

Courses for Horses – Value of Location for Japanese Managers’ Intercultural Competence Overseas

Rolf D. Schlunze

Abstract

International managers are foremost evaluated by job efficiency and return on investment. However, the responsibility of attaining the necessary intercultural competence to be successful abroad is often left to the individual managers. Transnational corporations make locational choices for their global staff but frequently ignore contextual aspects when conducting management appraisal. Nonetheless, contextual aspects such as the challenges of social integration in established local networks can help to train intercultural competence in managers. Japanese managers expatriated to Germany were surveyed in three different cities. The purpose of this investigation was to evaluate the extent to which locational settings challenge the managers’ intercultural competence. The survey revealed that a lock-in effect in the Japanese business community in Düsseldorf generates a negative impact, the cultural diversity of Berlin provides good opportunities, and a strongly German engineering culture in Wolfsburg provides major challenges for achievement in intercultural competence.

Keywords:

Management appraisal, intercultural competence, Japanese expatriate manager, local business environment, Germany

I. Introduction

Since the foundation of the Spaces of International Economy and Management (SIEM) research group at the Association of Japanese Geographers (AIJ) in March 2007, it has been my ambition to investigate managerial challenges in the context of specific business locations. While it is clear that international management is conducted in cities, there is doubt that some city locations are appropriate for this purpose.

This report is based on the notion that different managers have different preferences and show different behavioral patterns in their local adjustment process and in their networking behavior. Thus, I would like to address the notion of geography for

management studies reviewing some interesting work in the field of urban and corporate geography. Peter Dicken (2003) described how multinational organizations of various cultural backgrounds have shifted their business around the globe. As multinational business is harnessed by global or world cities, Peter Taylor (2000) launched a global research proposal leading to the creation of empirical research on Globalization and World Cities groups and networks (GaWC). However, Derudder (2007, p.609) criticized scholars who “use information on the geography of MNCs irrespective of the exact nature of their activities” building on a traditional approach investigating urban networks. He attested “clearly that assessing transnational urban networks remains a daunting task” as long as the idea of sustaining the data about flows with inappropriate data prevails. Another aspect widely ignored by urban geographers is the changing spatial organization of corporate management. As mentioned by Jones (2002) it appears to be unwise to ignore the communication in the pipeline of transnational urban networks. Disagreeing that the activities of MNEs in the global city as projected by Sassen (2001) is well conceived, he proposed an actor-centered approach analyzing the complexity and role of face-to-face interactions in a globalizing corporate world (Jones, 2007). Such changing agents within international management reinforce selective growth for company locations that achieve major power by dint of share in global markets (Thrift, 2000). The landscape and mindscape of transnational corporate networks is much more uneven, fast changing, and full of surprise than an urban geographer with traditional instruments of urban hierarchy mapping would like to imagine. Thus, actor-centered surveys are required as outlined in the following. The process of globalization has led to the creation of large scale multinational enterprises (MNEs). MNEs have exploited advances in communication technology to enable global production and marketing. These companies have become very powerful around the globe. Half of all financial resources are controlled and owned by multinational corporations. According to UNCTAD 2000 there are 63,000 MNEs with 700,000 foreign affiliates in the world. They have enormous turnover and assets. There are MNEs that appear more powerful than many countries in the world; among them many Japanese corporations (Farrell, 2008). Such global companies try to change the business environment by setting international standards – they generally try to transfer their national practices to their overseas subsidiaries (Abo, 1994).

Due to globalization, international managers are witnessing an increase of cultural diversity in transnational organizations. Expatriate managers are confronted with cultural diversity in many ways. This involves a range of people such as employees, clients, stakeholders and global managers. International managers are often seeking best practices. Good practice in cultural diversity includes the process of creating and maintaining an environment that encourages all individuals to reach their full potential in pursuit of organizational objectives (Saeed, 2005). Thus, localization is not the only appropriate success method. Managerial excellence in management of cultural diversity is about building specific skills, creating policies, and implementing business practices that

produce the best from every employee. This will not be possible in the current globalized business environment without effective intercultural communication management. Effective intercultural communication is an outcome of intercultural communication competence all participants in the communication process. The right set of personal qualities/traits, attitudes, skills, abilities, and knowledge enables a manager to manage effectively also abroad (Sae, 2005). It is obvious that knowledge achievement is very important for reaching intercultural competence. International managers should therefore learn how to develop alternative interpretations for local employees' behavior. However, it is not always sufficient to work on one's personal characteristics. It is additionally necessary to learn about the particular workplace, and try to explain and predict other peoples' behavior considering their cultural background. Spitzberg and Cupach (1984) defined intercultural competence as "an individual's ability to adapt effectively to the surrounding environment over time". Accordingly, a central feature of this definition and also of this study is the adaptability of the expatriate manager.

