates and locals, but also negatively influence performance.

All of the above-mentioned criteria should help to increase expatriate adjustment, which is seen as the key to an efficient performance abroad (Laroche & Yang, 2014; Lee & Kartika, 2014). Previous studies have reported that the adjustment of expatriates happens on several levels. Gupta and Gupta (2012) distinguish between work, general and family adjustment (see also Lin at al., 2014). Work adjustment is defined as the adaptation to the new work environment, work role and tasks. Here role clarity is the critical point. General adjustment is the ability to adapt to the new environment outside the workplace and establishment of a social support system. Family adjustment takes the

accompanying family and spouse into account. In the case of a foreign assignment, expatriate adjustment is closely tied to intercultural competence (Koveshnikov et al., 2014), which can not only help to improve the performance abroad, but also fulfil the role of a mediator. A well-adjust expatriate understands the demands and needs of both cultures (Abugre & Debrah, 2013; Hemmasi & Downes, 2013; Stahl et al., 2012). In an ideal case, the expatriate could function as intermediator and increase mutual understanding (Schneider et al., 2014).

However, it is important to keep in mind that these criteria describe the ideal candidate. Finding a person who fulfils all expectations equally is utopic. Thus the individual selection criteria of an organisation should come down to a realistic level, yet striving for the utopic ideal.

### 2.4.2 **Orientation**

Once the candidates are selected, the preparation for the assignment begins. Especially in the beginning of a long-term assignment, the enterprise has to expect extra expenses for e.g. language courses or cultural awareness training (Briscoe et al., 2012). Previous research has indicated that preparation prior to departure has positive impact on integration (Barakat & Moussa, 2014; Breidenbach & Nyíri, 2009; Laroche & Yang, 2014; Puck et al., 2008). Sufficient information can bring expectations to a realistic level and thereby avoid disappointment (Barakat & Moussa, 2014). Collectively, these studies highlight the need for a careful selection of intercultural trainers and methods. They point out that trainings should focus rather on cultural awareness than on appropriate behaviour. Puck et al. (2008) found that intercultural training is not necessarily bound to the time prior to departure. They discovered that local

mentors in the host country could help to adjust, transfer local knowledge and improve language skills.

### 2.4.3 **Global Assignment**

Before the assignee engages with the host organisation, several aspects of the relationship between expatriate, home and host organisation need to be clarified. Several studies have shown that work role aspects, such as role clarity, role discretion or flexibility, role novelty and role conflict (see Barakat & Moussa, 2014; Gupta & Gupta, 2012; Selmer et al., 2011; Stroppa & Spieß, 2011), are significant. In the researchers' view, it is important to clarify the role of the expatriate abroad, set a goal of the stay, define acceptable and non-acceptable behaviour and map out the companies integrity and compliance strategy. Clear rules and guidelines will aid to navigate in an unknown environment. Even though these aspects should be clarified before the assignment abroad, they should be adjusted whenever necessary (Mayrhofer et al., 2014).

In the course of the period abroad the life of expatriates undergoes major changes. The thereby caused stress can be appeased through external support. Researchers (see Arman & Ayca, 2013; Barakat & Moussa, 2014; Bhatti et al., 2013; Chiotis-Leskowich, 2009; Gupta & Gupta, 2012; Lee & Kartika, 2014; Stroppa & Spieß, 2011) found that an appropriate support of the employee decreases the risk of failure and abandonment. Beneficial mental and administrative support can come from the organisation, family and interpersonal relationship (Mayrhofer et al., 2014). These three sources can provide emotional/affective and informational/material/instrumental support (Podsiadlowski, Vauclair, Spiess, & Stroppa, 2013). The main support should

be provided by the sending organisation and should include a climate, which is supportive to international cooperation both in the home and host organisation. Only if the company itself is suggestive of a positive image of international projects, it can attract and encourage the best (external and internal) candidates to go abroad. The support can be demonstrated through financial incentives, compensational packages (Mayrhofer et al., 2014), open communication, cooperation and a positive image of the internationalisation (Bhatti et al., 2013). During the assignment, Avril and Magnini (2007) see a stable communication between home organisation and expatriate as an important factor to maintain motivation. Starr (2009) warns that an 'out-of-sight-out-of-mind' attitude can severely damage the relationship between both parties and thereby negatively influence the assignment. Contrariwise, information, role clarity and a positive learning environment seem to strengthen the relationship between expatriate and home organisation (Mayrhofer et al., 2014). Another important source of support is the social network around the expatriate. In many cases, this includes an accompanying family or spouse (Arman & Aycan, 2013; Chiotis-Leskowich, 2009), who can influence the assignment directly through socio-emotional (lack of) support of the expatriate and indirectly through their attitude towards the foreign assignment. Avril and Magnini (2007) identify the inability of an expatriate's family to adjust to the new environment as a common reason for expatriate failure. Throughout the assignment, expatriates may gain unique knowledge about the foreign market. The depth of this knowledge depends on the learning curve in the field. Therefore, companies should actively encourage their employees to expand their knowledge. Barakat and Moussa (2014) maintain that expatriate learning

is directly linked to organisational learning. Expatriates are a source of unique market knowledge and thereby a competitive advantage.

### 2.4.4 **Debriefing, Re-entry and Return**

By the time the assignment ends, the demands on all involved parties change. The main aspects can be summarised as re-integration into the home organisation and transfer of knowledge about the host organisation. Both organisations and expatriates may face administrative, psychological and organisational problems upon return (Stahl et al., 2012The readjustment to the old environment can cause severe psychological difficulties for the expatriates (Maude, 2011). In her study of long-term expatriates, Starr (2009) discovers individual changes in personality and professional life. Often the identity of the expatriates underwent several transformations during the assignment, what lead to different expectations and assumptions on both sides. ). In her study of long-term assignments, Starr (2009) found that many expatriates expect that their courage to go abroad is rewarded career improvement. Rejection of this assumption leads to frustration. Moreover, expatriates might have gained exclusive knowledge during the time abroad. If this knowledge improvement is not accredited by the organisation, it might lead to the feeling of rejection. Often a substitute is hired during the assignment and difficulties finding a new position within the organisation might come up. A possibly previously experienced ‘out-of-sight-out-of-mind-syndrome’ during the assignment does its share to disturb the relationship between an employer and an employee. Collings et al. (2012) maintain that, according to their research conducted in international enterprises in Europe and North America, about twenty percent of expatriates leave the company after return. Hence, the three stages of

debriefing, re-entry and return can have a significant influence on the future relationship between an employee and an employer.

### 2.4.5 Expatriates and Host Country Nationals

Until now, the relationship between an employer and an employee during an assignment has been illuminated. There is one more party, which is of significant importance for a successful foreign assignment and has not been mentioned yet: the host country nationals (HCN). Several studies maintain a positive link between socio-emotional support through HCN to adaptation of expatriates (see Arman & Aycan, 2013; Bhatti et al, 2013; Leung, Lin, & Lu, 2014; Wang & Fang, 2014). A local social network in the host country can provide information about local habits, language, behaviour, and job assistance (Arman & Aycan, 2013; Bhatti et al, 2013; Podsiadlowski et al., 2013; Wang & Fang, 2014). Due to this exclusive knowledge, HCN function as gatekeepers who can willingly provide or withdraw assistance (Wang & Fang, 2014). Arman and Aycan (2013) traced a link between previous experience of the HCN and attitude towards the expatriates. Their behaviour can be influenced through personal encounters with the nationality in question and international experience. Moreover, the relationship can be influenced through personal sympathy, different managerial practices, values, ethics and attitude of the expatriates towards the HCN. Furthermore, Arman and Aycan (2013) suspect that HCN who can establish a positive relationship with expatriates bear the same characteristics as successful expatriates (see paragraph 2.4.1). Similarly, Wang and Fang (2014) assert that a high agreeableness is important. However, they also point out that one cannot assume automatically that HCN will assist. If they are not intrinsically motivated they will most likely reject to do so.

Assistance of expatriates is usually not a part of their job description (see also Arman & Aycan, 2013). Nevertheless, another external factor can have significant influence on the relationship. Oltra, Bonache and Brewster (2013) claim that the compensation gap between locals and expatriates is a common source of irritation. Leung et al. (2014) studied the effect of compensation gaps between HCN and expatriates in China. Whenever locals were well aware of the differences, it negatively influenced their relationship with the expatriates and home organisation. Leung et al. (2014) concluded, that companies should openly address this topic and point out that it is a common practice and not unique to this enterprise. Additionally, payment can go hand in hand with different terms and conditions between employees of home and host organisations. Hence, organisations are encouraged to find a balance between local labour markets and global standards (Oltra et al., 2013).

### 2.4.6 **Challenges of a Foreign Assignment**

Several researchers warn that an expatriate might seem to meet all criteria and yet fail. For example, not everyone is a born mentor and has the ability to teach and transfer knowledge (Briscoe et al., 2012; Stahl et al., 2012). Another possible pitfall is the lack of cultural awareness, which can lead to a feeling of superiority, stereotypes, negative assumptions about the locals and patronizing behaviour (Briscoe et al., 2012). Such ethnocentric approach may result in unfavourable behaviour towards HCN (Maude, 2011). Moreover, adjustment to the local setting can be impeded through over-reliance on fellow-expatriates, which can reinforce national identity and status as expatriates while simultaneously reducing social contacts to locals to a minimum (Maude, 2011). Albeit, general personal dissatisfaction can lead to poor quality performance

abroad (Briscoe et al., 2012). Chiotis-Leskowich (2009) summarises the most common reasons for expatriate failure as “career blockage, culture shock, lack of pre-departure cross-cultural training, over emphasis on technical qualifications (at the expense of human relations), getting rid of a troublesome employee, spouse dissatisfaction, poor job performance, quality of life, poor candidate selection, security and safety, family concerns and (employee) inability to adapt” (p. 4). Thus, a foreign assignment is a complex undertaking, which demands a variety of efforts from all involved parties.

# 3 ETHICS

Before discussing the nature of this study in detail, it is important to dwell upon ethical aspects. Ethical considerations are sine qua non in any research involving human beings and require “responsive relational reflexive” (Lahman, Geist, Rodriguez, Graglia, & DeRoche, 2011) basic considerations. According to Vardy and Vardy (2012), the researcher is obliged to take a stand between consequentialism or deontology, the two extreme ethical positions in science involving human participants. Consequentialism bases the judgment of a method on a morally right outcome and possible benefits. In contrast, deontologism bases the judgment of an action on the action's adherence to moral rules. Possible benefits of a study can never legitimise an unmoral method or replace the responsibility of the researcher towards the research participants (ibid.). This study takes the stance of deontologism since an interesting research outcome could never compensate any harm on the part of the participants.

A naturalistic inquiry in particular has a strong ethical dimension due to the special relationship between the researcher and the participants (Madden, 2010). Any ethnographic approach places the responsibility for the wellbeing of the participants during and after the observation on the researcher. Farrimond (2013) developed six ethical principles for ethnographic, which were considered throughout the entire research:

1. Respect for people
2. Beneficence or to do good in research
3. Do no harm (nonmaleficence)
4. Justice between researching institution, researcher and researched
5. Fidelity (honest, integrity, trust)

6. Academic freedom to design, conduct and disseminate the research (pp. 26–31)

According to the American Anthropological Association (2012), researchers are obliged to ensure not to "(…) harm the safety, dignity, or privacy of the people with whom they work, conduct research, (...) who might reasonably be thought to be affected by their research" (p. 361). Researchers must understand that they can cause positive or negative effects and that they are held responsible for their knowledge and its consequences (American Anthropological Association, 2012; Briggle & Mitcham, 2012). Even though a possible side effect of the thesis is an improvement in the working atmosphere in SF, it must be taken into account that those who participate in the study may face more costs then benefits (Frey, Botan, & Kreps, 2013). Possible negative effects for the participant of this study might range from bullying to termination.

During both phases of the research the perspective of the participants was taken into account by providing information, free choice of participation, consideration of their interests and respect for privacy (ibid.). Throughout the whole research, anonymity and confidentiality were maintained in order to prevent any harm due to identification (Bahn & Weatherill, 2013).[4] For example, names were replaced with an alias already during data collection and neither the notebook nor the voice recorder were left unattended at any time. Furthermore, numbers were assigned to the voice recordings of the interviews and data sheets. Thus, it was impossible to trace the identity of any participant.

Another crucial aspect in ethical research is to inform participants about the ongoing investigation and their role as participants. Some researchers

[4] The special requirements of research in small connected communities are further discussed by Damianakis and Woodford (2012).

suggest informing the participants at a later stage of the research in order to prevent direct intervention on the data. In contrast, others propose transparency from the beginning (Frey et al., 2013 vs. Lamnek, 2010; Madden, 2010). In this study, it was sine qua non to reveal the identity as researcher and inform the participants at an early stage about the ongoing observation. All participants were informed about the presence of the researcher, confidentiality, anonymity and the aim of the study through a note in Slovakian and German on the main information board of the factory, including a picture of the observer and personal information. This note was set up on the first day and remained there throughout the observation. Moreover, participants were encouraged to contact the observer in case of queries and were informed about their right to withdraw from the research (see Lyn, 2014). In several cases, participants saw the researcher about details of the research, but nobody withdrew.

In the second phase of the study, Farrimond's (2013) rules for informed consent were applied:

1. Identify who you are personally and from which institution.
2. Explain who funds your study.
3. Say what your study is about.
4. Describe what will happen to the participants and how long it will take.
5. Describe any potential risks/ harms.
6. Describe any benefits of participating.
7. Outline that confidentiality and anonymity will be offered in the study and explain what that means.
8. Explain that participants have a right to withdraw at any time during the study without giving reason.
9. Explain that participants do not have to take part and that this does not affect their employment.
10. Give the contact details of the researcher, as well as an 'independent' person who can be contacted if there are any problems (e.g. supervisor at university) (pp. 110–111)

Basic information about the interviews, such as length, aim, contact person etc., were given on the data sheet and elaborated at the beginning of the

interviews. Before the recoding started, the participants were encouraged to ask questions in case of doubt. As mentioned before, all gathered data was made anonymous.

Despite practical considerations, it is important to reflect whose interests the research serves (Farrimond, 2013; Wallace & Sheldon, 2015). In this case, the study was carried out in direct cooperation with a company from planning phase to implementation of the recommendations. However, data collection and evaluation was by no means influenced through the company at any stage. The position of the researcher is comparable to an external consultant.

# 4 PARTICIPANT OBSERVATION

## 4.1 Methodology

The following chapter focuses on the method used in the first part of this study. The justification, pitfalls and drawbacks will be discussed in detail. Thereafter, it deals with the practical aspect of the implementation, such as role of the researcher. Then the findings are presented.

At the beginning of this study, it was only known that the German enterprise faced difficulties in SF. Indicators were high employee turnover, non-performance of quality standards and low productivity. Possible triggers and problematic fields could not be pinpointed yet and available thin data did not allow any conclusion at this stage.

In order to identify problematic fields it was important to disclose "(…) why people behave the way they do, how opinions and attitudes are formed, how people are affected by the events that go around them, and how and why [organisational] cultures developed in the way they have" (Reinard, 2008, p. 247). Therefore, the method of choice must generate as much data as possible, have an open outcome and be flexible enough to include any issue or topic that might come up. Thus, a qualitative approach was chosen.

In a next step, the right qualitative research method had to be selected. Common practical research methods, such as interviews and questionnaires, are based on a hypothesis or require a minimum of previous knowledge about the studied phenomena (van Maanen et al., 2007). Other methods, such as analytic induction, require the involvement of an existing theory (Boeije, 2010). Little was known about the setting, which did not allow setting a focus or including a theory. Thus, these research methods were not applicable.

Naturalistic inquiry takes a different approach and emphasises the complexity and unpredictability of human behaviour. Consequently, it is impossible to develop a research plan or hypothesis before a deeper understanding of the observed site is gained (see Blommaert & Jie, 2010; Chambliss & Schutt, 2013; Erlandson et al., 1993; Frey et al., 2013; Robben & Sluka, 2012). This circular process requires the observer to stay open-minded and hypothesis generating – not testing – throughout the entire study (Lamnek, 2010). However, the aim of this thesis is to gain a first overview of the setting. The collected data is too vague for the development of hypothesis, so this aim is disregarded. According to Lofland, Snow, Anderson and Lofland (2006), an ethnographic approach is suitable whenever little is known about a setting. The resulting findings form a solid groundwork for further research and theories without manipulating the social setting (Ragin & Amoroso, 2011).

Guba and Lincoln (2011) established five paradigms for naturalistic inquiry: 1) there is nothing like the ultimate truth, only multiple contemporaneous constructed realities, 2) one cannot separate the knower from the known, 3) all the findings are value bound, 4) the aim is not to produce generalizable principles, but context bound knowledge, 5) the researcher cannot distinguish cause from effect at this stage. Hence, the main aim shifts from producing generalizable data to developing "(...) context-specific statements (as opposed to universal generalization) about multiple, constructed realities of all the key participants (including the researcher) involved in the process being investigated" (Guba & Lincoln, 2011, p. 108).

Participant observation in particular is a form of ethnography, which allows collection of thick descriptive data. It discloses existing patterns and

relationships within their context while keeping the focus as wide as possible (Lamnek, 2010; Robben & Sluka, 2012). Exactly what is needed to gain a first overview of the setting. This naturalistic inquiry can be described as

> [t]he process in which an investigator establishes and sustains a many-sided and relatively long-term relationship with a human association in its natural setting for the purpose of developing a scientific understanding of that association. (Lofland et al. 2006, p. 18)

In other words, participant observation is a structured interactive process between the observer and the observed in situ. At this point, it is necessary to highlight the difference between observation as scientific method and everyday observation: the latter is pragmatic and emotional appealed while the former is systematic, cognitive and analytical (Chambliss & Schutt, 2013).

At the beginning the observation is impressionistically and unfocused to remain open for any unexpected event (Chambliss & Schutt, 2013; Frey et al., 2013). Once the researcher becomes familiar with the setting, the focus of the observation is narrowed down (see Chambliss & Schutt, 2013; Erlandson et al., 1993; Frey et al., 2013; Lamnek, 2010; Robben & Sluka, 2012). Generally, the focus shifts from visual factors, such as clothes and layout of rooms, to behaviour and communication patterns. One crucial element of participant observation is the careful selection of valuable informants. Only purposive sampling allows identification of key informants and investigation of periodical themes (Erlandson et al., 1993).

The resulting findings are exclusively valid for the time in the field and depend on outer circumstances and participants. They are not generalizable. Irrespective of how many methods for data evaluation are employed, the result of this study strongly depends on the researcher's subjective impression. It is

important to bear in mind that the perspective of the researcher is limited due to several factors like subjectivity, limitation to one's own perception and time limit. Therefore, the careful choice of strategies and informants is crucial because errors can already emerge from wrong sample collection (Boeije, 2010). Awareness of one's own subjectivity is a basic requirement since research cannot exist without context (Blommaert & Jie, 2010).

One cannot deny that there are certain drawbacks associated with the use of participant observation. Hillyard (2010) reviews the recent debate about the method and identifies inaccuracy of data, ethical concerns, and flawed methodology as main criticism. Probably the best-known academic dispute about participant observation is the Mead – Freeman controversy. Mead's study 'Coming of Age in Samoa' caused quite a stir when it was published in 1928. Later on Freeman (1983) argues about accuracy of methodology and conclusions of Mead's research. While one part of the ethnographic quarter views Mead's study as milestone, others relegate to Labov's "observers' paradox" (Hillyard, 2010). In 1972, Labov argued that the aim of research of human interaction is to discover how people behave when they are not being investigated but data can only be generated through systematic research. Consequently, no data occurs naturally since any recording disrupts and alters it. Researchers must make themselves aware of this effect and consider it.

### 4.1.1 **Implementation of Method**

The data collection was carried out during a four weeks observation in Slovakia in autumn 2012. Even though the organisation provided administrative and organisational assistance, honest criticism was welcomed. The length of stay was set to several weeks in order to avoid the danger of

manipulation through the participants (see Mason, 2011). Moreover, gatekeepers who claim to speak on behalf of an entire group can only be bypassed through longer participation (Breidenbach & Nyíri, 2009). During the participant observation unstructured interviews, personal observation and all kind of documents were utilised as source of information. This included text based sources readily available during the observation such as notice boards, manuals, process sheets, as well as overheard conversations, observed scenes and everyday conversation. An internal questionnaire was conducted by the HR department of SF and distributed two weeks before the investigation. It had no direct connection to the observation, but could be utilised for the study. It focused on workplace satisfaction. This questionnaire was only aimed at internal use and therefore no details can be named in this thesis, but absolute numbers will be mentioned whenever it is relevant.