Our purpose was to investigate to what extent the Japanese manager interacting with German workforce developed an ability to be flexible and adaptable within different locational contexts. Further, we assume that the workplace contributes to that adaptability encouraging the manager to be sensitive to the cultural situation and acting accordingly. Finally, we will discuss whether the locational context provides a training effect for the intercultural competence achievement of the expatriate manager or not. Thus, we would like to determine what kind of workplace location suits what kind of manager and how different business locations can be facilitated for management training.

II. Method and Material

A study trip to Germany in summer of 2008 sponsored by the German Academic Exchange Service (DAAD), was the setting in which I carried out an investigation on these issues together with a student research team from August 25th to September 3rd 2008. We investigated managerial competencies and the quality of business locations. The purpose of the survey was to learn about the cultural competence of Japanese managers in their particular German working environments. We pursued the idea that management success and intercultural competence is influenced by location. Thus, our aim was to evaluate management and location. Based on our empirical findings, we sought to deepen our understanding about the context of management and location. Therefore, we chose three very different business locations for our investigation: 1) Düsseldorf, with the highest concentration of Japanese managers, 2) Wolfsburg, an industrial castle town of the multinational automobile manufacturer Volkswagen AG, and 3) Berlin, the German capital and Weltstadt that is recovering from the divisions of the cold war period.

A chief aim was to deepen our understanding of the relationship between individual managerial competence and the cultural environment. We conducted an interview survey

at these three locations in order to contrast the impact of the environment. Based on an integrated management appraisal incorporating acculturation and vocational preferences, we interviewed several managers of leading Japanese companies in Düsseldorf, Wolfsburg and Berlin. A workshop was then conducted in the preparation phase in order to build structured interviews. The workshop topics were

- A) workplaces and market places,
- B) company cases (Mitsubishi Electric, Hitachi, Toshiba, Sony, Denso, Toyota, Volkswagen), and
- C) research methodology such as processes of intercultural competence achievement described by culture shock theory.

Hofstede (1991) showed that German and Japanese cultural differences are great; nevertheless adjustment problems as shown in the curve of the cultural shock curve could not be verified by Eckert et al. (2004). One possible reason might be that locational and organizational behavior, such as corporate, market and living environment have not been fully investigated.

The above three workshop topics covered specific issues such as locations and markets, the management of particular Japanese and German multinational corporations, and of course academic theories and methodologies investigating cultural competency. Additionally we added an original tool developed by Schlunze and Plattner (2007) to investigate the locational preferences of international managers as shown in Figure 1. This approach is much different from traditional attempts to explain corporate behavior as shown by Edgington (1995) and Meester (2004). Our approach is an actor-centered approach investigating the individual preferences of an individual manager who wish to succeed in a foreign business environment.

Table 1. Framework for the questionnaire survey: Locational preferences

Environment	Preference A	Preference B	Preference C
Corporate	Collaboration within the MNE	Human resource access	Working atmosphere
Market	Cooperation with suppliers and customers in the value chain	Market opportunities	Governmental supportive setting
Living	Livable local environment	Local information network	Manifold city life

In the course of the workshop, we designed a tool for evaluation of managers as well as locations. The manager evaluation extended across three aspects: 1) communication, which is central to human [business] life and survival (Sae 2005, p.69), 2) individual culture, which is in case of Japanese management strongly influenced by the nation-specific social system and the 3) corporate or organizational culture which represents a degree of uniqueness with different potentials of transformation and adaptability.

For the business location environment evaluation, we chose to survey the Japanese managers about their views on the 1) local business culture 2) local labor market or HRM

issues that their companies experienced, and 3) the social infrastructure for Japanese business people. Dunning (1988) showed that doing business in certain locations can give an advantage to multinational corporations, but did not investigate the difficulties that need to be overcome by the individual manager in order to build for organizational success. As Figure 2 shows, this evaluation tool sees communication as an integrative tool to relate and combine the locational elements with corporate and managerial abilities (Bolten, 2007). This implies also the importance of communication for synergy creation in each place. In advance of the workshop we sent out a questionnaire and a list of interview questions to the Japanese managers who had indicated their willingness to participate.

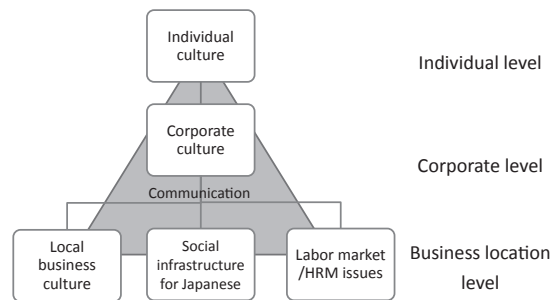


Figure 2. Framework for interview survey: Holistic approach

The survey as it was conducted and used should inspire further research that takes a holistic approach using multiple levels of analysis and applies it to locational aspects of individual managers' performance when studying their intercultural competence.

Düsseldorf

Within Düsseldorf, we visited the Japanese Chamber of Commerce and Industry (JIHK). The head of the Chamber, Mr. Fuji, and also the head of the German-Japanese Economic Council (DJW), Dr. Rubrecht Vondran, and Mr. Iwazaki of JETRO, gave presentations about Japanese-German relations and the locality of Düsseldorf. Additionally, we conducted interviews with the representatives of four Japanese firms located in the Düsseldorf area. Our Japanese interview partners at the workshop were the delegates from Hitachi Europe GmbH, Toyota Deutschland GmbH, Mitsubishi Electric Europe B.V., and Toshiba Electronics Europe GmbH. Additionally, Mr. Jansen gave a presentation about his work at NRW Invest and the State of North-Rhine Westfalia. It was proposed that NRW is one of the best German locations for international corporations and that many successful Japanese companies have located in Düsseldorf. Thanks to Professor Glebe, we received cutting edge research knowledge about the Japanese enclave, the so-called "Little Tokyo" in Düsseldorf. He stated that many Japanese residents show a strong trend toward self-segregation, but also indicated where exceptions exist. The General Consul gave us a presentation about the Japanese inhabitants and suggested that they are ambitious about

improving the quality of Japanese-German cultural, technologic and scientific exchange. At the EKO-Haus we held a seminar where Mr. Tatsuo Kamino gave a very informative presentation about the local business environment. Prof. Glebe gave a presentation that included as yet unpublished results from his survey on the segregation processes of Japanese inhabitants in Düsseldorf. Dr. Plattner from Trier University showed by analysis of the Manga character Shima Kosaku how the network of the Japanese international business community has changed over three decades. Referring to joint research (Schlunze and Plattner, 2007), he emphasized the increasing importance of the role of the hybrid manager, one who is well acculturated to the host culture. He suggested that within the network of Japanese management the role of the hybrid manager, a manager who has succeeded in acculturating to the host country successfully, as a cultural informant had become more important for the globalizing Japanese corporate world.

Wolfsburg

A tour was provided by Wolfsburg-Marketing AG with the purpose of showing us the industrial estates in the outskirts of the city. Upper and lower middle class settlement areas were visited, documenting the high living standard of the citizens. We succeeded in interviewing the managing director of DENSO. This Japanese individual was expatriated for five years to Germany and has profound knowledge and deep understanding of German management. Thus, he gave not only personal experiences, but explained to us how Quality Management differs in both cultures. On the second day, we got a Special Factory Tour from Volkswagen AG. Mr. Hermann Tiemann from Global Assignment, Volkswagen AG, gave an interesting presentation featuring HR Future Strategies for building international human capital. He has been working in HRM for ten years and had been expatriated to China for three years. In particular, our two Chinese members addressed many questions to him. We then interviewed two Japanese managers, expatriated from Volkswagen Group Japan to the German headquarters for up to three years, about their cultural experiences. Finally, we visited Volkswagen's theme park, Autostadt, to learn about Volkswagen and its affiliated companies.