Contrary to quantitative research, naturalistic researcher starts to interpret data already during the collection. It is an on-going process of reduction and explanation, which acquires more data (Frey et al., 2013). During the observation, spontaneous interviews were conducted, a procedure also known as member checking or triangulation (Ragin & Amoroso, 2011). Interviews in naturalistic inquiry are in-depth, inductively, unstructured and consist of open questions. They can be seen as “guided conversation” (Lofland et al., 2006). Here they took place during working hours and ranged from predetermined to open ended, depending on the complexity of the topic. They were semi-structured and had a funnel format. As soon as any new information came up, informants with a deep insight and knowledge of the setting were contacted to either confirm or adjust the gained data. As an example, one German claimed

that there is no Slovakian equivalent to the German Dual Vocational Training. In the next step, the Slovakian HR would be questioned about the Slovakian vocational training system.

One should bear in mind that all the gathered data is subjective and depending on the point of view of the participants. In order to gain a holistic image of the setting, more than one source needs to be consulted to put the information into context. For this reason, informants were chosen purposive and evaluated according to their knowledge about the studied phenomena. Another important aspect was their ability to reflect the setting and willingness to participate (Richards, 2014). This process went on until a point of saturation was reached (Ragin & Amoroso, 2011). Due to the nature of this research, it is utopic to ever reach a point of full saturation. However, here the level was reached when enough information was collected to gain a first overview.

### 4.1.2 **Role of the Researcher**

Despite all the sources and techniques, the most important tool in participant observation is the researcher, also referred to as ethnographer. The objective is to "(…) get inside the mind of the actor to see what the actor sees and believes" (Potter, 1996, p. 43) and ethnographers try to comprehend

> (…) the explicit and implicit tacit assumptions that exist in particular cultural groups that simultaneously enable and constrain interaction among members. They report what people do and don't do, and why people think they should do these things and avoid others. (Frey et al., 2013, p. 259)

This requires flexibility and ability to adjust to the new setting as well as willingness to adopt the comprehension of the participants (Wallace & Sheldon, 2015).

Irrespective of any precaution taken, every researcher is already affected by his or her own social background, values, theoretical knowledge and previous experience. All of these parameters lead to a different construction of reality (Creswell & Clark, 2011; Cunliffe et al., 2011). In this study the researcher was effected e.g. by a different cultural background, a trained sensitivity towards intercultural issues, a different social status and a different mother tongue. The cultural backpack comes as stowaway, which urges the researcher to critically evaluate the gained data and own stance.

Not only the researcher itself, but also the chosen role in the field has an enormous impact on collected data since the research outcome is the result of the interaction between a researcher and participants (Band-Winterstein, Doron, & Naim, 2014). Therefore, the selected role should provide easy access to important data without significant manipulation of the setting (Bahn & Weatherill, 2013; Cunliffe et al., 2011). It is important to bear in mind that just the mere presence of a researcher can alter the behaviour of the participants, also known as the *Hawthorn effect* (Frey et al., 2013; Miyazaki & Taylor, 2008).

Frey et al. (2013) classify four different types of observers, which can be distinguished by degree of participation, degree of distance between the observer and the observed and if the observer reveals his/her role as a researcher: *complete participant, participant as observer, observer as participant, complete observer*. Due to the reported difficulties in SF, trust seemed to be a main requirement for collection of sound data. Previous incidents indicated certain suspiciousness on the part of the Slovaks and the

mere presence of Germans seemed to cause discomfort. In consideration of this fact, *complete observation* was abandoned.

C*omplete participation* is at the contrary end of the scale and recommended whenever the personal experience of the researcher is subject of the research (McNiff, 2013), which was not the case here. The effect of "going native" (Coghlan & Brannick, 2014) was not desired.[5]

Furthermore, the role of *participant as observer* could not be chosen, because this role requires the researcher to become a permanent part of the setting and select a particular role in the field with all attached duties and responsibilities (Creswell, 2012). In order to gain a holistic picture of the setting it was necessary to roam free in SF and have a flexible time management.

In conclusion, the position of *observer as participant* was selected, which means that participants know about the researcher's double function as a member and an observer (Reinard, 2008). It is important to point out that the method included real participation, not active observation, because the researcher actively took part in the setting being observed (Potter, 1996).

In order to adapt to the role as *observer as participant* I worked in different departments or operated different machines for nine up to twelve hours daily for four weeks. Thus, I familiarised myself with all areas of the organisation and covered 1.5 shifts per day. This granted a maximum overview within the given period. I gained practical skills, such as machine operation and operational procedure, during previous vacation jobs. This came in handy and made it easier to focus on the observation.

[5] However, it is polemic how far a researcher has to go to understand the setting. Studies such as 'G-strings and Sympathy' by Frank (2002) fuel a debate about the required degree of participation.

In the beginning, the attitude of the observed employees was marked with scepticism. Language issues rendered the situation inevitably and limited the possibility to decrease mistrust through direct communication. It was important for me to prove that I would remain neutral, stand neither on the employees' nor on the organisation's side and that I was not the person to make modifications. Already in the beginning, it became clear that the only way to gain trust and an in-depth image of the setting was by blending in and being invisible to some extent. As long as I was unfamiliar with the location, I stayed passive to avoid interfering or attracting too much attention. The relationship to the workers changed dramatically when I proved that I was not afraid to get my hands soiled and volunteered even in unpopular operations. Open communication with all the participants was the key to fit in the field and collect as much information as possible (Conquergood, 2006).

I was able to build up quite close relationships to some of the employees. The thereby created trust helped to collect a lot of information that would not be accessible otherwise. However, I always pointed out my role as a researcher, never hid my notebook or voice recorder and took notes during conversations.

The challenges concerning the relationship with the participants changed in the course of time. In the beginning, the challenge was to be acquainted with the new role and understand the view of the participants. As relationships emerged, my role as an observer blurred. Later on, I had to keep distance and draw back from time to time to reflect and reset. As advised by Lofland et al. (2006) I used this technique especially whenever I felt that I was emotionally involved. Sometimes it was difficult to find the balance between committed

social participation and distanced reflective observation (Cunliffe et al., 2011; Lamnek, 2010; Madden, 2010; Robben & Sluka, 2012).

Nevertheless, the findings are based on my personal impression and behaviour in the field. Another observer might draw different conclusions (Miyazaki & Taylor, 2008). Therefore, the critical evaluation and reflection of gained data is an essential requirement for sound results (Band-Winterstein et al., 2014; Lahman et al., 2011). Potter (1996) points out three ways how researchers can display self-reflexivity:

a) transparent description of the choice of the methods,
b) discussing threats to validity and limitations of a study,
c) describe personal bias of the researcher that might influence the study (p. 294)

I heeded Potter's advice throughout the observation. Thus, I wrote a diary every evening to reflect my observations and unmask any possible bias. This strategy helped me not only to reflect my own thoughts, but also to unfold the relationships among the participants. Scholars strongly advise to bear in mind that participants might have multiple personal reasons for providing, manipulating or deliberately withholding information (Mason, 2011). During the consideration, it occasionally became clear that several participants tried to manipulate the data for their own purpose. In these cases, I tried to get hold of more information or test the gained data through very careful triangulation with other participants. Special caution was exercised with any data that showed a strong personal view of the informant.

### 4.1.3 **Field Notes and Language**

During the study, only one notebook was used to cover all aspects, as advised by Blommaert and Jie (2010). The notebook served for data collection of any

kind and as self-reflecting diary. The self-reflection became relevant at the stage of data evaluation, because it assisted in unmasking any possible bias due to emotional commitment. Moreover, during the observation it helped to align again the position as an observer and avoid full participation. Due to the nature of this observation, it was practically impossible to write full notes the whole time. Following the advice of Lofland et al. (2006), only jotted notes were taken in the field, which were expanded during the daily reflection. In other occasions, whole texts were dictated to a voice recorder and later transferred to the notebook. In order to prevent mingling of interpretation and observation already at the stage of data collection value-laden expressions were avoided and replaced by descriptive notes (Madden, 2010). Hence, an ‘unorganised and messy workplace’ would be noted as ‘tools and five oil-soaked clothes on the work bench, thick layer of swarf. ’As feasible the noted observations were reduced to situations that included only a limited number of actors and represented a characteristic situation for the setting or an outstanding deviance. A limited number of participants allowed a more detailed observation of each one. Many researchers advise to focus especially on critical incidents (Blommaert & Jie, 2010; Erlandson et al., 1993; Lamnek 2010; Madden, 2010; Robben & Sluka, 2012). This advice was heeded at a later stage of the observation because it is impossible to dismantle exceptional behaviour in an unfamiliar setting.

Language was an obstacle that hindered data collection and access to all available information. Sometimes English was employed. In the beginning of the observation language skills had a negative impact on the flow of information. This impact decreased once the workers built confidence.

Towards the end of the study, they searched for own ways to make their voices heard, e.g. by employing other workers as translators or the use of dictionaries.

### 4.1.4 **Data Evaluation**

Despite all precautions taken and methodological accuracy, ethnographic approaches have been vulnerable to criticism because the collected data is very subjective. Nevertheless, several strategies exist to guard against errors and bias. In this study, the data is analysed through second-order explanation, or a so-called etic approach. Participants' behaviour, attitude etc. are explained through the eyes of the researcher (Reinard, 2008) and approached trough analytic induction (see Table 1). Thus, the meanings derive from the data collected, not from another source, such as theories or hypotheses (Frey et al., 2013).

Here a 3-tier system, as suggested by Guba and Lincoln (2011), is deployed to create meaning of data: 1) unitizing data, 2) emergent category designation and 3) negative case analysis. In the first step, data is broken down into single heuristic sections of information, which can be understood without additional contextual information. Sections span from a few words to an entire paragraph, but contained only a single idea (First column). In a second step, the emerging units are sorted into categories (Second column). It is important to mention that these categories evolve from the researcher's perception. Thereafter a title or a descriptive phrase for each category is developed and the content of each unit crosschecked (Third column). This step probes necessity of redefinition or renaming of a category. From the categories, a hypothesis or concept is developed (Ragin & Amoroso, 2011).

Following all evolving concepts and patterns are tested against the individual piece of data. The process equals an inductive cycle where themes, hypothesis, or patterns are first identified and then verified (Hubermann & Miles, 2011). After all the linkage is only acceptable if there is no crucial discrepancy to the data (Guba & Lincoln, 2011).

| Original Text | Subcategory | Main Category |
|---|---|---|
| GE smoking under 'no-smoking' sign while smiling at a member of SM | Behaviour of German Expats | Power Game/ Hierarchy |
| Correspondence with HQ mainly in German, mails can only be processed by German-speaking employees | German Language Skills | Flow of Internal Information |
| Closet doors in the break room missing | Staff Facilities | Working Atmosphere |

*Table 1.* Example of Creating Categories from the Collected Data.

## 4.2 Findings

The participant observation and date evaluation resulted in a large amount of data. In the following section, only those aspects that are relevant for answering the research questions will be considered. Summarising, the main categories are communication and language, expatriate management, leadership and management, human resource management, organisational culture and time management. Each category will be elaborated in the following chapters. Due to company secret, some findings cannot be discussed in detail in this thesis. Albeit, the investigation resulted in a confidential report for internal use in the co-operating firm. Naturally, all academic standards, such as confidentiality, were adhered. The aim was not to expose employees, but to analyse the situation at the studied site. In the following sections, all

examples or quotes are made unrecognisable. The findings are presented in a random order and do not reflect any evaluation. To facilitate readability of the text all quotes will be given in English. For the sake of simplicity, references to persons are given according to their nationality or position.

### 4.2.1 **Communication and Language**

One of the predominant themes that came up numerous times during the interviews was communication and language. Several obstacles negatively influenced effective communication within SF. It seemed as if information channels and chains were unknown or unclear. Which information should be forwarded by whom to whom? Who is the recipient in charge for which issue? This effect was strongly linked to overlapping responsibilities. Fields of responsibility among several departments were not well defined, what caused confusion, lack of responsibility or simultaneous accomplishment by several departments. As an example three different departments claimed responsibility over the first-aid-kits in the factory hall, yet the stocking was insufficient. Each department had heard that others claimed responsibility and assumed they would take care of it. Now everybody waited for somebody else to take action while nothing happened. In other cases, strategies for troubleshooting were developed independently by different departments. Blurred interfaces between departments led also to confusion and insecurity on the side of the employees.

It does not come as a surprise that communication was one of the major issues mentioned in the internal questionnaire. Slovakian employees (SEs) complained about missing coordination among departments and a lack of general information about the factory. Some reported a state of helplessness and insecurity about their professional future due to insufficient information

policy. When the Slovakian management (SM) was confronted with the results of the questionnaire, objections were swept aside.

Another evidence of poor internal communication was the ineffective accomplishment or abandoning of implementation of changes. Often new strategies were implemented without further explanation or background information. In the following example, one employee was not aware of the basic idea of a change and perceived it as a glitch in the IT system.

> Unauthorised personnel changed several times the parameters of machines, what caused manufacturing errors. To avoid further incidents all machines were locked with a password, which was only known to authorised employees. Theoretically, no machine operator would have had access to the setting of the unit. Surprisingly, the parameters were altered shortly thereafter again. It turned out that one authorised employee permanently logged himself into all machines in order to enable the machine operators to change the parameters whenever they thought it was necessary.

Beyond that, it seemed as if a networked thinking and doing between the departments was missing. Departments seemed to perceive themselves as a detached single unit and not as a part of a supply chain. Work-to-rule was a common attitude without taking the next step of the process or surrounding departments into account. Frequently uncoordinated actions and lack of communication among responsible departments and employees turned out as cause for upcoming issues. This phenomenon appeared across the entire factory and had devastating effects on the production, as shown in the example:

> An important spare part was ordered and delivered from the HQ. It was locked up in storage and only two shift supervisors were informed about it. One Friday afternoon exactly this part broke down at an automatic unit. Neither the responsible shift supervisor nor anybody else on duty was aware of the presence of the spare part. Consequently, they assumed reparation could not be done until Monday when the HQ took up employment again. The entire production of one automatic unit was put on hold until Monday morning what equals three shifts.

Additionally, the multiple languages used in SF influenced the flow of information. Slovakian was the working language in SF. Additionally members of the local Hungarian minority spoke Hungarian among each other. In general, the complete administrative and management staff was fluent in German while no general statements can be made about the German skills of the shift workers. A few were fluent in German while others had no foreign language skills at all. Some had basic skills in English.

Despite the obvious problematic, language skills were no relevant selection criteria for new hired employees. The focus was set on expertise. However, the SM was not completely unaware of language related problems. One strategy to go against it was voluntary language courses offered in the factory. The attendance rate was rather low and it turned out that more employees would have liked to participate but were simply too exhausted after an eight hour shift. Nevertheless, language was not only an obstacle for the Slovaks. The main selection criteria for GEs were expertise, while language skills were disregarded. This did not only cause several difficulties at work but also insecurities in everyday life.

The imbalance of language skills had a negative impact on those SEs with good or very good command of German. They were constantly urged to take over language related tasks or translate for other colleagues. Often these tasks were not within their work area, what caused work overload. As an example, one employee received detailed instructions via email from a German partner for an urgent task. She did not have any language skills so she forwarded it to another employee. This employee did have already several urgent tasks scheduled this day, which he could not perform.

Even without bad intention, information was lost due to several languages involved. During the time in the field it happened several times, that information was distributed to all relevant parties in German. Thus, it led to the fallacy that everybody was informed about the ongoing process. Later on, it turned out that several employees received the message, but could not decode it. As an example, news about the visit of a German department spread among the German-speaking employees, while others were surprised by the sudden visit. In other cases, groups discussed an issue, changed the language of the discussion and parted with an agreement. Later on, one part of this group was surprised about the outcome. When they asked for explanation, they would hear “but we agreed on it, you were right beside me” or “we discussed it this morning, didn’t you hear that?” (SE). It was assumed that physical presence equals understanding of what has been said.

Language also operated in the shadows and undermined the set hierarchy in the factory. The parallel hierarchy and information paths biased institutionally erected structures and questioned the professional identity of the SEs. Employees were ranked according to their level of German and not based on their professional skills what caused frustration among employees who were not treated according to their professional position. As an example, one shift supervisor had a very basic command of German while one of the machine operators in his teams spoke fluently. The operator was frequently contacted as a translator whenever the GEs needed to communicate with the shift supervisor. In the course of time, the GEs contacted him directly for counsel, but left out the shift supervisor. Thus, he started not only to act as the mouthpiece of the Germans, but also as if he held the position of a shift

supervisor. GEs focused only on effective communication and ignored the shift in hierarchy and position among the Slovaks:

> "He is not the shift supervisor and I shouldn't talk to him, I know. I know he [the supervisor] doesn't like it, but what can I do. It doesn't matter if I explain it three times; he wouldn't understand it anyway because we don't speak the same language. I'm not here to chat or teach a language, but to keep the process running so I need someone who actually understands what I'm saying. It is up to them, how they come to terms with it." (GE)

Generally, access to knowledge and information was linked to power and advantage, what opened doors to manipulation. SEs with less language skills stated the fear of being played off. Especially those in key functions were fully aware of their dependence on somebody with language skills. Here the hierarchy comes into play again. They reported not only a strong inconvenience with their dependence on other people's goodwill, but also with the fact that somebody who ranks lower in hierarchy functioned as a gatekeeper. As an example, one shift supervisor had no German skills and fully depended on a mechanic. This did not only question his professional identity. It was also fertile ground for mistrust. Others reported several incidents, where they either suspected or knew that information was deliberately withheld from them or they received only an insufficient translation. Official communication channels were bypassed, employees socially in- or excluded by the deliberate use of language.

The German language had a very dominant position in the factory. Whenever there was an informal conversation somewhere and one of the GEs present, the language changed over to German, irrespective of the fact how many of the other people present understood it. Interestingly, often SEs initiated the language change, not the GEs themselves. In a few extreme cases,

jokes were made on expenses of those who did not speak the language. Those with low or no command of German reported that they felt embarrassed in these situations and somehow as a person with lower value. They claimed that some SEs used their language skills to ingratiate themselves to the GEs and show their dominance over others by making them feel insecure and uncomfortable.

Language difficulties not only came up in interpersonal interactions. Some operation systems and important software was only available in German.

### 4.2.2 **Expatriate Management**

Closely connected with communication problems several issues about the GEs relocated in Slovakia surfaced. According to the German HRM, selection criteria for expatriates were professional qualification and willingness to go abroad. Other selection criteria such as language skills, international experience and intercultural competence were left aside. The selected employees did not receive any specific training before they left. The fact that language skills were left aside upon selection of the GEs, had a deep impact on work life. The English skills of GEs were utmost very basic. However, they did not receive any language training prior to their foreign assignment. At least some tried to learn some words in Slovakian abroad, while others totally refused to make an effort and claimed being "too old to learn another language" (GE). Interestingly, one of the GEs revealed in private that his refusal rooted in insecurity and fear of losing control:

> "Imagine I say 'Hello' or 'Thank you' in Slovakian when I go shopping. You know what will happen. They will bend my ear and continue babbling in Slovakian and I won't understand anything. I'd stand there with an egg on my face like a fool. Nope, thank you!

> That's why I try to not to let them get a word in edgewise so I keep the situation under control." (GE)

Also when communicating with Slovaks with low or no foreign language skills, some GEs displayed a specific behaviour. They spoke slowly, enunciated, and using very basic German. A manner that was perceived as talking down. "I'm working in this field already since fifteen years but they talk to me as if I'm a five-year-old who doesn't know anything" one SE stated his frustration. Sometimes it seemed as if the mental state of the SEs was evaluated according to their language skills. In one case, the trial to explain a process in German to someone without language skills failed and was commented as following: "Some of them are very much on the slow side. Doesn't matter how often I explain it, they won't get it" (GE).

The management of the HQ assumed in the beginning that the GEs would get to know the Slovakian culture during their stay and pick up a word or two in Slovakian. However, this assumption was proved wrong as only one employee made an effort to learn. Others showed little to no interest in the new location.

> "I'm living here now since a few months. Shall I be honest with you? I know nothing about this town, and I don't care. I know where the next supermarket and shopping mall is and I have seen the main shopping street. Don't think I missed anything, there is nothing to see anyway." (GE)

During the observation, it became obvious that some GEs are incomprehensive for the cultural differences between the two countries and the resulting different manner of working. It is important to notice that only a minority totally refused to acknowledge any diversity and even equalled the Slovakian attitude with "laziness" (GE). The majority tried to cope with the situation. The minority had a negative influence on the German-Slovakian

relationship. In several cases, little respect was shown towards the work of the SEs. “This is not a welding line. This is modern art” (GE) was just one of the comments. A single comment might not be perceived as an insult, but when they appeared in heaps, they were. Some GEs established even a hierarchy among the different nationalities and ascribed negative features to the Slovaks through comments such as “they are still stuck in communism” and “what do you expect? They still have an Ivan-mentality” (GE). Obviously, the GE put Slovakians close to Russia and perceived them as “pretty much the same” (GE). This behaviour was perceived as an insult. SEs themselves seemed to hold strong resentments towards Russia.

The main role of the long-term GEs was to act as a tutor who multiplies knowledge and passes on expertise to his fosterlings, the SEs. The aim was to support the SF on their way to independence. This fundamental idea took a backseat in day-to-day routine. The GEs negotiated themselves with the SM, made decisions without involving their Slovakian counterpart, negotiated completely in German and carried out tasks without any participation of a SE. Frequently it happened that SEs asked for explanation but were put off. In several cases, the GEs then later complained, “I explained it already five times, but they don’t remember”, when they actually never delivered any explanation. Expectedly the SEs were frustrated and described their experience as following:

> “They are here as tutor, but they don’t teach. Does it help anyone if everything works fine as long as they are here but goes downhill as soon as they leave?” (SE)

> “They urge for the feeling to be indispensable. This is why they accomplish many tasks themselves and do not teach. They work extra-hours like crazy to show how good they are and consolidate their position as experts. You have to know that most of them have

> a much higher position here then back home. Here they are someone. They are respected and asked. Back home they are just one among many. And of course they want to keep it that way and rank higher in hierarchy." (SE)

When met in private, the GEs explained their behaviour a bit different. "We are afraid that one day things will go downhill. Then people back home will hold us responsible and ask 'Why couldn't you prevent this? Why didn't you try harder?'"(GE) or "I have two options: either I try my best here and commit myself fully or I leave the boat before we hit the iceberg" (GE). The majority of the GEs feared to be held responsible personally in case something went wrong.

> "I know I'm here to teach. But there are days when everything goes wrong and several machines fail. Then I don't have the time to explain anything, I'm fully focused to keep the process going. Just imagine I would take my time and explain what has to be done to two, three people. We would lose so much time and afterwards the management comes and asks me 'Why was there such a long production downtime? Why did it take you [you singular, referring to himself] so long to fix it?' Do you honestly think they would appreciated if I told them that I was *teaching*? They'd rather tell me how much each hour of downtime costs." (GE)

Others stated that they feared to create their own competitor.

> "Now we are here to help them but I feel we are pulling the rug from under our own feet. Soon they'll get all the orders because they produce cheaper. Then we created our own enemy." (GE)

Throughout the time, several incidents pointed out a lack of respect on the side of the GEs towards the SM. GEs never made a secret whenever they did not approve any action of the SM and publicly doubted the competence and decision-making ability. One has to take into consideration that the GEs report directly to SM, and not to the HQ or GBP. The attitude undermined the authority among the SEs who tended to ascribe a higher competence to the GEs than to their own management. When asked about the reasons for the perceived

inability, GEs referred to the lack of experience of the SM. In their opinion, credibility was only gained through experience.

The following example vividly fleshes out the situation. A smoking ban applied for the entire factory and prohibitive signs were visible all around. The management stated it was not easy to establish this rule, but they were happy everyone obeyed it. The GEs perceived the ban as nonsense. Two in particular saw no reason why they should obey the rule because they "have been smoking at work my whole life" (GE). They even incited the SEs to follow suit. Two times a member of the SM caught one GE smoking and admonished to obey the rule. He smiled and argued about the sense and nonsense, but did not stop.

Another topic that came up among the GEs was the uncertain future when they return to GBP. They developed both professional and personal in SF. "When I think of my old job and imagine what sort of bits and bobs I will do when I return I'm already bugged" (GE). Another one stated that

> "It bothers me that nobody cares what we have done here, how much we developed both personal and professional. They will treat me as if I was the same as two years ago, but I am not anymore." (GE)

Moreover, they were concerned about their job opportunities when they return.

> "They found a substitute for the last year. That's fine. But now I've heard that I cannot return to my old position and they don't need one more person in my department. Means I will end up doing some odd job which will not satisfy me at all." (GE)

It seemed as of the (missing) communication and relation during the assignment had a strong influence on the relationship between the expatriates and the employer. The lesser the GEs felt that their work in SF was appreciated by the GBP or HQ, the more negative they perceived their relationship to them.

### 4.2.3 **Leadership and Management**

Right from the beginning, a distinct power-distance could be noticed. The line went between management/ administrative staff and the employees involved in the production process. Both groups would frequently distinguished between ‘us’ and ‘them’ in everyday conversations.

The following example illustrates the high power-distance. Officially, usage of private mobile phones was prohibited during working hours. However, members of the SM openly used their phones for private purposes, what did not stay unnoticed by the other employees. Moreover, significant differences could also be seen between the German and Slovakian management. While it was forbidden for anybody, including top managers, to enter the production hall in Germany wearing at least safety shoes, the SM did not necessarily obey safety regulations. Another observation was that a formal degree was essential for the identity of Slovakian staff and pointed out whenever possible. For example, during a compulsory fire prevention course an attendance list was handed out. Those employees holding a university degree added e.g. a B.Sc. or M.A.to their signature.

The aforementioned inconsistent implementation of rules and regulations influenced the attitude of the SEs. The perceived laxness made it hard for them to distinguish which rules must be obeyed and what can be left out.

> “You know it is forbidden to wear jewellery at work. But some women do. It is forbidden to use a private mobile phone at work. But HR does. It is forbidden to smoke at work. But the Germans do. It is forbidden to operate machines in a certain way. Some do. Everybody is fine with it. And now you come and tell me, that I should follow the rules? Explain to me why I should. Tell me why I should respect something the issuer does not even respect? How should I see the difference between a rule which is at maximum a ‘recommendation’ and something really important?” (SE)

Moreover, the described power-distance strongly affected the relationship between SEs and SM. It seemed as if communication flows only top down, what caused frustration on both sides. SEs boycotted decisions in various subtle ways or refused cooperation. They described their position as being on the mercy of SM. Meanwhile the SM got frustrated because their work was boycotted or jeopardised. The SEs claimed that SM based decisions on their position within the company, but not on knowledge and skills about a certain task. One employee worded it as the following:

> "We are the experts; we know how the machines work or what has to be done to eliminate certain manufacturing errors. They [the management] know how to run the business and manage it. That's their expertise, that's fine. I would never dare to tell them how to manage things because I have no clue about it. But I don't get why they think they can tell me how to operate a machine or which settings I should change and so on." (SE)

In contrast, one of the German managers noted during a visit that

> "It is delusions of grandeur to imagine one can run a factory with such complex technology alone. You need experts on each level, if it is administration, toolroom or quality management. Each department will benefit from the expertise of the other, but that requires respect and acknowledgement of each other's expert knowledge across hierarchical levels. Top-down commands will turn against you in the long run." (German manager)

The impression of a high-power distance was also supported through the self-perception of the management. Verbal and non-verbal attitude left no doubt that in their perception decision-making ability was defined through hierarchical level and not expertise. Consequently, criticism or objections on the part of the employees were regularly defeated. In this context, the SEs mentioned the exceptional position of the GEs several times. Theoretically, they ranked at the lower part of the hierarchy because they were part of the

production process. In reality, the position was diagonal to the established system.

In addition, the internal organisation and management did not seem to run smooth. Often everybody was unsatisfied, but nobody willing to take action. As an example, the last audit revealed grievances in the production process. Discussions were held, priorities set, an action plan and project schedule developed. However, several weeks later, the bars in the project schedule were raising the red flag. Everybody involved complained “something should be done” and “somebody should do something about it” (SE).

The same course of action was seen when a new strategy was implemented. The plan was worked out, tasks and responsibilities distributed and everybody involved signed the list. However, nothing happened and the issue was forgotten before the ink dried. None of the involved enquired if the changes were implemented or not. Thus, problematic issues were being unsolved for a period. In some cases, the departments laid the blame on each other “If they would finally do the legwork I could continue. But they don’t, so I have to wait for them and can’t continue” (SE). Despite, nobody seemed to see a reason for a direct approach or better communication among the involved parties. This manner blocked important strategies and changes from being implemented and increased frustration on all sides.

### 4.2.4 **Human Resource Management**

One aspect of management, which should be examined separately, is the Human Resource Management (HRM) practice in SF. One area of HRM, which took special attention, was the employee relocation. All in all the employee relocation between Germany and Slovakia seemed rather

unorganized due to the involvement of various departments. Detailed information was not forwarded, the purpose of the particular assignment was unclear and periods were not chosen careful enough.

SEs were frequently sent to GBP for professional development and training. In some cases it happened, that neither the receiving department in Germany, nor the SE knew about the direct goal of the assignment. Hence, the learning outcome was very low. Then again, business trips to Slovakia faced very different difficulties. SEs were rarely informed in advance about business trips of GEs to SF, the length and purpose. As a result, the SEs perceived those visits as a challenge to their competence.

> "Whenever they [the management] think we are not able to do something they [SM] cry for the Germans instead of talking to us first and trying to solve the problem internal." (SE)

HRM clearly failed to communicate that the personnel was requested to support the Slovakians and not to replace them. Due to the wrong perception, SEs felt patronised and frustrated, what created a subjective hierarchy:

> "I have no idea how they select the people they send here. Suddenly someone walks in and you have no clue why. Sometimes they are not even introduced and we have no idea who it is or why he/she is here. The only thing you know for sure is that they are observing you and that there's probably something we messed up again so they are here to fix it." (SE)

During the observation, it became clear that the SEs were well aware of the compensation gap between them and the GEs. Some responded with indifference and saw it as an established fact that another nationality justified a higher income. Comments such as "well, they are German. Of *course* they will earn more than a Slovak!" (SE) indicated this. Another one felt "treated as if I'm a second-class person" (SE). However, all of them stated they were fully

aware of the economical differences between the two countries and demanded a good income according to “Slovakian standard” (SE).

Another important aspect of HRM is the organisation and supervision of training and development of staff and managers. Before the observation took off it was known that quality standards and expected production outcome were frequently not met in SF. During the participant observation it turned out that, the majority of the failures were anthropogenic what sparked the question why machine operators failed to accomplish their tasks. It seemed as if a mixture of insufficient professional training and qualifications, lacking guidelines and instructions as well as a lack of basic understanding of process cycles were accountable. Awareness of the importance of a stable production process was missing. Since every interruption increases the chance for rejections and errors in the final product, interruptions should be as many as necessary, as few as possible.

Moreover, machine operators seemed to lack understanding of the mode of operation of the machine. “They press buttons only as they were told to, without knowing the reasons why” (SE), as one employee worded it. Lack of understanding of functionality, language barriers and a hindered flow of information created a melange that aggravated difficulties in the process flow. The next example illustrates the close link among those factors.

> One machine unite frequently displayed an error message in German and automatically stopped the production process. The Slovakian machine operator did not understand the message. He contacted someone who translated the indication. Nevertheless, he was not aware of the actual meaning of this message so he decided to suppress it. Shortly thereafter, it caused a serious damage to the machine unit.

However, the example illustrates that arising difficulties rooted deeper than just in language barriers. Since most employees had no background in the

field of industry, they lacked fundamental knowledge of the production. According to the SM, every employee who was new in this field of industry received an intensive training when they were newly hired. However, in case they were in doubt about operational procedures or regulations information was often only either available in German or not easily accessible. In comparison, in GBP all relevant rules and regulations were available in digital or paper support for instant consultation including a printed failure catalogue. Thus, machine operators could independently decide if the shift supervisor or quality management should be informed about a minor failure or not. In contrast, the SEs had no basis for decision-making.

Another reason for the ignorance of regulations seemed to be rooted in the working atmosphere. According to the SM, SEs were encouraged to contact them whenever they were insecure about a process. On the contrary, SEs reported that they tried to avoid asking. They were afraid to show incompetence and insecurity. This statement was backed up by several incidents where long-time employees failed to know basic operating instructions. One could argue it happens in any company that employees try to cover insecurities and avoid asking. However, it needs to be taken into account that this is a rather young factory and most of the employees are still in a learning curve.

### 4.2.5 **Organisational Culture**

The internal questionnaire asked employees about the development of the working atmosphere during the last two years. 25% stated improvement, 50% noticed no difference and 25% certified a worsening. Unfortunately, the results did not reveal if the majority perceived the situation as equally bad or good.

The inquiries concerning the working atmosphere had the highest response rate of the entire questionnaire with 100%. A topic that came up during the questionnaire and in everyday conversations were the employee facilities[6]. According to the SEs the facilities were showing their age and not well maintained, what they perceived as disregard towards them. One shift worker addressed the issue very direct:

> "They expect us to give everything but I don't see any reward. And if you ask why they don't do something about it, they'll tell you 'we can't make any investment, we do not yield a profit yet'. Well, we do not expect them to renovate the entire building but they could make an effort." (SE)

Hence, the SEs prevailed an incomprehension: unwillingness for investment in the employee facilities on one hand and frequent business luncheons with visitors from HQ on the other. A few shift workers stated their disapproval:

> "GEs come over way too often, for no important reason. They have a nice time here, stay in expensive hotels, and enjoy a good meal and flights on our expenses. No surprise there is no money left for investment." (SE)

This viewpoint strengthened their perception that the SM distinguished between 'them' and 'us' (in this case including the Germans).

In this context, it is important to mention that SE's relationships among themselves showed a different picture. Of course, it is utopic that everybody is everybody's best friend, but no major incidents among the shift workers were noticed. The spirit of comradeship was also reflected during the annual company party. The event caught on and received a very positive feedback among SEs.

[6] Employee facilities include here sanitary facilities, changing cubicle, locker and staff rooms.

Interestingly, the behaviour of the employees at work reflected the socio-political environment around the factory on a micro level and national and local political tendencies were perceivable. Throughout the last years, the handling of ethnic minorities sparked lively debates in Slovakia. Also in SF subliminal tensions between ethnic Slovakians and Hungarians were noticeable. One employee uttered his refusal of ethnic minorities and emphasised openly his national pride. However, the researcher cannot estimate the relevance of this tension for the working atmosphere. Only a mother tongue speaker of both languages could estimate if anybody was openly or subtle discriminated. Nevertheless, the intentional in- or exclusion of employees in conversations using Hungarian was witnessed several times.

Throughout the time spent in the field numerous complains about lack of appreciation on behalf of the SM were overheard. In this connection, it was often pointed out that the main issue was not the executive duty itself or the co-workers but the lack of recognition of a person. Employees of all departments reported a feeling of indifference towards them from the SM. This allegation resulted in an alarming mixture, which was threatening the working atmosphere. SEs reported a feeling of powerlessness and subjection with little influence on their own occupational career. The low employee retention resulted in a negative attitude towards work, which was visible in negligence and a low sense of conscientiousness and commitment.

In general, a certain lack of conscientiousness had been reported by several employees and eye-witnessed during the four weeks in the field. As an example, a mesh guard was missing at one automatic unit. The shift supervisor was informed about this defect, but did not take anticipating measurements.

During other incidents, the employees noticed a grievance but did nothing about it. Furthermore, a certain dread of responsibility was sensed. Whenever an unusualness or irregularity appeared, nobody knew of it, nobody caused it and thus nobody was to blame or held responsible for it. Yet it cannot be determined if the cause is rooted in fear of sanctions, diffuse scope of responsibility or other reasons. The following incident illustrates this attitude:

> During one night, a whole week's supply of lubricant disappeared. Neither was the consumption recorded in the stock nor an incident reported during that shift. The loss stayed unnoticed until the following afternoon. Nobody seemed to know anything about it. Two days and several hints and puzzle pieces later, it turned out that a liquid leakage was to blame for the high consumption. However, no specifics where made about the time, shift and people involved. A leakage is not unusual so this could not be the reason for the secretiveness. Apparently, nobody wanted to be linked to this incident.

Interestingly, in many cases when the GEs confronted the Slovaks with any sort of deficits or failures, they would shrug their shoulders and reply, "well, that's Slovakian mentality. We don't care about perfection." One employee used to say, "that are the famous 20% you see here" (SE). In his perception, Germans would always "try to go for at least 100%", irrespective what they do. Slovakians are "more laid-back and already satisfied when they accomplish 80%" (SE). Several members of the SM also referred to the "Slovakian mentality" (SM) whenever they sensed something was not according to the ideas of the GEs or management. It seemed to serve also as a way to choke off any further questions.

Approaching of problems was a delicate issue. The next example shows how much the way a conflict is tackled mattered. Staff members reported that earlier the production facility was a miserable sight with unorganised work places. The shift supervisors were directly confronted with the major

grievances in the production hall. They responded in an uncooperative manner. Whenever they had the feeling that they were personally held responsible they started to stonewall and nothing changed for a long time. Later on, the same topic was addressed in a more sensitive way, without imputations. Respect towards their position was signalised and that this problem can only be addressed if all levels work hand in hand. Again, nothing happened for a few days. Out of a sudden, all shift supervisors presented a new strategy to tackle the problem. They had already talked to everybody involved and found a mutual agreement. The suggested strategy kept the production site clean and better organised.

During the observation, the topic of punishment of misdemeanours came up. SEs stated their lack of comprehension. They could not detect any system behind it and claimed that reprimands and termination of work contracts were given arbitrarily. Thus, they did not act as deterrent anymore. In their perceptions, SEs who criticised decisions or who acted too independent were seen as a threat and more likely to be punished. On one hand, SEs were encouraged to participate intellectually in their work and critically evaluate processes to develop new idea. On the other hand, they were punished whenever their ideas and suggestions did not go in line with the management. Employees stated that the controversial signals sent by the SM confused them.

### 4.2.6 **Time Management**

A different approach to time in Slovakia and Germany was apparent. The difference can be illustrated using the example of an upcoming project. It was known that the new project would take off the following week and several arrangements had to be made. The GEs started their preparation in time so the

project could launch out on Monday. Per contra, the SEs started arrangements by Monday. Clearly the phrase ‘project takes off on Monday’ was interpreted in different ways by both groups what created confusion on either side.

As the findings have shown the impact of organisational culture and language on the binational corporation is difficult to pinpoint. Other internal and external factors seem to play an important role. A different approach of the setting from another angle will help to carve out the role of organisational culture and language in the setting. So far, the perception of the Slovakian employees and the researcher has been discussed. To gain a holistic picture of the setting the viewpoint of the German counterpart needs to be considered.

# 5 INTERVIEWS

## 5.1 Triangulation of Methods

Triangulation of methods looks at the same phenomenon from a different angle, "(…) just as a photographer changes lenses to capture different motives" (Jonsen & Jehn, 2009, S. 142). Hereby all collected data is matched, which leads to dismounting of non-corresponding elements and qualitative richness. Thus, the reliability and validity of a study is increased (Jonsen & Jehn, 2009; Lamnek, 2010; Ragin & Amoroso, 2011). The resulting thick description helps to attain a holistic picture of a phenomenon.

When looking at the findings of the previous observation it turned out that the impact of organisational culture is not easily traceable. Other parameters seem to play an important role. However, the findings revealed that the GEs have a special active and passive role. They are sandwiched between Germany and Slovakia. Differences between both organisations affect them most while they actively shape the situation. Here Warren and Karner's (2010) advice was heeded who suggest to employ an ethnographic approach for research about behaviour and interaction and for "(...) biography and accounts, use the interview method; if you are interested in both, use both methods" (p. 129). The findings of the participant observation are triangulated with the results of the interviews or the perspective of the Slovakian participants with the German counterpart.

Although triangulation can guard against error and bias, it has certain limitations in terms of producing valid data. Wrong focus, inadequate methods

or misemployment to legitimate the interests of the researcher, which bears the risk of producing useless data (Denzin & Lincoln, 2012).

## 5.2 Methodology

### 5.2.1 Aim and Research Questions

Literature suggest that whenever "(…) a theme, hypothesis, or pattern is identified inductively, the researcher then moves into a verification mode, trying to confirm or qualify the findings" (Hubermann & Miles, 2011, p. 431). For a better understanding of the situation, confirmation or rejection of the previous tendencies, further research is indispensable.

During participant observation, it became apparent that GEs are a critical factor. They are the link between HQ and subsidiary, sandwiched between the German and Slovakian organisational culture (see Adler & Gundersen, 2008). Other professions, such as management and administration in Slovakia and Germany, are also confronted with cultural differences and language barriers in their daily work, but they are by no means as strongly affected as the expatriates are. Both private and professional life of the GEs underwent large-scale changes since they started their assignment in Slovakia. They are confronted with local values and moral systems and have to cope with uncertainty (Collings et al., 2012; Maude, 2011). At the same time, they are representatives of the home organisation and expected to perform well (Lin, Lu, & Lin, 2012). Their task is to transfer knowledge and train local staff (Choi & Johanson, 2012; Koveshnikov et al., 2014). They are themselves strongly affected by possible cultural differences and language barriers while they are actively shaping the organisational culture. If one wants to find out

more about the effect of organisational culture and language on their work life and performance, it is necessary to learn how they perceive and experience their assignment in Slovakia. Some data about the self-reflection and experience of the GEs was already collected during the participant observation. However, this data reflected only a fragment due to the small number of GEs present in the field during the observation. In order to gain reliable data a larger sample, including those expatriates who had already returned, was necessary.

The first part of the thesis has a broad approach and tries to get an overview of effects of organisational culture and linguistic differences on the workplace. The second part focuses on the role of the expatriates. Thereby the interviews try to answer the following research questions: Which role do expatriates play related to organisational culture? Which role does expatriate management play?