Berlin

Ms. Silke Matzeit, a researcher of the department of geography at the Free University Berlin, led an excursion entitled "Capital City Berlin". The excursion started at Friedrichsstraße, featuring the symbolic and political importance of the Reichstag for Germany and ended with a discussion of the economic aspects of the new/old German capital at the Potsdamer Platz, where, nowadays, high-rise buildings host international hotels, office space and the Sony Center.

At Ludwig Erhard Haus, Sven Harpering from Berlin Partner GmbH organized a Workshop in collaboration with JETRO Berlin about the business environment in Berlin. Delegates from Hitachi Software Development, Toyota Berlin and Chisso GmbH

participated in the workshop and gave presentations introducing their company and explaining in detail about their experience in the intercultural workplace during the interviews. Dr. Lech Suwala, a doctorate candidate at the department of geography at Humboldt University Berlin, led an excursion entitled “Berlin: a Global City!?” featuring the industrial politics and acquisition of media industry in a critical way. At the 2008 IFA Berlin, a consumer electronics fair that is one of the oldest industrial exhibitions in Germany, we interviewed a Japanese manager of Sony Berlin and a German female manager of Sharp. On the last day of our study tour, we presented our preliminary research results to the members of the Center of Japanese Language and Culture at Humboldt University Berlin (HUB). After our return we developed the material from the excursion and the interviews. We presented the research results at the OAG Center in Kobe in October 2008 and received feedback from the local German business community. Based on the survey data we created tables that summarized the images and impressions that we got from the interviewees in each location.

Findings

In the following, I will give only a brief overview of the main research findings extracted from our team members' presentations sorted by the six categories of the investigation.

1. For successful international communication of greatest importance are finding a common language, bridging cultural distances, and adjusting to the local system of meanings, leading by listening, getting involved, and sharing information and purposes by building trust based relations. In Düsseldorf and Berlin the common language was English, on the other hand in Wolfsburg it was German. However, using German appeared to be advantageous for building trust with subordinates. Further, job satisfaction also arises from language achievement. Thus, the Wolfsburg-based manager, challenged to extend his personal information network, was by preference integrated in the local network. Language achievement also determines the impact and the outcome of received culture shocks and therefore has an effect on the individual or personal cultural of a manager as we will see in the following.

2. The successful manager's personal culture centers on balancing honesty and respect with modesty. This manager is eager to learn from the local managers as well as other expatriate managers, he/she enables the local staff to get involved with decision-making, and bridges cultural differences through tolerance, he/she reconciles individualist and collectivist ways, and is good at balancing individual responsibility and team work. Also, that manager's working style is reflected in trying new approaches, and deriving joy from global assignments. However, successful managers able to create synergy in the intercultural workplace undertake serious efforts to get to know cultural roots. All managers emphasized that they feel comfortable and relieved about living in Düsseldorf,

but also mentioned difficulties integrating and sharing information with German people outside of the workplace. Thus, they had difficulties understanding the German mindset. In this location, managers based in other locations indicated having achieved a deeper understanding since they had to overcome more difficulties. For example, the Wolfsburg based manager had to struggle to overcome many cultural differences, but also developed good practices and strategies for his adjustment to the location. In Düsseldorf, it was harder to find solutions since the culture shock was absorbed by the Japanese business community. This enclave situation was often mentioned as having a lock-in effect (Befu and Guichard-Anguis, 2001). Soon the investigating team realized that this was affecting the intercultural competence in a negative way. According to Mead (2005), cultural diversity in a workplace provides both opportunities and difficulties. Cultural diversity presents major opportunities for synergy. Such a positive effect was emphasized by the Berlin-based managers.

3. Knowledge about Japanese corporate culture also contributes to intercultural competence among the Japanese expatriate managers. In particular, flexible comprehension of company culture is appreciated by local coworkers. Japanese executive managers therefore need to take their ambassador role seriously. They need to address differences, but also need to identify similarities.