### 5.2.2 **Qualitative Interviews**

A qualitative approach is selected for the same reasons as already mentioned in chapter 4.1. In order to understand the investigated phenomena one has to understand the constructed reality of the interviewees, their self-understanding and experience (Reinard, 2008). A qualitative approach focuses on the quality of the relationships between the expatriates and the Slovakian setting (Creswell & Clark, 2011; Frey et al, 2013; Warren & Karner, 2010). However, the deployed data sheets produced also some quantitative results, which helped to put the qualitative findings in the right context. Thus, the second part of the thesis has both qualitative and quantitative elements, with qualitative elements forming the greater majority.

Qualitative interviews go far beyond a spontaneous exchange of information as in everyday conversations since they attempt to "(…) understand the world from the subjects' point of view, to unfold the meaning of their experiences, to uncover their lived world prior to scientific explanations" (Brinkmann & Kvale, 2014, p. 1). The term 'interview' stems from the French verb *entrevue*, which means 'to see one another or meet' (Berger, 2013). Interviews have a structure, set purpose, and require conscious questioning and listening on the part of the researcher in order to gain valuable knowledge (Creswell & Clark, 2011).

The goal is to generate data, which provides an authentic insight into people's social world (Berger, 2013; Boeije, 2010). Interviews can never have the same consistency as questionnaires since each interview situation is unique (Brinkmann & Kvale, 2014). However, the aim was not to generate comparable data but to explore the individual experience. Here unstructured, open-ended interviews were the method of choice (Silverman, 2001). Interviews require existing knowledge about the studied phenomena in order to adjust the questions and gain sound data (Frey et al., 2013). This knowledge was gained in the previous participant observation.

Interviews are especially useful when collecting data about sensitive topics, because they allow probing questions or request of further explanation. The face-to-face situation helps to create trust to the researcher because it allows further query about the research. The well-defined lines of an interview make it easier to approach difficult topics or areas and get responses that are more honest because they leave much of the control up to the participant

(Boeije, 2010). Additionally, they allow gathering of observational data or notes about nonverbal behaviour (Frey et al., 2013).

The method of interviews was also selected due to a number of practical reasons. Due to organisational factors, the study was conducted at the workplace of the participants. Upon agreement with the management level, the participants were exempted from work for the length of the interview without any given timeframe. It is highly questionable if the workers would have been freed from work for filling in a questionnaire. Most likely, it would result in hasty and superficial responses given under time pressure. A further possible problem arose from the fact that all respondents had a technical profession and were unaccustomed to elaborated handwriting, what might lead to fatigue.

Moreover, the working world of the participants is a long way off graduate occupation and certain resentments towards the academic 'ivory tower' prevailed. The author encountered this mind-set during her previous vacation job. Therefore, it was important to establish a personal relationship with the respondents and answer upcoming questions to minimalize doubt (Denzin & Lincoln, 2012). Moreover, a face-to-face situation causes higher respondent rate. In this case, the response rate was 100%.

The interviews took place in spring 2013 in the GBP. A setting familiar to the employees was chosen to increase comfort during the interview. Only the respondent and the interviewer were present and the conversation was recorded through a voice-recorder. Recording of an interview allows very dense data collection since it captures the interview almost exactly as it happened, allows the researcher to participate and creates a natural flow of communication (Lindlof & Taylor, 2011). During the interviews, the voice

recorder was placed on the table. In order to gain informed consent all participants were informed at the beginning of the interview according to Farrimond's (2013) advice (see chapter 3). In order to keep confidentiality each interview was assigned with a number.

The interviews were carried out in German since a conversation in the mother tongue allows better expression of emotions and more detailed description (see Lamnek, 2010; Lofland et al., 2006; Mason, 2011; Warren & Karner, 2010). The social life of the participants has almost no point of contact to academic life. Therefore, the register had to be adjusted to their vernacular. It is well known that qualitative interviews can be time consuming due to their indirect manner and the minimum guidance by the researcher (Lamnek, 2010). Here, interviews lasted between 30 min up to two hours.

Since the aim was to learn about the constructed reality of the participants influence had to be minimised to the greatest extend. Therefore, the researcher followed the structure of a field map that contained catchwords (see Appendix C + D). This allowed a flexible adjustment to the setting (Boeije, 2010). Whenever a catchword had been dealt with in a previous answer or the participants stated earlier that no statement was possible on the topic, the catchword was left out (Brinkmann & Kvale, 2014).

During the interview a funnel format was employed, thus it started with broad, open questions. The easy and less disturbing questions at the beginning allowed respondents to acclimatise to the setting and the researcher (Reinard, 2008). Warren and Karner (2010) assume that some sort of rapport develops between all involved parties, which simplifies tackling difficult topics in the course of time. It came in handy that the interviewees knew the researcher from

Slovakia or pervious summer jobs, which helped to establish trust and comfort. Probing and follow-up questions ensured specific information and provided depth for a better understanding of the obtained information (Frey et al., 2013). To increase reliability a check question was added whenever needed (Reinard, 2008). However, probing questions had to be handled with care since their purpose was not to influence the respondents or force them to take a certain stance (Lamnek, 2010). Moreover, wording of the questions was regularly changed to avoid fatigue, redundancy or the so-called "question-order-effect" (Denzin & Lincoln, 2012).

The first questions focused on general aspects of the assignment in Slovakia. Organisational aspects of the expatriate management were discussed. The next part was concerned with communication. Here the focus was set on language issues and communication strategies. Then the more sensitive experiences in Slovakia were tackled in order to gain an understanding of the organisational culture. The interviewees were asked about the general experiences, upcoming problems, difficulties and pitfalls.

### 5.2.3 **Data Sheets**

In order to save time a fact sheet (see Appendix A+B) was distributed among the participants before the interview. The introduction of the fact sheet stated purpose of the research, name of the researcher and a contact person at the supervising university. Moreover, it explained the ethical rigor and the right to withdraw from the study, as advised by Warren and Karner (2010). Participants either brought the completed form to the interview or asked clarifying questions whenever they faced some difficulties. Each data sheet was assigned with a number to guarantee anonymity. The fact sheet covered basic

information such as age, gender, previous employment abroad, self-assessment of language skills, length of stay in Slovakia, operational area at home and abroad, and sources and sufficiency of information about Slovakia. All this information helped to place knowledge obtained during the interviews into right context.

### 5.2.4 **Selection of Interviewees**

The quality of the data collected through qualitative interviews stands and falls by its most important contributors: the interviewees. Hence, a careful choice of informants is crucial for qualitative research (Boeije, 2010). Here the participants were chosen among the former expatriates in Slovakia working in GBP. As advised by Mason (2011) a few test interviews were run to test the questions and selection criteria of the participants. It became apparent that informants who stayed less than a week in total in Slovakia could not give significant answers. Hereupon the benchmark was set to a total stay of two weeks during a single stay or three individual visits.

Finally, 15 employees were shortlisted as purposive sample. All of them were male, what did not come as a surprise since the production in Germany is male dominated. Besides one person, nobody had previous international experience. The total length of stay in Slovakia varied significantly (see Figure 6). The majority of eight respondents (53%) spent two weeks in total followed by four participants (27%) who stayed for approximately one month. Only one (6%) participant stayed for half a year while two informants (13%) stayed for more than ten month in total.

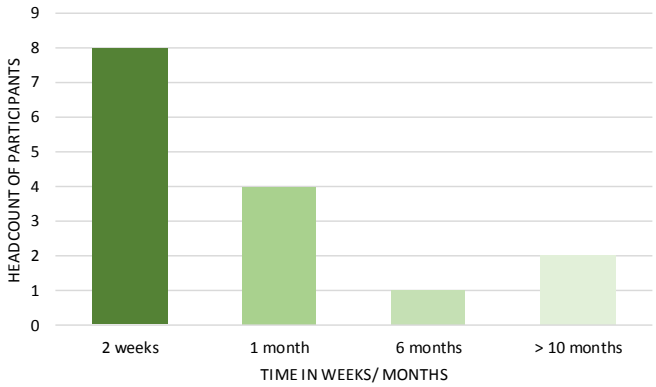


*Figure 6.* Total Length of Stay in Slovakia of the Interviewees.

However, the longest time span of the longest continuous stay in Slovakia differed slightly (see Figure 7). It showed that the great majority of eleven (73%) participants stayed for only one week or less continuously abroad. More than half of the participants (53%) stayed for a week, only one (13%) stayed for two respectively three weeks. As stated earlier, two participants (13%) spent more than ten month abroad.

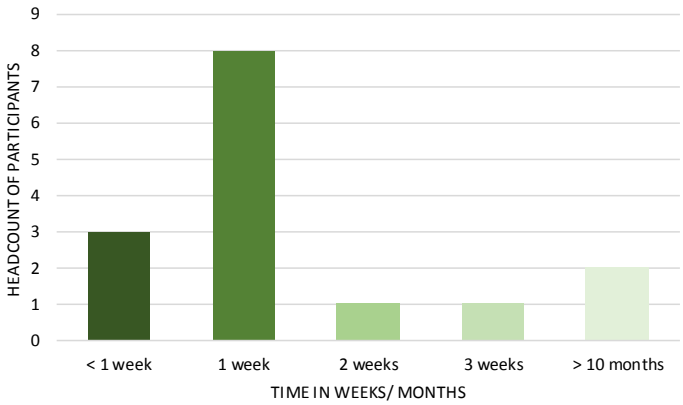


*Figure 7.* Longest Continuous Time spent in Slovakia of the Participants.

### 5.2.5 **Qualitative Data Analysis**

Once the data collection is completed, the findings need to be analysed. This is the phase when the data is assigned with structure and meaning (Marshall & Rossman, 2010). To ensure process traceability a methodical and disciplined

approach is required (Punch, 2014). Marshall and Rossman (2010) recommend a five-step procedure for qualitative data analysis:

1) organising of data,
2) generating categories, themes and patterns,
3) critical testing emerging hypothesis against data,
4) search for alternative explanation,
5) writing report.

Upon completion of collection, the data has to be transcribed (Lindlof & Taylor, 2011). Particular attention must be paid to accuracy since it is the guarantor for a sound analysis (He, 2012; Lyn, 2014). In this study 21h of audio recordings resulted in 42 A4 pages of written text.

In qualitative analysis, the evaluation of the data starts already during the transcription of the interviews (Warren & Karner, 2010), when recurring themes stike the eye. Repeated reading of the transcripts, notes and mind-maps helped to organise the gained knowledge (Boeije, 2010). In a next step, data was sorted into emerging categories (He, 2012). In this study, the method of qualitative content analysis was deployed (see Lindlof & Taylor, 2011). In order to reduce the data to a manageable amount, patterns with a direct connection to the research questions were identified. This step required careful consideration on behalf of the researcher (ibid.). The text was broken down into single units, which contained only a single piece of information. Each unit was provided with a label, name or tag (Punch, 2014). These upcoming themes were later on sorted into emerging categories (Silverman, 2001). An example of this process can be found in the chart below (see Table 2). Next plausibility of the created links was tested. The themes were crosschecked against adequacy, credibility and usefulness to answer the research questions. It required the researcher to evaluate critically the established links and search for

alternative explanations (Silverman, 2001). Nevertheless, Potter (1996) sees the etic approach, where the researcher constructs his or her own meaning onto a reality constructed by others, as a potential source for false results and emphasises the importance of elaborateness.

| Transcribed Text | Subcategory | Main Category |
|---|---|---|
| "They do not plan ahead. They notice in the middle of doing something that we ran out of screws." | Stock Management | Time Management |
| "I did not receive any preparation by the company. I organised some tourist guide from the library and read them at home." | Preparation of Assignment | Expatriate Management |
| "It is frustrating. You have to explain the same thing five times using hands and feet because we don't have a common language." | Transfer of Knowledge | Language / Communication |

*Table 2.* Example for creating Categories out of Transcribed Interviews.

## 5.3 Findings

As soon as the analysis is completed, several key aspects stood out. Interestingly, the majority echoed the findings of the participant observation. They can be summarised as communication and language, expatriate management, leadership and management, organisational culture and time management. The following section includes findings from both data sheets and conducted interviews. Therefore, some results are given in percent and others in the form of quotations. They are summarised according to key content, not research method. Even though all interviews were conducted in German, the excerpts used in the following chapters are translated into English

as accurately as possible. Unclear utterances or missing words have been clarified for the sake of readability.

### 5.3.1 **Communication and Language**

Communication in general was seen as one major challenge during the assignment. The expatriates narrowed down the difficulty as ‘language issue’. When asked about their language skills, the majority (80%) indicated skills in English, a small minority (13%) added additional skills in Russian, while 20% had no foreign language skills at all (see Figure 8). These results coincide with the fact that 80% stated their language skills prove beneficial.

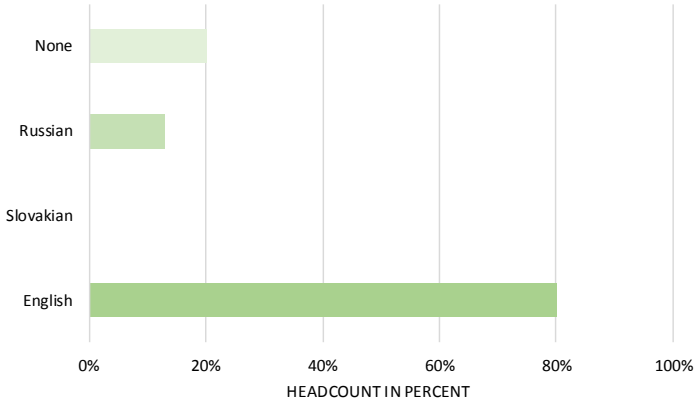


*Figure 8.* Langue Skills stated by Participants.

When asked in detail about their English proficiency, none of the participants stated proficient knowledge. The majority had basic skills in writing (60%), reading (60%), speaking (74%) and listening (67%). Only a small minority stated an independent level in writing (6%), reading (20%), speaking (6%) and listening (13%) (see Figure 9). None of them received any particular language training before the assignment.

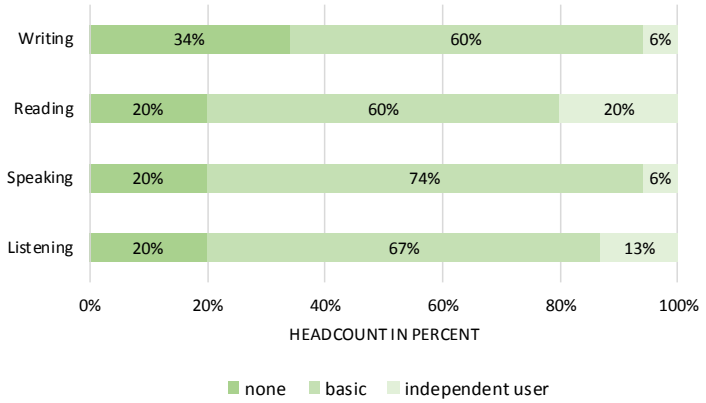


*Figure 9.* Detailed English Skills of the Interviewees.

In relation to language, GEs reported difficulties on two levels: performance of tasks and in human relations. All GEs used German when they were communicating with each other. German was also the main working language with the Slovaks. Therefore, communication with the management and those who had a good command of German did not constitute a problem. English and Russian were deployed whenever both parties spoke it. Additionally, gestures and signs were widely used whenever language difficulties appeared. However, GEs reported situations when none of this helped. Then the GEs contacted somebody from the local staff for translation. Usually, this worked out well. However, one GE described a few situations when the asked person refused to translate:

> "We asked him if he could help us. Then he replied that he's not being paid as interpreter. He is employed as mechanic and not for translation. If we want a translation then we should organise an interpreter, not him. I understood that he would have to abandon his work for God knows how long and no one would come and help him afterwards if he is running late." (GE)

The majority of the GEs stated that language issues hampered the transfer of knowledge and therefore their performance. "You can explain things using simple vocabulary, signs and gestures. But you come to a point where technical details matter and then you have a serious problem" (GE).

Lacking language skills "(…) literally eat up time. You have to explain things three, four times" (GE). A few reported cases were they organised someone to translate but the translator had no technical skills in the relevant field. Thus, many important details got lost in translation. Some interviewees stated that they were well aware of their role as a tutor. However, they reported several incidents were urgent; tasks had to be accomplished under time pressure. Then they decided to work alone in order to save time by avoiding complicated translation.

The GEs reported difficulties also on an interpersonal level. The ability to establish interpersonal relations to their Slovakian colleagues suffered a lot from poor communication. "The problem is: we hardly get to the point where you notice that a person has a totally different communication style, humour etc. We stumble already over the most basic sentences because we speak different languages" (GE). They agreed that language is important for integration in the team. Most complained that first of all, contacts were limited to those who speak German and second, the established relationships

> "(…) are shallow. After you have talked about the usual questions like 'how are you' you come to a point where you would like to know 'who are you'? You would like to share more about yourself. Some things you can explain by showing pictures. Then there are things you cannot show. Things, which are important for a good relationship like beliefs, values and dreams." (GE)

The GEs said that the lack of depth went hand in hand with a lack of trust. Additionally, the lack of understanding and participation in everyday interactions created mistrust. Most of the GEs were aware of the effect of language. They stated that the first impression would be very different if they could speak some Slovakian. One reported his experience:

> "I learned some vocabulary like 'hello', 'how are you', 'thank you' and such stuff. One worker ignored me for quite a while. One day I walked up to him and said 'Hello, how are you?' in Slovakian. He was astonished! Since then he would greet me and try to communicate. He never ignored me again." (GE)

Furthermore, many GEs agreed that even more important than actual language skills was the will to communicate. They report cases when GEs spoke English, but due to their attitude failed to communicate. Others had no foreign language skills but a strong will to communicate and performed well.

Considering the fact that the language skills left room for improvement, the expatriates were asked about their opinion to a possible language course offered by the employer. 67% would affirm it, 20% would not affirm it and 13% were not sure. However, in case the company would offer language training a vast majority (73%) would participate and only a minority (13%) neglect it.

### 5.3.2 **Expatriate Management**

Besides communicational aspects, topics around the expatriate management came up during the interviews. All GEs stated their selection was based on practical criteria, such as technical skills and willingness to go abroad. Both the Slovakian or German management noticed a demand for skills in SF and then those employees who would fit best were asked. The entire assignment was demand driven. Only for long-time assignments, other aspects like marital status were considered. The GEs reported that the organisation had recognised that personal characteristics are important for performance and they were taken into account nowadays. However, this happened after the assignments of the interviewees. Irrespective of their previous knowledge, nobody received any form of preparation on a cultural or linguistic level.

Despite the official selection process, the GEs themselves were well aware of the importance of personal characteristics. “You are the foreigner there. You cannot expect them to adjust to your behaviour, so it’s you who has to adapt” (GE) one interviewee mentioned. In their perception the ability to adjust, a high EQ, openness to new situations and flexibility were crucial for a successful assignment. One interviewee described the situation as following:

> “Slovaks are humans like you and me. Everyone has their own characteristics, but we should talk to each other as equals. Talking down, patronizing, arrogance and ignorance are poison for a good work relationship.” (GE)

The GEs confirmed that it was indeed not easy to recruit volunteers for the assignment in Slovakia among the staff in GBP and offered a possible explanation for this effect. German colleagues in GBP seemed to be sceptic towards the entire project in Slovakia and did not support it. “They say we are digging our own grave. Just wait a while. Soon they will outrival us because production and personnel costs are much lower there” (GE).

During the interviews, the relationship between the expatriates and the Slovakian staff was discussed. Only 46.6% of the expatriates felt sufficiently integrated in the Slovakian team. 26.7% felt not good or not integrated at all. Only 26.6% stated that they were well integrated in the Slovakian team. A correlation between length of stay and level of integration could be noticed. The longer the duration of the stay, the better the integration.

Another point of criticism was the expatriate management itself. In the beginning, expatriates were selected according to their technical skills and current demand in SF. This resulted in the effect that the SEs met constantly new faces. Due to the short period, no interpersonal relationship could be established. Often not even the name or task of the GE was known to the SEs.

The interviewees reported that the SEs felt not only controlled, but also held a deep mistrust towards them, what hindered their own performance. They supported the idea of less employees going to Slovakia because "only if they [the SEs] have a contact person whom they see frequently and recognise again, they can establish an interpersonal relationship. This will increase trust and hence performance of both sides" (GE).

The expatriates who stayed in SF for several months criticised the contact between them and GBP during the assignment. They received all administrative support they needed and were highly satisfied with it. However, they felt left alone because the personal contact faded out and evoked the impression as if "they had forgotten us" (GE). One GE complained about the contact to the sending factory:

> "Why they never call and ask how it's going? First, they told us how important we are for the entire company, how much value our work has blah blah and later on, they didn't inform us about anything. Not even about the big changes back in GBP. There you see how 'important' we were. They just forgot about us." (GE)

They also mentioned insecurity about their return. One considered leaving the company upon return because he sought a job where his experience was valued. Only a few participants considered participating in a long-term assignment. More than half of the group was not interested. Some named their families as major hindrance.

Throughout the interviews, it became apparent that the interviewees were well aware of the compensation gap between a GEs and HCN. The majority stated that they did not feel comfortable with this fact. One stated:

> "Of course I am happy about the financial compensation I'm receiving for the assignment. But I feel miserable if I compare it to the salary of my Slovakian colleagues who do the same job and work just as hard." (GE)

Surprisingly, a great majority of the expatriates saw many difficulties as self-inflicted by a poor management. They claimed to understand the situation of the Slovaks and their difficulties to adapt to the demands of the rather new cooperation. “It is exactly the same situation we were in twenty years ago. The only difference is that we had the technical expertise they lack there” (GE) one of them said. The interviewees referred back to their own history and the socio-political changes their own life underwent in the last twenty-five years. All of them were born and raised in the former GDR and experienced a socio-political transition first hand. Many described the transformation process of their own employer as similar to the situation in Slovakia. They criticised those colleagues who did not take the recent history of the country into account. Hence, they urged their own management to consider that

> “You cannot go there two or three times, do some minor changes and expect that everything runs smooth. You have to consider the outer circumstances. These people have to adapt to a new system and that takes time.” (GE)

When asked about the source of information about SF, the great majority (94%) received information in an informal way. The most important sources were other colleagues (80%) and supervisors (47%). Most interviewees stated that they received information from their supervisor in informal talks in a rather private manner based on the subjective experience of the supervisor. Most of the participants (80%) felt thereby well informed about the factory in Slovakia and the method of operation there. Only a minority (20%) would have liked to receive more information. When asked about the accuracy of the information received prior to the departure, 80% stated that the information was accurate while only 20% felt that not everything was as it was told.

When asked about task related information, a great majority (80%) reported that they knew about their task and aim of stay in Slovakia. A minority (13%) claimed they did not receive sufficient information about the task they were expected to do, while some did not state an answer (6%). Out of those who received information on the task slightly more than half (66%) felt they received enough information, while others (44%) did not feel well informed. Here again most of the information on the task was received through an informal way (73%). Only a small minority (6%) received information on a formal way, while others (13%) claimed they did not receive any information. The high percentage of informal information can be explained by the fact that those who have been in SF informed their successors about status and tasks.

The interviewees described their own role in SF as a mentor or a consultant who is supposed to transfer knowledge. Therefore, the willingness and ability to teach was crucial. However, some reported of colleagues who were either not willing or not able to teach and preferred to accomplish tasks by themselves with little or no participation of SEs. Other GEs were criticised by their peers because they "are perching on their knowledge but not willing to share" (GE). They suggested that the management should evaluate the performance of an expatriate according to the knowledge of the Slovaks after return.

The GEs understood that they were selected according to their technical skills and experience. Moreover, they stated their willingness to share their expertise. However, their self-perception clashed with the understanding of their role by SM. They reported that decision-making ability in SF was based on hierarchical level and not on experience, what caused frustration. They were

willing to help, but sometimes harshly rejected due to their lower hierarchical level, irrespective of their expertise. Especially the long-term GEs reported a role conflict in SF. According to HQ and GBP they functioned as mentors. However, in their perception SM held them responsible for a smooth process, what shifted their priorities from teaching to ensuring a stable production process. In order to live up to this expectation, they accomplished many tasks themselves and abandoned the time-consuming teaching and explaining. They perceived the different expectations as dichotomy. Moreover, they felt as if they were personally responsible for the production process, which caused stress and pressure. However, during the interviews, the source of this pressure could not be located and it remained unclear if it was self-imposed or exerted by superiors. In addition, their hierarchical position remained unclear. They belonged to GBP but reported to SM. There they were part of the production team while simultaneously acting as consultants for SM.

When asked about their knowledge about Slovakia (culture, history, places of interest, society etc.) nobody stated a good or very good knowledge. 47% evaluated their own knowledge as fair and 53% as poor. When asked about the sufficiency of information received about Slovakia prior to their departure 60% would have wished for more information while 40% felt well informed.

Only one GE informed himself beforehand about Slovakia. All the others either did not show particular interest or thought that more information was not relevant. However, a great majority (73%) acknowledged that their idea about the importance of culture changed during the assignment. The great majority (80%) saw knowledge and interest in the country as the key for a good

integration into the Slovakian team. “If we would know more about their history we might understand their mind-set and why they do things the way they do” one GE mentioned. In retrospect, they evaluated cultural knowledge as more important than language skills. One of them noted, “how much does it help if I understand what he says and yet don’t understand what he means because I don’t know how he thinks?” (GE). Another one stated “it would be easier to understand why they do things the way they do if I’d know more about them, the outer circumstances and the world they live in” (GE). The majority of the interviewees signalised readiness to attend a preparation course prior to their assignment.

According to the GEs, it was difficult to learn something about Slovakia during the assignment, because “we stayed there for such a short time and saw only the airport, hotel and factory” (GE). For many of them the time spent in Slovakia was too short to establish a profound knowledge and a tight schedule did not allow any exploring. Only those who stayed longer had the chance to explore their surrounding and establish relationships to locals, which enabled them to get to know Slovakia beyond their workplace. Moreover, GEs mentioned that they were not the only ones who underestimated the influence of culture.

> “In my opinion, our [German] management also underestimated the effect of culture. They thought it is enough to erect a factory there [in Slovakia] and everything else will work out somehow. No, it won’t. This is a different mind-set over there. You cannot expect them to just copy everything from us and then expect that the outcome will be the same. This is a different game there. They play with different rules.” (GE)

Some GEs even went one-step further and said that the ignorance towards the cultural differences resulted in prejudice on both sides, damaged

the relationship between both cooperation partners and is a potential source for difficulties in SF.

Only long-term GEs were aware of the different ethnical groups living in Slovakia. Moreover, they were aware that some SEs described themselves as of Hungarian ascent. The only time the GEs made any distinction between the groups was when they praised the "Hungarian goulash"(GE) of one colleague. Nevertheless, one GE was confused by nationalistic comments of one SE, but was not sure how to evaluate them.

Even though GEs acknowledged a great importance to cultural aspects, they emphasised that the upcoming problems were not based on "interpersonal difficulties" (GE). "Both sides are willing to get along and to communicate. The basic requirement is there. What is missing is time and language" (GE).

### 5.3.3 **Leadership and Management**

All of the GEs noticed several differences between the organisational culture in the home and host organisation. They confirmed most of the initially mentioned difficulties in SF, like employee turnover, low quality standards and production downtimes. In this context, GEs questioned the organisational structure in SF. For example, they complained about the work distribution. They noticed that some SEs had such a broad job description, they felt responsible for "almost half the production process as single person" (GE). The massive work overload caused stress and left too little time to accomplish tasks. In return, this led to carelessness, unsatisfactory performance and over-worked employees. GEs did not see incompetence or carelessness as the reason for non-performance. They did not blame it on the organisational system. Due to overlapping or unclear responsibilities, tasks were forwarded between the

involved employees, double executed or not accomplished. Often the inadequate performance left everyone unsatisfied and frustrated. One of the interviewees described the situation as following:

> "We are there to transfer knowledge and expertise. Often our assignments are too short for a good supervision. So we give them a task until our next visit, explain what should be done and how. The next time we come and want to check the progress. Often nothing happened or just half way. If you ask, why they reply because it was unclear who is responsible for it. They never even have the idea to distribute responsibility among themselves. They wait until someone from up above defines their area of responsibilities. But if job descriptions are unclear and tasks not well distributed you don't have to be surprised about a lousy outcome." (GE)

According to their perception, everyone from management to trainees in Germany relied heavily on established rules and regulations. In Slovakia, the expatriates noticed a different attitude:

> "Some regulations are implemented but blindly ignored even by the management. How can I now tell the employees that this rule is important? Why should they believe me? So many rules are implemented and abolished simultaneously. How are they supposed to distinguish between important and not important rules?" (GE)

In their opinion, this inconsistency was one reason for production error and not met quality standards because it confused the SEs. They claimed that rules and regulations were implemented without any further explanation. Thus, SEs questioned the importance right from the beginning. Later on, nobody controlled the implementation so the SEs tended to ignore them. Some expatriates illustrated their impression with an example. They installed rules for tasks in Slovakia. Whenever the SEs noticed that they were not controlled, they ignored the rules after a short period. However, if the GE checked during several visits if the SEs followed the rules, the SE would understand that this

rule or regulation was indeed important. Thus, they followed it. One of the interviewees noticed:

> "It seems as if the Slovakian employees need clear rules and guidance. You have to distribute tasks and responsibilities by directly addressing those who are responsible for it. Then it will be done. If you distribute it in a diffuse way nobody will feel responsible and everyone will blame it one everyone why it hasn't been done yet." (GE)

Thereby GEs concluded that if the SM implemented measures rigorously, the SEs would perform better. According to the interviewees, this went hand in hand with missing target agreements and priorities.

The GEs noticed a great difference in the relationship between management and employees in Slovakia and in their sending institution. They described their relationship to their German superiors as "comradely". Communication is possible in both ways, which ensured that the management is informed about problems and issues just in time and knows what is going on in the factory hall. The good relationship between both sides allows also the free flow of innovative ideas and criticism. Contrary, the GEs experienced a very hierarchical business culture in Slovakia. Only those on a high hierarchical level held the decision-making competence. Some decisions were made without consulting anyone who had the expertise in the field and were not based on technical skills and experience. Moreover, communication and information did not flow as free as in GBP. The strict hierarchy allowed criticism only top to down and not vice versa. As a result, SM was not well informed about problematic issues. According to the GEs, many SEs tried even to avoid having to inform the SM about problems which came up during the production process. The strict hierarchy did not only hinder the flow of information. It also left the GEs astonished. Some of them felt frustrated

because they were not taken serious. “They ordered my expertise. Now I’m coming all the way there – just to be ignored! Well, I didn’t ask for this assignment. They did! But I didn’t come to let them treat me this way!” as a GE worded his frustration.

### 5.3.4 **Organisational Culture**

Many GEs mentioned that the way in which problems and difficulties were tackled in Slovakia differed from GBP. The GEs did not experience any problem when they criticised the work of a SE. “The most important thing is that you make a fair comment and leave out any emotions” (GE). However, they noticed that among the Slovakian staff criticism is mainly uttered one way, from top to down. The GEs often perceived the criticism as exaggerated and unnecessarily harsh. “They do not adjust the criticism according to the technical skills of a person. You cannot criticise a student as if you were talking to a teacher” (GE) one expatriate noticed. Another one said, “the management never asks why someone made a mistake. Maybe this was the only option this person had. They judge without asking why or looking at the reasons behind it” (GE). In their opinion, this behaviour led to the effect that employees noticed difficulties or mistakes in the production process but did not inform anyone.

According to the GEs, this behaviour was intertwined with a non-transparent system of disciplinary warnings. In their perception, often nobody had to face consequences for mistakes, bore the responsibility or felt responsible to trace down why things happened and who caused it. Problems were forwarded from department to department without anything happening. Then on the other hand, minor mistakes led to harsh public criticism by the

management. The GEs complained about the inconsistence and contrariness and reported that their work was directly affected.

In the perception of the GEs, commitment to the company and employee retention was of great importance in GBP. Employer and employees constantly emphasised that giving and taking is the key to a good relationship and satisfaction. GEs were surprised when they noticed that this was not the case in SF. In their opinion, the company failed to offer the employees any reason why they should establish employee retention. “Let’s be honest. If they do not show any esteem towards my work, why I should give my best?” one GE asked. The lack of appreciation became apparent in the condition of the social facilities and attitude towards the SEs. They saw a clear connection between low appreciation and a low motivation of the SEs. However, they acknowledged the newly established efforts of SM and mentioned that the company celebration was a good starting point. In the opinion of the GEs, the differences in management style and leadership were besides language issues the most difficult aspects during their assignment. Some even went so far to say, “cultural differences and language issues are not really a problem. We find solutions. But the internal organisation is one and there is nothing we can do about it!” (GE).

Nevertheless, the GEs noticed some differences in the working attitude of Germans and Slovaks. When describing the working attitude of their German colleagues the GEs frequently used the attributes organised, punctual, diligent independent, thinking along and responsible. They ascribed positive attributes and described the overall working style, as “everything has to be done in a certain way or by following certain rules” (GE). In their opinion, this

guaranteed high quality standards, but made them not flexible to uncertainties. On the other side, they said that flexibility and improvisation were exactly the strength of the Slovakian colleagues, who adapted easily to any unknown situation and found creative solutions. When they referred to the Slovaks, they claimed that they did not pay so much attention to detail, worked not very independent and responsible. However, they pointed out that "it is not the people or their inability to blame" (GE). In their opinion, one has to consider the outer circumstances.

> "They have very skilled people there. If you look at their education, equipment, management, personnel planning and other circumstances, you can easily understand why they cannot show their talent. If you have the right people but the framework doesn't fit you cannot blame them why they don't perform better." (GE)

Another obstacle during their work were the low technical skills of the employees. However, GEs showed understanding for the situation of the SEs:

> "You cannot expect them to do an excellent job. Many of them are career changers. How should they know? What I do not understand is why they do not receive more training. They are given a machine and expected to perform. How can they, if nobody shows them how?" (GE)

Other SEs possessed the desired knowledge, but "they didn't multiply it. They thought 'if I share my knowledge, I am replaceable and lose any value for the company'" (GE). According to GEs, this was a dangerous development, which threatened the performance of the entire subsidiary.

### 5.3.5 **Time Management**

Almost all GEs noticed a different relationship to time in Slovakia. They stated that SEs have a rather short term career planning. where income was more important than long-term career development. Another aspect was the time management within the company. From management level down to the

workers, they noticed that there was no careful planning a long time ahead. The GEs stated that this behaviour was quite opposite of what they were used to in GBP. The GEs reported that they were used to pre-planning, inventory control and long-term development strategies. In SF, they noticed a rather different attitude and reported that the different concepts caused confusion and stress on both sides.

# 6 DISCUSSION AND CONCLUSION

## 6.1 Discussion

The aim of this study was to investigate the impact of organisational culture and language on a German-Slovakian corporation. Therefore, participant observation and interviews were deployed. The observation was designed to gain an overview over the situation in the organisation. All the findings resulted in an intra-enterprise report, which contained a detailed description of the problematic areas as well as suggestions for improvement. The aim was not to discredit single workers but to pinpoint trouble spots and sources of malfunction. This report was distributed among the managers in Germany and Slovakia. Some of the changes were installed promptly while others were subject for further investigation.

The findings of both parts of the study correspond in large parts. Only the opinions of the GEs towards the SEs varied noticeably in intensity and were remarkably more moderate during the interviews. This phenomenon could be explained through different levels of consciousness and awareness. The participants were fully aware of the research setting during the interviews. They might have altered their answers to a socially more desirable outcome or to what they thought the researcher expected of them. During the fieldwork, they might have forgotten about the ongoing observation and acted more naturally. The findings non-related to organisational culture and linguistic differences can only be summarised here. A detailed analysis would exceed the framework of this thesis. Interestingly, the findings of this thesis conform to the results of Takei's (2011) study of success factors of local employee

management in Slovakia and Bulgaria. He defines problematic fields as following:

- Poor communication about corporate policies and strategic directions.
- One-way communication (Top-to-down communication) flow.
- Unstructured inform from superiors.
- Poor feedback from superiors.
- Poor consensus (Somebody's business syndrome).
- Insufficient information to do work and make decisions.
- Ineffective meeting (no problem solving, blaming on each other, no accountabilities of participants).
- Unclear and unfair performance appraisal and feedback.
- Unclear task and responsibility.
- Poor monitoring and supervisions.
- Poor coaching and supporting for problem solving.
- Slow and untimely executions.
- Poor initiatives, passive attitudes of employees. (p. 8)

The next chapters discuss in detail the findings of both participant observation and interviews. The main findings are summarised through bullet points.

### 6.1.1 **Organisational Culture and Practices**

- Culture is contextually constructed among participants
- Organisational culture is a construct of local culture, organisational practice and organisational culture of German home organisation
- Regional history of CEEC has impact on organisational culture
- Deficiencies in organisational structure and practice negatively influence organisational culture and performance of staff
- Organisational practice influences relationship among hierarchical levels and working atmosphere
- Attitude of home organisation towards internationalisation reflects on organisational practices and structure
- Correlation between level of intercultural awareness in organisation and positive influence on organisational culture

Many of the reported and observed problematic issues stated at the beginning of this thesis were confirmed. Generally, difficulties appeared on two levels: intra-Slovakian and between German and Slovakian employees. As Bantz (2001) notices, investigation of organisational culture is an important step to identify possible sources of irritations.

The findings are very similar to Mahadevan's (2009) observation of Indian engineers in an international organisation. Experienced difficulties were multi-layered and complex and cannot be explained through ‘culture’. In the studied example, culture was contextually constructed through a constant redefinition and interaction with the surrounding, which is similar to the definition of culture by Breidenbach and Nyíri (2009), Fellows and Liu (2013) and van Maanen (2011). Furthermore, local definitions and understandings of concepts need to be taken into account while not leaving out globally circulating new ideas. The interactions between new and old ideas can lead to a constant redefinition. Hence, the context in which differences occur can be important.

The thereby adopted identity of the participants was situational and constructed out of a number of sources like nationality, ethnicity, profession etc. (see also Holliday et al., 2010). This findings support the concept of culture as unstable, changing and contextual construct, as it has been promoted by several researchers (e.g. Breidenbach & Nyíri, 2009; Fellows & Liu, 2013; Mahadevan, 2009; McDaniel et al., 2012; Samovar Porter, & McDaniel2012; van Maanen, 2011). A focus on ‘national culture’, as suggested by other researchers (e.g. Hofstede et al., 2010; Maude, 2011), would cover up local varieties and differences. Hence, organisational measurements based on nationality will most likely not have the desired effect of improvement.

The construct of culture found in the setting equals the organisational culture in SF. This organisational culture itself is a construct out of the local culture in SF, the organisational culture in GBP imported through the German employees and the organisational culture of the holding company enveloping

all subsidiaries. Sackman's (1997) model of culture in a business context helps to tease apart the multiple layers. On a greater regional level, the organisation is influenced by the (recent) history of the CEEC and EU enlargement. On a national level, this includes the peaceful dissolution of Czechoslovakia and the related transformations. On an industrial level, the type of industry influences the organisation. This explains for example while hiring skilled employees poses a challenge. Additionally, the regional level includes local politics, minorities, languages and local elites. All of these external circumstances enter the organisation more or less consciously. The degree, to which each of these parameters comes into play, depends on the context and situation.

Several aspects of the organisational culture in SF seem to be rooted in the attitude of the HQ towards the international cooperation. On an organisational level, it seems as if the organisational structure is based on a false assumption of similarities. Barna (2012) identified false assumptions and expectations of similarities amongst others as major pitfalls in international encounters. In the studied example, it seemed as if it was assumed that the expansion would automatically follow the same modus operandi as national assurances what means no specific measurements are required. This attitude is reflected, for example, in the lack of sensitivity towards language issues (missing language policies, language skills, poor selection criteria, language of IT systems etc.). Consequently, it seems as if the intercultural awareness of the holding organisation is rather low. Choi and Johanson (2012), Moran et al. (2014) and Shapiro et al. (2007), who found that organisations often lack intercultural awareness, have made similar observations.

In addition, the organisational culture in SF is affected by the communication and information policy about the international cooperation. In binational corporations, the attitude of both partners is believed to influence the organisational culture (Ravasi & Schultz, 2006; Steger et al., 2011). Sommer (2010) argues that a positive attitude of all relevant levels of the organisation towards internationalisation is essential for the organisational culture. It seemed as if the internally transported image of the international assurance in GBP and HQ was not positively connoted. The attitude of the organisation reinforced a negative image of the cooperation. In addition, the image in the home organisation negatively influenced the relationship. This phenomenon might have influenced the number of volunteers for a foreign assignment. The image of the internationalisation is mainly based on subjective reports. Thus, it eludes from internal communication policy and misinformation could spread wild, what fosters the development of preconceptions.

Moreover, the relationship and corporation between the German, both HQ and GBP, and Slovakian business partners involved in the corporation should be audited. A successful corporation lives on clear rules and responsibilities. Only then, actions can be coordinated and accomplished successfully (Stahl et al., 2012). Several times both sides adumbrated an overlapping sense of responsibility in several fields, what could be understood as outside interference, paternalism or unnecessary rivalry. This impression needs to be avoided in order to establish a balanced relationship. Takei (2011) asked Slovakian managers about the most important aspects for success as a foreign investor in Slovakia and identified three main factors. First, fairness with a clear structure and rules at work, second, a certain amount of

independence and freedom connected with a communication in both ways and third, disclosure. The top and middle management in Slovakia and Germany should consider a cultural synergetic approach to manage the impact of cultural diversity, which

> (…) involves a process in which managers form organisational policies, strategies, structures, and practices, based on, but not limited to, the cultural patterns of individual organisational members and clients. (…) This approach recognises both the similarities and differences among the cultures that compose a global organisation, and suggests that we neither ignore nor minimalize cultural diversity, but rather view it as a resource in designing and developing organisational systems.
> (Adler & Gundersen, 2008, p. 116)

During the study, it turned out that many difficulties in SF seemed to be rooted either in the organisational structure or in practice. The performances in SF were hampered through a disturbed flow of communication, insufficient job description and diffuse distribution of responsibilities. All of these factors negatively influenced the working atmosphere. The main reasons were rooted in the organisational structure, but emphasizes through the international characteristics of the cooperation. The thereby established organisational culture did not encourage employee retention. Departments lacked networked thinking and doing, what resulted in missing communication and coordination. Uncoordinated actions negatively influenced the production outcome. Some researchers argue that the reasons can be found in the history of Slovakia and the learned working attitude of the employees. According to Roth (2004), in planned economy each department held a well-defined area of responsibility. They could see themselves as detached unit because somebody on a higher level coordinated all actions. Therefore, networked thinking and doing was not necessary, only a successful accomplishment of assigned tasks (Vaňová &

Babeľová, 2014). In the studied example job descriptions were vague and responsibilities overlapping. This caused stress for some employees because their field of responsibility had no limits. Others limited their responsibility autonomously what led to the effect that some fields stayed uncovered. Fink and Meierewert (2004) found a similar phenomenon and described it as following:

> (…) staff members have a strong preference for being told what they have to do. It is expected that the supervisor gives instructions and is responsible for an instruction and its consequences. (...) In case of doubt, subordinates always ask their supervisor, in order not to be made responsible at a later stage. (p. 74)

Overall, missing target agreements, overlapping responsibilities, poor internal communication strategies and a lack of clear language policies form a melange of difficulties. What is needed here is clarifying or

> (…) the communication of plans, policies, and role expectations. Major subcategories of clarifying include 1) defining job responsibilities and requirements, 2) setting performance goals, and 3) assigning specific tasks. (Yukl, 2013, p. 69)

During the participation, it was observed that criticism is only openly possible top down, means from SM to SEs, but not vice versa. The thereby established organisational culture impeded a free flow of information, hampered innovation and knowledge transfer and decreased job satisfaction.

The consensus among members of a group seems to be of high value for SEs. Co-workers warned employees with individualistic or proactive behaviour in several cases. In addition, the SM did not seem to support individualistic behaviour. The findings correspond with the observation of Fink and Meierewert (2004), who claim that in Slovakian organisations

> [d]ecisions are delegated to supervisors who are authorised to make decisions. Information is not easily passed on or collected. With respect to dissemination of information the organisational setting

> seems to be rather 'sticky'. People tend to be rather passive during discussions in group, when the supervisor is present, in particular. (p. 74)

One could argue that this impression is supported by incidents where joint decisions found a wider acceptance among the employees. Especially solutions that were discussed internally and based on an agreed consensus of a group were successful. Hence, the management style should be reassessed.

Another factor should be considered when examining the business culture in SF and the internal difficulties. The Slovakian political-social-economic system underwent tremendous changes in the last 25 years, (Karoliny et al., 2009; Koyame-Marsh, 2011; Larson, 2013; Roth, 2004; Škerlavaj et al., 2013) from planned to market economy (Brewster & Bennett, 2010). This situation poses a challenge to both managers and staff. Different age groups might be socialised in different systems; some people might have inhered the national transition on a personal level while others might prefer the old system. Contrary, some might have had or still have ideologically exaggerated expectations towards the new system. Thus, they might hold unrealistic expectations or their expectations have been disappointed already. The different views deeply influence people's perception and evoke various expectations, demands and needs. Managers have the difficult task to integrate everyone. On a practical level, this means a manager educated in the new system might violate expectations of somebody socialised in the old system and vice versa. It would be interesting to investigate how the next generation managers is being educated in Slovakia; if their education is mainly based on established 'western' management theories and practices or if the special situation of the CEE is taken into account. Since a tabula rasa as initial

situation is utopic, the managers in the studied example might need time to find their way. Business process reengineering is a long-term process (London & Mone, 2009).

### 6.1.2 **Impact of Language and Communication**

- Missing rules and regulations for internal communication hinder flow of information
- Language barriers reinforce structural problems
- Insufficient language policy hampers transfer of knowledge
- Diversity of involved languages negatively influenced work atmosphere
- Unequally distributed language skills negatively influence performance and interpersonal relationships
- Different status ascribed to different languages, influences handling of language in day-to-day business

During the observation, it became apparent that the flow of information within SF was hampered. Clear rules and regulations for internal communication were either missing or ignored, and a policy for the use of languages was missing, what negatively influenced the production outcome. This process was amplified through several languages used in SF. A critical audition of the internal communication is recommended. Hargie and Tourish (2009) advise companies to revise their internal communication by investigating the "(…) topics, sources and channels of communication/ quality of communication relationship/ operational communication networks/ potential bottlenecks and gatekeepers of information/ communication experiences and incidents/ actual communication behaviours" (p. 25).

Slovakian was the working language in the subsidiary, while German was the working language for GEs. Some SEs use Hungarian among each other. The different working languages influenced the corporation on performance and interpersonal level. Even though researchers (e.g. Laroche &

Yang, 2014; Lee & Kartika, 2014; Maude, 2011; Mayrhofer et al., 2014; Puck et al., 2008) pointed out the importance of language skills for expatriate performance, language skills were no selection criteria neither for the SEs, nor for the GEs. However, employees on both sides acknowledged the importance of language skills and stated readiness to participate in language courses.

Generally, German had a dominant position within SF. Maude (2011) argues that the ascribed prestige of a country can determine language preference. Consequently, speakers from low-status countries often accept the domination language vice and ascribe superior knowledge, judgment and competence to speaker of the high-status country. Following the comments about Germany by the Slovaks, they seem to ascribe a higher status to the country. This domination was readily accepted by those SEs with sufficient language competence, but critically evaluated and questioned by SEs who lacked those skills. (Sub-) consciously a power imbalance was established across all hierarchical levels and professions merely based on language skills.

Mayrhofer et al. (2014) and Stahl et al. (2012) concluded that invisible boundaries of language skills lead to (sub-) conscious social in- and exclusion of employees. In the studied example, access to knowledge and information was linked to power and advantage. The unequally distributed language skills fostered a power-imbalance and undermined the institutionally erected hierarchy. Employees with sufficient language skills functioned as gatekeepers (see Puck et al., 2008). Power-imbalance, dependence and opacity in the flow of information were a source for mistrust. This finding is similar to the findings of Maude (2011) and Shapiro et al. (2007), who emphasise the importance of language for working atmosphere. Here it negatively influenced the working

atmosphere in SF and posed a threat to organisational culture (see also Fortado & Fadil, 2012; Ravasi & Schultz, 2006; Steger et al., 2011).

”[W]hen there is no communication across physical and invisible boundaries within a company it will slow down success and innovation” (p. 7) concluded Hargie and Tourish (2009). Language influenced the performance of the GEs on an interpersonal and professional level. Especially the relationship to HCNs was affected, since linguistic barriers hindered the development of interpersonal relations (see also Maude, 2011). The lack of a common medium to communicate led to shallow and superficial relationships. Stemplinger et al. (2005) point out the importance of informal contacts to HCNs for a successful cooperation. HCNs are an important pillar of social support, which helps the expatriates to integrate in the new setting and provides valuable knowledge (Podsiadlowski et al., 2013; Stroppa & Spieß, 2011). Here the flow of interaction led to insufficient integration into the Slovakian team. Moreover, the lower interaction ability influenced communication confidence of the GEs and thereby hindered their adjustment to the local setting (see also Laroche & Yang, 2014; Lee & Kartika, 2014; Maude, 2011; Mayrhofer et al., 2014; Puck et al., 2008). In the studied case, the GEs could not follow everyday interaction, what caused stress, insecurity and inconvenience in unfamiliar situations. Furthermore, the lack of interaction was fertile ground for mistrust between GEs and SEs. According to Petermann (2013), breach of trust is a development in three stages. First, defective communication leads to (unconscious) ignorance towards the needs of the counterpart. Second, this behaviour can be perceived as paternalism and threat. Both characteristics could be found during the study. Despite other reasons rooted in the

organisational structure, language seems to play an important role for the relationship between GEs and HCN. In the third stage, the competence of the partner is questioned. The partner will then respond with helplessness and passiveness. The GEs described the working style of the Slovaks as passive and not proactive. The absence of trust caused by several factors could be an explanation for their behaviour.

Due to the limited language skills of the GEs their interaction was limited to those employees with sufficient language skills. Hence, these employees became gatekeepers and interlocutors who strongly influenced their perception of the local setting. Breidenbach and Nyíri (2009) urge organisations to pay attention to the phenomena of potential gatekeepers and emerging altered perception of the local setting. The absence of other sources for information and/or the lack of interest minimised knowledge about the environment outside the factory to a minimum. Due to a lack of a common medium to communicate the perception of the Germans by Slovakian employees without sufficient language skills was also reduced. The limited perception and reduced interaction about cultural values and background information seemed to foster stereotyping (see also Barna, 2012; Breidenbach & Nyíri, 2009; London, 2001; Moran et al., 2014). Superficial knowledge closed off individual varieties and differences, which made it easier to distinguish between in-group and out-group. Thomas (2011) has found similar effects.

Language did not only influence the interpersonal relationships, but also the performance. Transfer of knowledge between the involved parties was hindered through language barriers, which impeded the performance of the

GEs and the learning curve of the SEs. Unclear work role and time pressure added their share. Stroppa and Spieß (2011) claim that negative influence on the accomplishment of a role causes stress. Moreover, the unequally distributed language skills lead to work overload or non-performance. These effects had a negative impact on work performance and work atmosphere. It caused frustration and decreased job satisfaction. Thus, linguistic barriers shape the organisational culture even if they are mainly rooted in structural difficulties. Adaptation of selection criteria for employees, language courses and improved internal communication policy could eliminate the underlying structural difficulties and thereby improve both performance and interpersonal relations. The structural framework could minimise the impact of language on the organisational culture and thereby improve the working atmosphere.

Despite all the negative effects of several working languages, participants emphasised the willingness to communicate, which is the key for a successful cooperation since

> [h]umans are very adaptable and resourceful. Whenever they have the motivation to accomplish a task together, they will find ways to do so. However, when they lack motivation or have resentments towards the other party interpretations will be much more negative and communication much more complicated. (Laroche & Yang, 2014, p. 164)

### 6.1.3 **Expatriate Management**

- Quality of expatriate management influences performance of expatriates
- Deficiencies in expatriate management negatively reflect on organisational culture
- Attitude of home organisation and expatriates towards host organisation influences local organisational culture
- Positive correlation between cultural knowledge, length of stay and level of integration
- relationship between HCN and expatriates influences integration and performance in host organisation; compensation gap, language

barriers and insufficient intercultural awareness have negative impact
- Socialisation in former GDR suspected to have positive impact on expatriate performance

When the expatriate management in GBP is examined, it becomes apparent that it differs significantly from Adler and Gundersen's (2008) ideal global career cycle for expatriates (see chapter 2.4). The first two stages of recruiting and selection of suitable candidates merge to an announcement. The third step of orientation is completely left aside. The global assignment continues more or less abruptly into a host country assignment without much consideration of debriefing, re-entry and return.

Researchers (e.g. Adler & Gundersen, 2008; Carr-Ruffino, 2009; Hemmasi & Downes, 2013; Koveshnikov et al., 2014; Lee & Kartika, 2014; Mayrhofer et al., 2014; Stahl et al., 2012) claim that a careful recruitment and selection process lays the basis for a successful foreign assignment and advise organisations to pay attention to the personal characteristics of possible candidates. They defined characteristics which they saw important for expatriate success, what equals organisational success (e.g. Gudykunst & Kim, 2003; Koveshnikov et al., 2014; Lee & Kartika, 2014; Thomas, 2011; Yukl, 2013). However, the selection was based on technical skills. This finding corresponds with Collings et al. (2012), who discovered that most companies underestimate the complexity of foreign assignments and rely mainly on technical skills. The reasons for poor selection criteria leave room for speculations. However, there was evidence that the company started to understand the importance of personal characteristics and include other factors as well. Interestingly, all of the GEs agreed that flexibility and ability to adjust are fundamental for a successful performance.

The GEs did not receive any preparation, e.g. intercultural or language training, prior to the assignment. Thus, knowledge about the host country was poor. First, cultural knowledge was not seen as important for a successful performance abroad. This perception changed during the assignment and the importance of cultural knowledge for a better integration and adjustment was acknowledged. Therefore, a preparation course was welcomed. Laroche and Yang (2014) stated that a good preparation might cause extra expenses for the company, but a fast integration guarantees a more efficient performance at work. Expatriate failure can be much more cost-intensive on a financial (salary, travel, relocation etc.) and intangible level (damaged relations, loss of market share etc.) (see also Adler & Gundersen, 2008; Collings et al., 2012).

Considering Shapiro et al.'s (2007) concept of intercultural awareness in business, the majority of the GEs stayed at the stage of a 'romantic' sojourner. Even only a minority of those who stayed for long-term assignments showed signs of a 'foreign worker'. Consequently, intercultural awareness stayed rather low. Scholars agree that this competence is essential for successful performance of expatriates (e.g. Maude, 2011; Shapiro et al., 2007; Thomas, 1996).

A clear correlation between tolerances for the 'other', intercultural awareness and performance could be found. The lower the sensitivity towards differences and knowledge about the other, the higher the risk to fall back on stereotypes and clichés. This phenomenon is closely linked to personal motivation of the expatriates. The higher the intrinsic motivation and intercultural awareness, the better the relationship to HCN and thereby the better the performance. Simultaneously, the degree of intercultural awareness

tipped the scale for organisational culture. A good relationship to HCN had a positive effect on the working atmosphere. Those individuals who succeeded to establish a positive working atmosphere and relationships to HCN shaped a positive organisational culture and vice versa. Any kind of differentiation between both nationalities negatively influenced the relationship. These findings correspond with the outcome of other studies (e.g. Chang et al., 2013; Hemmasi & Downes, 2013; Lin et al., 2012), who established a link between personal characteristics, the ability to establish intercultural awareness and performance. Maude (2011) claims that heavily reliance on fellow expatriates impedes a better adjustment. The study revealed a link between the level of integration and degree of interaction with HCN. The lower the interaction with HCN and the higher the contact to fellow expatriates, the lower was the level of integration into the Slovakian team.

Language skills were not part of the selection criteria nor did the GEs receive language training. Insufficient language skills caused uncertainty and stress. Some expatriates tried to gain back their confidence in communication through a defence action. They rejected concession and communicated in an uncooperative and dominant manner. Barna (2012) defines rejection and defence as a strategy to handle stress in unfamiliar situations. This behaviour put a strain on their relationship to HCN outside and inside the factory. Nevertheless, there was no clear correlation between language skills and successful communication. More important than the actual language comprehension was the will to communicate (see also Stemplinger et al., 2005; Yukl, 2013).

When examining the actual performance of the GEs, the poor selection criteria come to the fore. Difficulties arose due to lacking language skills, not suitable personal characteristics, unawareness of cultural differences and the unwillingness or inability to multiply knowledge. Briscoe et al. (2012) and Stahl et al. (2012) evaluate all of these factors as hindrance for a successful performance. There was a clear correlation between knowledge of the culture, integration and length of stay. The longer the stay, the better the GEs could adapt. However, this correlation strongly depends on the personal characteristics and attitude towards cultural differences. Individuals with a negative attitude did not adjust, irrespective of their length of stay. Stroppa and Spieß (2011) have found similar effects. Additionally, this finding corresponds with the studies of Chang et al. (2013) who discovered that a foreign assignment does not automatically lead to an increase of adjustability and intercultural competence. Only "physically being abroad may not be the key determinant for desired international competence" (ibid., p.272).

Expatriates can also obtain a representative role during their foreign assignment (Maude, 2011). In the studied example, some expatriates perceived themselves as detached unit or individuals in Slovakia, while the Slovakians perceived them as a representative of the host company and culture. Thus, internal and external apperception did not match in these cases, what caused conflicts concerning expectations towards the expatriates. Clarity on role expectations can have a significant influence on expatriate performance (Barakat & Moussa, 2014; Gupta & Gupta, 2012; Selmer et al., 2011; Stroppa & Spieß, 2011). The main task of the GEs was to transfer knowledge from home to host organisation. Successful knowledge transfer depends on

organisational structure and strategies (see Poór et al., 2014a). All of the GEs pointed out their willingness to teach. However, some failed to multiply knowledge. A possible reason could be an inability to teach since not everybody is a born mentor. As Gesteland (2012) and Stahl et al. (2012) notice, communication problems and failure in adjustment to the local setting can add their share. Numerous multifaceted reasons can impede knowledge transfer, such as

> (…) belief that knowledge is power, insecurity about the value of one's knowledge, lack of trust, fear of negative consequences related to sharing what one knows, the belief that the best practices do not move across borders or cultures, language and translation issues, superiority and/or condescending attitudes and intra-organisational competition. (Briscoe et al., 2012, p. 285)

The insufficient knowledge transfer did not stay unnoticed by the HCN. Some interpreted it as lack of trust, imputation of inability or willingness to manifest power-imbalance. This perception put a strain on the working atmosphere and negatively influenced the organisational culture.

Furthermore, it seemed as if role clarity was insufficient. Expatriates need role clarity in order to perform well (see also Barakat & Moussa, 2014; Gupta & Gupta, 2012; Stroppa & Spieß, 2011). Mayrhofer et al. (2014) stated that it is the duty of the company to clarify goals and aims. Thereby they ensure that the GEs behave in line with the company's expectations and practices. The study was established after the assignments ended, so no exact data on the preparation and information given about the role in SF is available. Even though the GEs stated that their role as mentor had priority, it took a backseat in day-to-day-routine. It seemed as if the GEs were pressured between two different expectations, what caused stress and failure. While the HQ and GBP expected them to transfer knowledge, the SF held them responsible for a

smooth production process. During the observation, it could not be pinpointed if the perceived stress was self-inflicted by the expatriates or exerted by supervisors. Moreover, if the change of this work role was self-inflicted by the GEs or if two different expectations of HQ and SF were present right from the start leaves plenty of scope for speculation.

Stemplinger et al. (2005) noticed that a good interpersonal relationship and trust is crucial for successful coaching in Slovakia. London and Mone (2009)claim that successful coaching is a process of five dimensions: 1) importance of a relationship between the coach and person being coached, 2) assessment of the person within the context the person is working in, 3) goal setting and developmental planning, 4) implementation, 5) monitoring, feedback and evaluation of progress of the person. The study revealed that the importance of the relationship between tutor and tutored was disregarded. In addition, the other steps were only half-heartedly implemented, what serves as a possible explanation for the reported difficulties.

According to several researchers (e.g. Bhatti et al., 2013; Mayrhofer et al., 2014; Podsiadlowski et al., 2013), expatriates should receive support from the organisation, family and on an interpersonal level in order to increase their performance. In the studied example, the support on behalf of the organisation seemed insufficient. Besides administrative support, an ‘out-of-sight-out-of-mind’ attitude of the organisation was noticed. It decreased motivation for a good performance and resulted in a disturbed relationship to home organisation. Avril and Magnini (2007) point out the importance of stable communication between both parties throughout the assignment. It seems as if the absence of a stable communication was an obstruction here. Additionally,

other external support of the expatriates seemed to be minimal. Family matters were the main reason for refusal of a long-term assignment by other GEs. This confirms the findings of Avril and Magnini (2007) and Starr (2009), who discovered depending family as a main obstacle for long-term assignments.

Towards the end of their foreign assignment, the long-term expatriates reported difficulties concerning their repatriation. These difficulties were based in structural problems concerning return and communication between home organisation and expatriate. Starr (2009) discovered that this phase sets the course for the future relationship between an employer and an employee. In this case, it seemed as if the organisational circumstances disturbed this relationship. Moreover, long-term expatriates reported psychological difficulties due to the personal development they underwent during the stay abroad (see also Stahl et al., 2012). Research has shown that about twenty percent of the expatriates leave the home company after return (Collings et al., 2012). Adequate expatriate management from the beginning to the end of an assignment can minimise the risk of losing valuable employees (Hemmasi & Downes, 2013). Therefore, more attention should be paid to the process of re-entry and return.

Expatriates can be enrichment for their company. They may hold unique in-depth knowledge about the structure and functioning of home and host company, which offers a unique chance for knowledge transfer in both directions (Briscoe et al., 2012). This knowledge can go hand in hand with a better adaptation to the local setting, increase of intercultural awareness/competence of the organisation and competitive advantage (e.g. Avril & Magnini, 2007; Bhatti et al., 2013; Carr-Ruffino, 2009; Choi &

Johanson, 2012; Gesteland, 2012). However, a successful knowledge transfer requires an environment, which encourages individual learning (Barakat & Moussa, 2014). It seemed as if the expatriates have not been encouraged to learn about the local setting. In order to transform individual knowledge into organisational knowledge, a platform for knowledge transfer is necessary (ibid.) but missing in the studied example. Hence, organisational learning stayed rather low.

As shown above, language barriers, poor knowledge and time pressure lead to poor integration in the Slovakian team. The organisational practice to send short-term GEs according to current demand fostered this effect. The continuous change of expatriates avoided the establishment of a personal relationship to the HCN. The combination with a poor information policy about the aim of the foreign assignment of the GEs negatively influenced the interpersonal relation and hence performance of the GEs. Either long-term assignments or a stable sending of the same GEs would help to avoid this effect. Here it should be noticed that SEs did not neglect cooperation in general. Prejudice and negative attitude were fostered through outer circumstances.

Other studies have shown that a compensation gap can influence the relationship between HCN and expatriates (e.g. Leung et al., 2014; Oltra et al., 2013). In the studied example, both sides were well aware of the various terms, conditions, and compensation gaps and were not confident with these circumstances. They visualised the economic differences between both countries and drove a wedge into the relationship. Oltra et al. (2013) advise

organisations to counter this perception through transparent communication and explanation.

One unanticipated finding was that the regional provenance of the expatriates determined their performance. The GEs stemmed from different locations within Germany. Already before the study, it was known that those expatriates socialised in the area of the former German Democratic Republic (GDR) were more successful in Slovakia than those from West Germany. During the study, a possible reason became apparent. The East of Germany underwent significant changes in all areas of life after the Fall of the Berlin Wall in 1989. Due to the special situation of the German Unity the transition to the new socio-political and economic structure happened faster than in other CEE countries. However, residents of the former GDR underwent a socio-political transformation process. They experienced the transition from planned to market economy including all assets and drawbacks. Slovakia can still be considered a transforming or transitional country (Brewster & Bennett, 2010). The expatriates empathised with the Slovaks and related their situation to their own experience. The shared experience of life in a socialistic country and the changes after the 1990s formed bonds and increased mutual understanding.

### 6.1.4 **Social Stratum**

- Differentiation of cultural groups not along nationalities but professional identity
- Socially constructed differentiation between administration and employees in production process takes dominant role in organisational culture
- Concept of relationship between management and staff differs in home and host organisation
- Different concepts of power-distance in home and host organisation caused difficulties
- Decision-making ability based on different premises by different levels of hierarch

- Working atmosphere strongly influences employee motivation and retention

Despite structural aspects, differences in an interpersonal level were found between the German and Slovakian factory. SF showed signs of a much higher power-distance than GBP. According to Stemplinger et al. (2005), the distinctive hierarchy in Slovakia results from socialistic times. The organisational structure in a centrally planned economy is characterised by detailed and unconditionally binding orders given from top to down through several authorities. Planned economy is based on concentration of power and centralised control, not division and balance of power. This system guaranteed control over the whole Czechoslovakia (Roth, 2004). Hence, employees were not required to think independently but expected to follow orders. Several phenomena e.g. power-distance, lack of consciousness and passivity might be rooted in the former economical system. However, the data allows only speculation and more research would be necessary to verify this assumption.

Difficulties between the German and Slovakian parts of the cooperation arose from different foundations for status. It seemed as if the differences can be explained through Trompenaars and Hampden-Turners (2012) cultural dimension of ascription and achievement oriented culture. The extensive use of titles, constant emphasis of hierarchical levels and relationship between management and staff indicate an orientation towards ascription in SF. Contrary, it seems as if GEs favoured an orientation towards achievement. The different systems of social categorisation caused difficulties, which will be discusses below. London (2001) emphasises the importance of social categorisation for personal identity and social structures within organisations. Discrepancy between self-perception and the perception through others can

lead to tensions. The two different concepts of the GEs and SM clashed, what caused confusion and frustration. The GEs felt threatened in their professional identity and stressed because they could not follow culturally learned rules for behaviour and attitude. In some cases, they tried to re-establish their cultural norms by acts of insubordination or rebellion.

During the study, an association between hierarchy and decision-making ability was noticed. In Slovakia, only individuals with a certain social status held the authority to make decisions. The required competence was achieved through the social status and not e.g. educational background. An observation, which is shared in Roth's (2004) analysis of managerial practices in Slovakia. The Slovakian hierarchical system questioned the professional identity of the GEs, what caused stress and frustration. Their role and pending expectations changed abruptly during their assignment and led to a stressful mental stage, which Moran et al. (2014) define as "role shock". From the perspective of the SM, the GEs were part of the production process and thereby ranked lower in hierarchy. On the contrary, Yukl (2013) defines expatriates as employees with expert power, caused by unique task-relevant knowledge they possess. Also from the self-understanding of the GEs and their achievement-orientation, they ranked much higher. From a German perspective, constantly pointing out the own status was perceived as a serious obstacle avoiding equal cooperation (see also Stemplinger et al., 2005). The two different underlying social norms plus the parallel hierarchy established through different languages caused confusion among all involved parties. Interestingly, many SEs supported the stance of the GEs and favoured a decision-making ability, which is linked to knowledge and

experience. It seemed as if the construct of ascribed status was favoured by those in power, but questioned by subordinates.

The related communication style in SF allowed criticism only top down and hampered a free flow of information. Hargie and Tourish (2009) claim that the role of communication in this management style is reduced to announcements and information about conclusions. This system was questioned by the SEs on a lower level, but not openly challenged. The phenomena of a distinct power-distance and different assumptions for the decision-making ability strongly affected the organisational culture. It was the dominant aspect influencing organisational culture, practices and structure. The discrepancy between the several positions was a burden for the working atmosphere. This finding corroborates with the previous study of Stemplinger et al. (2005). Antošová, Csikósová, and Mihalčová (2013) maintain that knowledge management is a rather new term in Slovakia and unfamiliar to many managers.

Closely linked to the social status was the relationship to rules and regulations. While the study revealed that universal rules applied for everyone ranging from intern to top-manager in the German part of the organisation, the situation was quite different in Slovakia. Even though regulations were verbalised as valid for everyone it seemed as if the higher the social status, the less binding rules and regulations seemed to be. This finding shows similarities to Trompenaars and Hampden-Turner's (2012) cultural dimension of universalism and particularism, which defines the degree to which rules and regulations apply to all members of a society equally or if there are exceptions.

Nevertheless, the (self-proclaimed) practice of the SM did not seem to reflect the perception of the SEs.

Contrarily the situation in GBP seemed to differ. The relationship between subordinates and superiors was described as ‘comradely’ and communication flows in both ways, including information, criticism and innovation. According to Hargie and Tourish (2009), this kind of management style leads to a well-informed management. Yukl (2013) emphasises the benefits of an inclusive participation in the decision making process. The results of the study indicate that the relationship between the SM and SEs was characterised by a lack of trust. The employees suspected the management to act in their own self-interest and not in the interest of subordinates. They based their subjective judgement on a lack of interest of the employees’ needs, demands and opinions. The findings are supported by the study of Vaňová and Babeľová (2014), who found that only a small number of Slovakian managers see employee satisfaction and establishment of a corporate identity as an important factor for success. However, it should be mentioned that any team-building activities helped to improve the working atmosphere and positively reflected in employee retention. Thus, they should be extended in the future.

Additionally, the low employee retention and commitment could also be rooted in the behaviour of the SM towards SEs. SEs explained their passive behaviour and lack of motivation through the attitude of the SM. They perceived a lack of appreciation and indifference towards them. Nevertheless, if a company wants to be competitive, both globally and locally, Becker, Huselid and Beatty (2009) point out the importance of workers at all levels. Yukl (2013) summarised obvious benefits of empowerment of employees:

- stronger task commitment
- greater initiative in carrying out role responsibilities
- greater persistence in the face of obstacles and temporary setbacks
- more innovation and learning, stronger optimism about the eventual success of the work
- higher job satisfaction
- stronger organisational commitment
- less turnover ( p. 108)

Interestingly, he described exactly the problematic issues discovered in SF. The thereby constructed cultural line of 'us' and 'them' went right through the hierarchical levels in SF. Each side constructed this perception in daily interactions by pointing out and emphasising differences. It influenced the organisational culture, flow of communication and work performance. However, the GEs did not seem to have a fixed position in this construct. Either sides in- or excluded the GEs, depending on context and situation. The distinction between top and down seemed to be the most important category in the organisational culture. Attached to it was the concept of active (administrative, order giving management) and passive (order receiving, executive production) level with a power-imbalance between the two levels. Other studies found similar power-imbalance in national organisations in CEEC and Slovakia and claim that the reasons are again rooted in the former socialistic system (e.g. Brouthers et al., 2008; Michailova, 2000; Steger et al., 2011; Übius & Alas, 2009).

According to Stemplinger et al. (2005), this characteristic is typical for superior-subordinate relationships in Slovakia. They argue that the constant change of sovereign and living conditions throughout Slovakia's history caused a deep scepticism in the Slovakian society. Nowadays this scepticism is fostered through low juridical employment protection (Roth, 2004). Additionally, Stemplinger et al. (2005) argues that resentment is shown

through subtle resistance. During the observation, several cases of passive resistance could be detected, ranging from conscious procrastination to manipulation. However, the data does not allow a distinctive interpretation whether historical changes are the reason or not. According to Fink and Meierewert (2004), in the old system managers and employees could only act within a narrowed and well-defined field of authority. The fragmented responsibility of an individual placed the responsibility upon the entire group or collective. One could argue that this learned behaviour was responsible for the lack of networked thinking and acting in SF. The old system did not require employees to put their work in a larger context or to perceive themselves as part of a supply chain. Historical reasons can be one possible explanation for the observed phenomena but they leave scope for speculation. More studies would be necessary before a valid interpretation of reasons causes and circumstances could be made. The chance that the situation is unique to this setting and rooted in the organisational culture remains.

### 6.1.5 **Time Management**

- Different relationship to time in home and host organisation

During the study, it became apparent that the SEs and GEs seem to have a different relationship to time. While the GEs invested in pre-planning and appreciated punctuality, the Slovaks took only limited anticipatory measurements and had a flexible time management. Problems cropping up were perceived as challenge, not as problem. Borgulya and Hahn (2008) claim that the “art of improvisation” has a high value in Slovakia. Long-term effects are not taken into account because unexpected events could alter the situation and cross out established strategies. The GEs tried to avoid uncertainty by

establishing rules and regulations and taking anticipatory measures. Contrary the SEs stayed flexible and creative with low uncertainty avoidance. Similar behaviour is described in the studies of Fink and Meierewert (2004) and Škerlavaj et al. (2013). These differences caused conflicts between the co-workers. Low or missing preparation was perceived as disdain or a lack of interest by the GEs. On the contrary, the Slovaks felt under considerable strain. They perceived the constant need of planning and preparing of the GEs as unnecessary stress factor (see also Škerlavaj et al., 2013; Stemplinger et al., 2005). The different perception of time also seemed to influence career planning. Slovakian preferred an immediate higher salary to long-term professional development with tremendous salary increase in the end. Interestingly, Stemplinger et al. (2005) observed the same attitude in their far-reaching study of Slovakian enterprises.

## 6.2 Conclusion

This study set out to determine the impact of organisational culture and language on an international business cooperation. In particular, this study examined one specific case of a German-Slovakian corporation.

The objective of the first research question was to find out how the organisational culture in the setting is constructed. The study showed that culture in the Slovakian and German cooperation is contextual and individually constructed among the involved parties depending on the circumstances. No clear distinction or line between cultural groups was found. Each individual belonged to several groups simultaneously. Which part of the individual identity came to the fore depended on the context. The present affiliation could be based on professional identity, ethnicity, language skills etc. Differences in

working attitude and relationship to time were noticed by both the Slovakian and Germans. However, the construct of national cultures did not play an important role in the working environment. A correlation between intercultural awareness and falling back on national cultures was found. The lower the awareness, the more likely local differences are ignored and perceptions based on stereotypical and generalising images. The main basis for the organisational culture was not a concept of nationality, but professional identity. The rank in hierarchy was of significant importance. Here the constructed culture differentiated between management and production level. The German expatriates had an exceptional position because they shifted categories depending on the context. Generally, the organisational culture in the setting was a construct of local culture, organisational practice and the organisational culture of the home organisation. Additionally, the regional history of CEE countries had an impact on the organisational culture in the subsidiary.

The second research question dealt with the impact of organisational structure and practices on the organisational culture. In general, deficiencies in organisational structure and practice negatively influence the organisational culture and decrease the level of performance. Meanwhile team-building activities had a positive impact on the working atmosphere and employee retention. The organisational culture established in the Slovakian subsidiary fostered a strong hierarchy, low employee retention and decreased motivation. Poor information policy, a lack of language and communication policy, structural weakness and internal power struggles negatively influenced the working atmosphere. This effect was reinforced by the internationalisation. Moreover, the attitude of the home organisation towards the

internationalisation reflected on organisational practices and structure. Thus, a correlation between the level of intercultural awareness of the organisation and influence on the organisational culture was found. The higher the level of awareness was, the more positive the influence.

The third research question examined how linguistic differences affect the day-to-day business. At a first sight, it seemed as if the several involved languages were the reason for insufficient internal communication. During the study, it turned out that language barriers covered up fundamental underlying problems. Missing or insufficient rules and regulations for internal communication hindered the flow of information. These difficulties appeared already in monolingual contexts. Multiple languages only reinforced already existing structural problems, such as overlapping areas of responsibility and unclear communication channels. Linguistic differences influenced the setting on two levels: performance and interpersonal relations. The insufficient language policy hampered the transfer of knowledge between different mother tongue speakers. In combination with insufficient communication policies, relevant information was lost or could not flow freely. Moreover, it led to work overload or non-performance. On an interpersonal level, the unequally distributed language skills established a parallel hierarchy among the local staff, which undermined the erected structures and questioned professional identities of employees. (Sub-) Conscious use of language resulted in social in- or exclusion of employees. The communication practice and lack of language policies established bottlenecks and gatekeepers what hindered the flow of information. This effect caused internal power-struggle and decreased job satisfaction. A low motivation and lack of sufficient information to accomplish

tasks had a negative influence on production outcome and hence on performance and organisational culture of the entire factory. Moreover, the establishment of interpersonal relationships between expatriates and HCN was hindered and stayed superficial. This negatively affected the integration of the expatriates into the local team. However, the willingness to communicate was pointed out as main requirement and perceived as more important than actual language skills.

The fourth research question tried to discover the role of the expatriates with regard to the organisational culture. It can be noticed that the expatriates had an exceptional role in the organisation by actively shaping and being influenced by the organisational culture. Their influence was closely linked to expatriate management and personal characteristics, what leads to the fifth research question, which examined the role of expatriate management for the organisational culture. In general, it can be noticed that the quality of the expatriate management influences the performance of the expatriates. Deficiencies in the management negatively reflect on organisational culture. Individuals with personal characteristics suitable for a foreign assignment performed better due to a better adjustment to the local setting and establishment of intercultural awareness. Thus, they had a positive impact on the organisational culture. However, the selection process focused mainly on technical skills, what negatively influenced the expatriate performance due to unsuitable personal characteristics, lack of intercultural awareness and language skills. These factors in combination with short assignments lead to a poor integration into the HCN team and weak interpersonal relationships. Contradicting or ambiguous role descriptions and expectations caused

confusion and diffuse accomplishment. All of these criteria hampered the transfer of knowledge and resulted in poor performance of the expatriates.

A positive correlation between willingness to integrate, length of stay and adjustment to the local setting was found. Moreover, the role of cultural knowledge for expatriate performance was acknowledged. Here a positive correlation was found between background information, local knowledge and increasing interpersonal relationships and thereby adjustment to the local setting. The better the integration succeeded, the better the performance of the expatriates. The relationship to HCN played an important role for integration. The relationship was disturbed through compensation gaps and organisational phenomena, but not by cultural differences. Whenever these structural problems occurred, they negatively affected the working atmosphere and thus the organisational culture. There seems to be a correlation between successful integration to the local setting, expatriate performance and positive influence on the organisational culture. Interestingly, the findings showed signs that the socialisation in the former GDR has positive impact on integration into the Slovakian setting.

In addition, the attitude of the home organisation and expatriates towards the host organisation influenced the local organisational culture. The organisational culture in Germany did not support a positive image of the internationalisation process or foreign assignments. Resentments and a negative image decreased staff motivation and attitude towards the subsidiary. During the assignment, a lack of support of the expatriates through the home organisation and uncertainties concerning the process of return negatively influenced motivation of the expatriates and their relationship to the home

organisation. These factors fostered a negative attitude towards the internationalisation process and lack of volunteers for foreign assignments. However, besides a few single cases, this negative attitude was not aimed at the foreign staff or individuals. Organisational structures and outer circumstances were held responsible for poor performance and failure. Cooperation with expatriates socialised in the former GDR seemed to be beneficial. The shared experience of the process of a socio-political-economic transition seemed to form a uniting bond across borders.

If these characteristics found in the subsidiary are caused by Slovakian business culture or evolved due to the unique circumstances of this setting leaves scope for speculations. More research on the organisational culture of other Slovakian and multinational enterprises in Slovakia would be necessary.

Summing up, organisational culture was constructed out of local culture and imported organisational culture from the German cooperation partner. Moreover, it was strongly affected by structural weaknesses and organisational practices. Linguistic differences only reinforced these effects. Reassessment of organisational structures and revised expatriate management can improve the organisational culture and hence the performance of all involved parties. The thesis helped to close the research gap about international cooperation in Slovakia noticed by Poór et al. (2014a). Additionally, it contributed to the missing research about expatriates in Europe (IHRMC, 2014; Selmer et al., 2011). It offers an important inside into a German-Slovakian cooperation and contributed to a better understanding of international cooperation in Slovakia and provided a starting point for further research. Moreover, the findings form a basis for practical implementations for organisations operating in Slovakia.

Thus, the findings of the thesis can help to improve performance and efficiency.

## 6.3 Limitations of the Study

Even though several methods have been used to guard against errors and bias and to guarantee validity, the results of the study are limited. The major limitation of this study is the dependence on the researcher's view. The social backpack, an academic background in intercultural communication and the role of the maverick can lead to selective perception, subjective data evaluation and biased data interpretation. Despite the fact that methodological actions have been taken to guard against personal bias, this fact can never be fully eliminated. Another researcher might draw different conclusions from the data.

In any participant observation, the observer can be caught in the trap of ethnocentrism (Lamnek, 2010), or influence the setting through own presence or behaviour (Band-Winterstein et al., 2014; Lamnek, 2010; Lofland et al., 2006; Miyazaki & Taylor, 2008). Moreover, participants might alter behaviour or manipulate the setting for their own advantage. Additionally, it captures only the restricted social behaviour of the employees at work. Nevertheless, also the interviews bear the risk of producing not valid data. There is the danger that respondents adjusted their answers in the interviews to what they think is expected of them or to a socially acceptable answer. In addition, the study could only take into consideration facts, which were witnessed during the time in the field. Thus, the observation is limited to one perspective a time and regional to the role of the researcher. Whatever happened simultaneously at another scene could not be reflected in the notes. It is impossible to include all the available information and all perspectives that emerged during the time in

the field (Lamnek, 2010). The observation was carried out within a rather short period and is therefore limited temporary for the time spent in situ. Another timeframe might lead to different results. Hence, all observations are only valid for the given period of four weeks.

An arguable weakness of this study is the language barrier between the researcher and the observed setting. Information can remain inaccessible or be lost in translation. In addition, the number of informants decreased to those, who either could communicate directly or employed someone as a translator.

Furthermore, the second phase of the study focuses on the perception of the GEs and does not take the view of the German management into account. However, an investigation of all stakeholders would exceed the limited frame of a master's thesis. The management level in Slovakia and Germany were fully aware of the fact that the current situation required some fundamental changes. Thus, they had started implementations of change management prior to the observation. The results of such changes are often not visible immediately and need time to come into effect. Thus, effects of the changes could have become visible short after departure what means the collected data was outdate the moment it was analysed. The findings are limited to this particular setting and cannot be generalised. Potter (1996) does not advise the researcher to generalize the findings of a sample if the researcher did not test it for representation of a larger set, and this was the case in this study. Despite limitations, paradigms for quality in qualitative research were considered throughout the thesis.

*Reliability & Dependability*

Reliability is a scientific parable that measures repeatability of research findings in a different piece of research (Lamnek, 2010). The aim of this study

is to investigate the impact of cultural differences and language on a single case of a German-Slovakian cooperation and not to create generalizable theories. Thus, this paradigm was left aside. Dependability has much greater significance in qualitative research and functions as "(…) counterpart of measurement reliability in which efforts are made to assure stability in identifications and interpretations" (Reinard, 2008, p. 130). In this study, dependability is ensured through overlapping and triangulation of methods.

*External Validity*

External validity, also known as generalizability, occurs whenever the results of a study can be applied to another setting (Boeije, 2010; Frey et al., 2013; Guba & Lincoln, 2011). Lamnek's (2010) point of argument is adopted in this thesis who claims that ethnography takes the stance that

> [n]o two social settings are sufficiently similar to allow simplistic, sweeping generalizations from one to another. No two atoms are identical. How much more disparate are any two social settings, regardless of surface similarities, when they are made up of different, complex individuals related in multitudinous undefined ways? (Erlandson et al., 1993, p. 13)

*Credibility*

Credibility in naturalistic inquiry is obtained through a series of procedures, as suggested by Chambliss and Schutt (2013): 1) prolonged engagement, 2) persistent observation and 3) use of several sources. Literature (e.g. Mason, 2011; Madden, 2010; Richards, 2014) recommends the use of various sources of information. These sources can vary in data and method, but should always lead to an expansion of knowledge. The higher the gained convergence, the higher the reliance on the findings. Here the data collected during the observation was tested against the findings of the interviews. The observation was as long and persistent as possible in the given period.

*Quality*

Quality in qualitative research is gained through accurate description of a setting and inclusion of as much context as possible. Thick description is compulsory. The actions and conclusion should be comprehensible and as detailed as possible. The study should be useful, improve something, and include a detailed reflexion of the researcher and his or her position during the study (Richards, 2014). This study tries to be as detailed and comprehensible as possible within the limited space of a master's thesis. In addition to that, the position of the researcher has been discussed (see chapter 4.1.2) and the relationship between the researcher and the company unfolded (see chapter 1.2). Even the best efforts can never fully annul error and bias during the process of data collection. A common mistake in participant observation is selective sampling due to familiarity with the setting (Lamnek, 2010). To guarantee neutrality and to avoid sympathy/ identification/ antipathy several techniques were employed, e.g. self-reflection, descriptive notes, triangulation and withdrawal from the field (Lofland et al., 2006; Madden, 2010).

## 6.4 Directions for Future Research

This research has thrown up many questions in need for further investigation. What is needed now is a study, which sets the focus on the perception of the Slovakian workers, because they have been left aside during the second part of the study. More research is needed to better understand their perception of obstacles and language barriers in a German-Slovakian corporation and how it affects their daily business. Another natural progression of this work is to analyse if the findings of this study appear only in this individual case or if they are symptomatic for business contacts between Slovakia and Germany.

Larger samples could provide evidence that is more definite. Furthermore, the findings could be compared to difficulties arising in cooperation between Slovakia and other nationalities. Future trials should assess if there are significant differences in the appearing difficulties between the sectors of manufacturing and service industry.

Moreover, future research could investigate on common business practices of foreign organisations in Slovakia, with a special focus on expatriate management. Thereby, it could try to find out if there are special requirements for the Slovakian market. A best practice sharing could help to improve the performance of foreign organisations in Slovakia. Hereby the perception of the Slovakian employees should not be forgotten, including their stance on FDI in general. In addition, it would be interesting to assess the effect of the implemented changes in this particular production site and follow up on the development in a long run. The investigations could focus on successful and less useful implementations and discover the reasons behind it.

Furthermore, future research could assess the long-term effects of language training of the involved parties. More research is needed to better understand the relationship between the HCNs and expatriates. Here the focus should be set on the HCN and their perception. Since management and leadership style in Slovakia seem to have a great influence on the progress in the subsidiary it should be investigated if this leadership and management is symptomatic in Slovakian enterprises. Possible changes in generation of managers and their understanding of business or the general change in the business landscape of Slovakia could be illuminated. Moreover, the impact of local elites, politics and minorities on organisational culture in Slovakia could

be investigated. The findings of the study evoked the impression that the regional origin and upbringing of the expatriates play a role for their success abroad. Future research could investigate if and how the recent history of Germany and its influence on biographies of expatriates influences their performance in transitional economies. Moreover, the question arises if this effect is limited to expatriates working in Slovakia or transferable to other transitional CEEC. Furthermore, possible effects on selection of suitable candidates and expatriate management could be investigated.

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# APPENDICES

# APPENDIX A: DATENBLATT ÜBER KOOPERATION ZWISCHEN HAUPT- UND TOCHTERGESELLSCHAFT

**Guten Tag. Mein Name ist Christin Schröder und ich studiere MA Interkulturelle Kommunikation an der University of Jyväskylä in Jyväskylä, Finnland. In meiner Abschlussarbeit befasse ich mich mit dem Verhältnis zwischen deutschen und slowakischen Mitarbeitern. Die Arbeit wird von Frau Dr. Olbertz-Siitonen betreut. Für eventuelle Rückfragen stehe ich unter Tel. 03733/….. oder ….@student.jyu.fi zur Verfügung. Der vorliegende Fragebogen besteht aus 5 Teilen. Es geht nur um die allgemeine Gewinnung von Informationen, nicht um die Evaluierung einzelner Mitarbeiter.**
**Bitte bringen Sie den ausgefüllten Fragebogen mit zu den anschließenden Interviews. Der Fragebogen ist anonym. Alle Daten dieses Fragebogens werden selbstverständlich vertraulich behandelt. Es werden weder Namen der Befragten noch Angaben, die Rückschlüsse auf die Person zulassen, veröffentlicht.**
**Danke vielmals, dass Sie sich bereit erklärt haben an dieser Studie teilzunehmen.**

## 1. Allgemeine Angaben

1.1. Wie alt sind Sie?

☐<25 Jahre ☐26-35 Jahre ☐36-45 Jahre ☐46-55 Jahre ☐> 56 Jahre

1.2. Geschlecht ☐männlich ☐weiblich

1.3. In welchem Bereich sind Sie in GBP tätig? (z.B. Instandhaltung, Verwaltung)

……

1.4. In welchem Bereich waren Sie bei SF tätig? (z.B. Qualitätssicherung, Einrichter)

……..

1.5. Verfügen Sie über weiter Auslandserfahrung? (z.B. Arbeitsaufenthalt, Studium, usw.)

☐Nein

☐Ja Land: …… Dauer: …… Grund: ……..

…… …… ……..

……. …… ……..

1.6. Gesamtdauer des Slowakeiaufenthaltes

……

1.7. Wie lange war die längste zusammenhängende Zeit? ……

1.8. Wann waren Sie das erste Mal bei SF? ……

1.9. Wann waren Sie das letzte Mal bei SF? ……

1.10. Fühlen Sie sich in das Werk in der Slowakei kollegial integriert?

☐ sehr gut integriert ☐gut integriert ☐relativ gut integriert ☐nicht gut integriert ☐nicht integriert

**2. Angaben zu Sprachkenntnissen**

2.1. Haben Sie sich auf Ihren Aufenthalt in der Slowakei sprachlich vorbereitet? (z.B. Sprachkurs)

☐Nein

☐Ja Wie und welche Sprache(n)?.....

Hat es Ihnen bei Ihrem Aufenthalt geholfen? .....

2.2. Waren Ihnen Ihre bisherigen Sprachkenntnisse (Englisch, Slowakisch etc.) bei Ihrem Aufenthalt in SF behilflich?

☐Ja Welche Sprache?.....

In welchen Situationen?

……

☐Nein

2.3. Sollte der Arbeitgeber Sprachkurse zur Vorbereitung organisieren? ☐Ja ☐Nein

2.4. Wären Sie bereit, an solch einem Kurs teilzunehmen? ☐Ja ☐Nein

2.5. Finden Sie das Erlernen der Landessprache wichtig für eine gelungene Integration in das Tochterunternehmen? ☐Ja ☐Nein

**Im nachfolgenden Abschnitt möchte ich Sie bitten, Ihre eigenen Sprachkenntnisse einzuschätzen**.

2.6. Englisch

| | **Keine Kenntnisse** | **Grundkenntnisse** | **Erweiterte Kenntnisse** | **Muttersprachler** |
|---|---|---|---|---|
| **Hören** | | | | |
| **Sprechen** | | | | |
| **Lesen** | | | | |
| **Schreiben** | | | | |

2.7. Slowakisch

| | **Keine Kenntnisse** | **Grundkenntnisse** | **Erweiterte Kenntnisse** | **Muttersprachler** |
|---|---|---|---|---|
| **Hören** | | | | |
| **Sprechen** | | | | |
| **Lesen** | | | | |
| **Schreiben** | | | | |

2.8. Weitere Sprache: ……..

| | **Keine Kenntnisse** | **Grundkenntnisse** | **Erweiterte Kenntnisse** | **Muttersprachler** |
|---|---|---|---|---|
| **Hören** | | | | |
| **Sprechen** | | | | |
| **Lesen** | | | | |
| **Schreiben** | | | | |

**3. Wissen über die Slowakei**

3.1. Haben Sie sich vor Ihrer Entsendung über die Slowakei informiert? (z.B. über Kultur, Geschichte)

☐Nein

☐Ja Wenn ja, wie haben Sie sich informiert? (Internet, Reiseführer etc.)

……

Über welche Themen haben Sie sich informiert?

……

3.2. Wie schätzen Sie Ihr eigenes Wissen über die Slowakei ein?

☐sehr gut ☐gut ☐mittelmäßig ☐gering ☐ohne

3.3. Sind Informationen über das Land notwendig, um die beruflichen Aufgaben zu erfüllen?

☐Ja ☐Nein

3.4. Sind Wissen und Interesse für Land und Leute wichtig für eine erfolgreiche Integration in das slowakische Team?

☐Ja ☐Nein

3.5. Hätten Sie sich mehr Informationen über das Land gewünscht?

☐Ja ☐Nein

3.6. Über welche Themen hätten Sie gerne mehr Informationen vor Ihrer Abreise erfahren?

……

**4. Dieser Abschnitt befasst sich mit allgemeinen Informationen über <u>das Werk</u> in der Slowakei, die Ihnen vor, während und nach Ihrem Aufenthalt in der Slowakei vom Unternehmen bereitgestellt wurden.**

4.1. Haben Sie Ihre Kenntnisse über das Werk in der Slowakei vor Ihrer Abreise eher formell (z.B. durch einen Informationsbrief des Unternehmens) oder informell (z.B. durch ein Gespräch mit Kollegen) bezogen?

……

……

4.2. Von wem haben Sie die Informationen bezogen? (Vorgesetzten, Kollegen, Freunden etc.)

……

4.3. Konnten Sie sich anhand der Informationen ausreichend auf Ihren Aufenthalt vorbereiten?

☐Ja

☐Nein Welche Informationen haben Sie vermisst?

……

……

4.4. Haben sich die Informationen, die Sie vor Ihrer Entsendung erhalten haben, bestätigt?

☐Ja In welchem Umfang?

……

☐Nein Was war anders?

……

**5. In diesem Abschnitt geht es um Informationen, die Sie vor Ihrer Entsendung erhalten haben, um sich auf Ihre <u>Tätigkeit</u> (z.B. Aufgabenbereich, Ziel des Aufenthalts) im Werk in der Slowakei vorzubereiten.**

5.1. Haben Sie vor Ihrer Abreise Informationen über Ihren Einsatzbereich bekommen?

☐Nein

☐Ja Wenn ja, waren die Informationen ausreichend?

☐Ja ☐Nein

5.2. Haben Sie Ihre Kenntnisse über das Werk vor Ihrer Abreise eher formell (z.B. durch einen Informationsbrief des Unternehmens) oder informell (z.B. durch ein Gespräch mit Kollegen) bezogen? Was beinhaltete diese Information?

……

5.3. Welche zusätzlichen Informationen hätten Sie sich über Ihre Tätigkeit gewünscht?

……

……

**Vielen Dank für Ihre Teilnahme!**

# APPENDIX B: DATA SHEET ABOUT COOPERATION BETWEEN MAIN AND SUBSIDIARY PLANT

**Hello, my name is Christin Schröder and I am currently studying MA Intercultural Communication at the University of Jyväskylä, Finland. In my Master's Thesis I am investigating the relationship between German and Slovakian employees. Mrs. Dr. Olbertz-Siitonen supervises the thesis. Should you require any further information please do not hesitate to contact me. You can reach me either via phone or e-mail.**
**The questionnaire contains of 5 parts. The main aim is to collect general data, not to evaluate individual employees.**
**I kindly ask you to bring the completed questionnaire with you to the interview. The questionnaire is anonymous and all data will be treated confidentially. Neither your name nor any other information will be published and therefore do not allow conclusions to be drawn concerning individuals. This date acquisition is done in cooperation with the company.**
**Thank you for your preparedness to participate in this survey.**

## 1. General Information

1.1. How old are you?

☐<25 Years ☐26-35 Years ☐36-45 Years ☐46-55 Years ☐> 56 Years

1.2. Gender ☐male ☐female

1.3. In which divisions are you employed in the parent plant? (e.g. maintenance, administration)

……

1.4. In which division are you employed in the subsidiary plant? (e.g. quality management)

……

1.5. Do you have any previous international experience? (e.g. work assignment, studies)

☐No

☐Yes Country: …… Length: …… Reason: ……

…… …… ……

…… …… ……

1.6. What is the total length of your stay in Slovakia? ……

1.7. How long was the longest coherent period? ……

1.8. When were you the first time in SF? ……

1.9. When were you the last time in SF? ……

1.10. Did you feel integrated among the Slovakian colleagues?

☐very well integrated ☐well integrated ☐satisfactory integrated ☐sufficiently integrated ☐not integrated

## 2. Knowledge of languages

2.1. Did you prepare yourself for your stay in Slovakia by learning/improving language skills?

☐No

☐Yes How and in which languages? .....

Did it improve your stay? .....

2.2. Did your knowledge of languages (English, Slovakian etc.) help you during your stay at SF?

☐Yes Which languages? .....

In what kind of situations?

……..

☐No

2.3. Should the employer provide language courses? ☐Yes ☐No

2.4. Would you be willing to participate? ☐Yes ☐No

2.5. Do you think it is important to learn the national language in order to integrate in the subsidiary plant? ☐Yes ☐No

**In the next section, I would like you to evaluate your own language skills.**

2.6. English

| | None | Beginner | Independent User | Proficient user |
|---|---|---|---|---|
| **Hearing** | | | | |
| **Speaking** | | | | |
| **Reading** | | | | |
| **Writing** | | | | |

2.7. Slovakian

| | None | Beginner | Independent user | Proficient user |
|---|---|---|---|---|
| **Hearing** | | | | |
| **Speaking** | | | | |
| **Reading** | | | | |
| **Writing** | | | | |

2.8. Further languages: ……..

| | None | Beginner | Independent user | Proficient user |
|---|---|---|---|---|
| **Hearing** | | | | |
| **Speaking** | | | | |
| **Reading** | | | | |
| **Writing** | | | | |

**3. Knowledge about Slovakia**

3.1. Did you inform yourself about Slovakia before the assignment? (e.g. about culture, history)

☐No

☐Yes If yes, how did you inform yourself? (Internet, travel guides etc.)

……

Which topics?

……

3.2. How do you evaluate your own knowledge about Slovakia?

☐very good ☐good ☐sufficient ☐insufficient ☐none

3.3. Is knowledge about the country important to fulfil occupational tasks effectively?

☐Yes ☐No

3.4. Do you think that knowledge about the country and its inhabitants are important for a successful integration in the Slovakian work team?

☐Yes ☐No

3.5. Would you have liked to receive more information about the country?

☐Yes ☐No

3.6. Which topics would have been of interested for you?

……

**4. This section deals with general information about the <u>subsidiary plant</u> in Slovakia, which you received before and during your assignment.**

4.1. Did you receive information about the factory in Slovakia before your departure rather in a formal (e.g. through leaflets of the company) or informal (e.g. through colleagues)? What kind of information did you receive?

……

……

4.2. Who gave you this information? (Supervisor, colleagues, friends, etc.)

……

……

……

4.3. Did this information help to prepare yourself efficiently?

☐Yes

☐No Which information was missing?

……

……

4.4. Did the information you received before departure proof true?

☐Yes To which extend?

……

☐No What was different?

……

**5. This section deals with information about your <u>employment</u> that you have received before departure in order to prepare yourself for the assignment (e.g. field of duty, aim of the assignment).**

5.1. Did you receive any information about your employment before departure?

☐No

☐Yes If yes, was it sufficient?

☐Yes ☐No

5.2. Did you receive information about the factory in Slovakia before your departure rather in a formal (e.g. through leaflets of the company) or informal (e.g. through colleagues)? What kind of information did you receive?

……

5.3. Which additional information about your employment would you have liked to receive beforehand?

……

……

**Thank you for your participation!**

# APPENDIX C: INTERVIEWLEITFADEN FÜR DEUTSCHE INTERVIEWPARTNER

Im Rahmen meiner Masterarbeit erforsche ich den Einfluss von Organisationskultur auf internationale Geschäftsbeziehungen. Insbesondere interessiert mich die Wahrnehmung und Erfahrung der entsandten Mitarbeiter. Ich würde das Interview gerne mit einem Diktiergerät aufnehmen, um das Mitschreiben zu ersparen und mich besser auf das Gespräch konzentrieren zu können. Ihre Angaben unterliegen absoluter Diskretion. Die Aufnahmen werden nach der Transkription gelöscht und/bzw. die transkribierten Interviewprotokolle verschlüsselt, so dass keinerlei Rückschlüsse auf Ihre Person möglich sind.

**Themenbereich I: Expatriate Management**

1. Gründe für Teilnahme an Auslandsentsendung/ Auswahlverfahren
2. Vorbereitung auf Auslandsentsendung (privat/ Unternehmen)
3. Beschaffung von Informationen über Slowakei/ das Werk
4. Kontakt zu GBP während Auslandsaufenthaltes/ Unterstützung
5. Erwägung längerer Auslandsaufenthalt/ mögliche Schwierigkeiten
6. Persönliche Eigenschaften als Voraussetzung für erfolgreichen Aufenthalt in SF
7. Ratschläge für zukünftige Entsandte für gute Zusammenarbeit in SF

**Themenbereich II: Kommunikation**

1. Arbeitssprache
2. Kommunikation mit slowakischen Kollegen
3. Hilfsmittel bei Kommunikationsschwierigkeiten
4. Unterschiedliche Muttersprachen im Arbeitsalltag

**Themenbereich III: Einfluss von Kultur**

1. Einschätzung momentanes Wissen über Slowakei
2. Veränderung Wissensstand über Slowakei während Auslandsaufenthaltes
3. Einfluss von (kulturellem) Wissen auf Zusammenarbeit mit slowakischen Kollegen/ Wissensstand ausreichend

4. Einfluss von Kenntnis der Landessprache auf soziale Integration bzw. zwischenmenschliche Beziehung zu Kollegen
5. Stellung zu interkulturellem/ länderspezifischem/ sprachlichem Training vor Abreise/ Teilnahmebereitschaft
6. Unternehmenskultur Slowakei/ mögliche Unterschiede zu GBP
7. Schwierige Situationen und Gründe (critical incidents)
8. Zusammenarbeit mit slowakischen Kollegen
9. Hauptschwierigkeiten bei Zusammenarbeit und Gründe
10. Maßnahmen und Strategien bei Schwierigkeiten
11. Mögliche Veränderung der Zusammenarbeit mit slowakischen Kollegen während Aufenthaltes

Problemfelder im Einzelnen

1. Kommunikation (Kommunikationsstil)
2. Unterschiedlichen Muttersprache
3. Informationsfluss im Unternehmen
4. Umgang mit Problemen, Kritik, Konflikten, Emotionen
5. Führungsstil (u.a. Entscheidungsfindung) von Slowaken und Hierarchie im Unternehmen
6. Allgemeine Arbeitsweise der Slowaken
7. Fachliche Qualifikation der slowakischen Mitarbeiter
8. Motivation und Loyalität
9. Zwischenmenschliche Beziehung

# APPENDIX D: FIELD MANUAL FOR GERMAN INTERVIEWEES

In the course of my master's thesis I am investigating the influence of culture on international business cooperation. I am especially interested on the experience and perception of the expatriates.
I would like to record the interview with a voice recorder to avoid taking notes during the interview. This enables me to better focus and concentrate on the conversation. All statements made during the interview are subject of confidentiality. The recordings will be deleted right after transcription and the interview transcript coded. Therefore, no conclusions can be drawn concerning individual persons.

**Subject Area I: Expatriate Management**

1. Reasons for participation in foreign assignment/ selection procedure
2. preparation (private/ company)
3. sources of information about Slovakia/ SF
4. contact to GBP during assignment / support
5. participation in long-term assignment/ possible difficulties
6. personal characteristics important for successful performance in Slovakia
7. advises for future assignees for a successful assignment in Slovakia

**Subject Area II: Communication**

1. Working language
2. Communication with Slovakian colleagues
3. Strategies/ implementations in case of communication difficulties
4. Different mother tongues at the workplace

**Subject Area III: Influence of Culture**

1. Evaluation of own knowledge about Slovakia
2. Changes in knowledge about Slovakia during assignment
3. Role of existing or non-existing knowledge about Slovakia on cooperation with Slovakian colleagues/ sufficient knowledge
4. Impact of Slovakian language skills on social integration and human relations to colleagues

5. Stance to intercultural/ country specific/ language training prior to departure/ willingness to take part
6. Business culture in Slovakia/ possible differences to GBP
7. Challenging experiences and reasons (critical incidents)
8. Cooperation with Slovakian colleagues
9. Main difficulties and possible explanations
10. Strategies in case of difficulties
11. Possible Changes in the cooperation with the Slovakian colleagues during assignment

Problematic Issues in Detail

1. Communication
2. Different languages
3. Flow of information within the company
4. Conflict Management, criticism, problem solving
5. Leadership and Management (e.g. decision making, hierarchy, organisation)
6. Method of working of the Slovaks
7. Professional qualification of Slovakian employees
8. Motivation, loyalty, employee retention
9. Human Relations