4. The business culture at the three locations varied considerably.

- Düsseldorf has the highest GDP among the cities of investigation. The majority of the city's international inhabitants are wealthy business people and managerial talents. Managing in Düsseldorf is encouraged by the entrepreneurial character of this industrial town on the Rhine, a traditionally preferred headquarter location for manufactures operating in the Ruhr area, but the high concentration of Japanese people does not challenge Japanese individuals to adjust to any large extent to the German environment. Most managers feel very comfortable and do not have any problems, but in fact seldom communicate with Germans after work. The lack of communication with German people makes it difficult to comprehend their local employees' demands. However, cross-cultural seminars offered by various organizations support the individual adaptation process and help participants to fit in with the local management style.
- Managing in Wolfsburg, on the other hand, means that Japanese staff needs to work in a German workplace. This challenges the individual manager to adjust to local management style. Here, the ability to speak the local language is very much required. The managing director attended a language school and met with his subordinates after work and privately to understand the German way of thinking. Further, he felt the need to adapt to German management practices. Based on this understanding he successfully implemented some practices of his parent company thereby bridging German and Japanese culture. Becoming increasingly culturally competent, he felt confident enough

to implement the way of his company becoming ultimately an ambassador of his corporate culture. The biggest remaining challenge as seen by him was in motivating local employees.

- Berlin has a large international community with international talented students, scientists and artists but the labor market in Berlin is not sufficient to maintain a talent pool. After the fall of the wall, Japanese companies did set up representative offices in Berlin but withdrew in the mid of the 1990s. Ultimately, Sony also decided to withdraw and sold the Sony Center in November 2007. Accordingly, the European headquarters function will be shifted to the London office. Only a few Japanese companies are doing business in Berlin and there is no self-supporting Japanese business community as in Düsseldorf. For our Japanese interview partners, managing in Berlin means experiencing a multi-cultural workplace and challenging their inter-cultural management skills. The argument of easy access to the emerging East European market has weakened since it has become safe to invest in those countries directly. What attracts and holds the Japanese multinational firms of the interviewed managers are young talented people in design, media and software development. Further, government contacts were mentioned as important for winning government projects such as sustainable future traffic systems.

5. Japanese managers also had different experiences in the particular labor markets that demanded different strategies in International Human Resource Management (IHRM). The availability of workers with intercultural experience and language skills supports the management process. Managers based in Düsseldorf could often rely on the support of German staff with a good command of Japanese and an understanding of the different culture. The lack of such staff in other locations also has its implications for motivating local staff members. Here there is additional need to adjust to local salary and promotion systems. Nevertheless, working for a better life, as a common concept, can bridge culture. Japanese managers are required to overcome stereotypes about overwork.

6. Japan-specific infrastructure was seen as important for Japanese management abroad. For example, flight connections were seen as crucial for attracting investors from Japan. Nonetheless, none of the three cities had this to offer. Information services, provided by the Japanese Chamber of Commerce in Düsseldorf (JIHK), JETRO, Japanese General Consulate and the German-Japanese Economic Circle (DJW), were evaluated as important sources of information about the external business environment. In Düsseldorf, there is a lack of Japanese media. This industry is concentrated in Berlin and is mostly concerned with observing German politics. Support services, such as economic information services, Japanese/international schooling, and shopping facilities with Japanese language speakers, and Japanese restaurants in Düsseldorf cannot be beaten by the other locations. A very important argument of the Japanese managers was that could build relations of

trust in Düsseldorf with local sales agencies. This led us infer that organizational learning is more important than individual learning in this spot. In Wolfsburg the relations are rather new and trust has not been fully established yet between the major client and the Japanese company. Here, very harsh price strategy and, simultaneously, high quality demands affect corporate relationships. These results are summarized in the tables below enabling the reader to get the picture for the managerial problems in each location. For our research purpose it is necessary to advertise the results by location and not on the individual level. One reason to interview other actors than managers was to investigate hidden preferences. Therefore, we undertook an assessment based on the input of all interviewees in order to provide an unbiased view of each location.

Table 2. Overview of manager evaluation results

<i>Manager evaluation</i>			
	Düsseldorf	Wolfsburg	Berlin
<i>Language competence</i>	Δ	⊙	○
<i>Cultural adjustment ability</i>	Δ	⊙	⊙
<i>Intercultural exchange</i>	×	⊙	⊙

Legend: × weak, ○ small, Δ medium, ⊙ strong

Table 3. Overview of location evaluation results

<i>Location evaluation</i>			
	Düsseldorf	Wolfsburg	Berlin
<i>Infrastructure (for Japanese)</i>	⊙	×	Δ
<i>Trade-oriented business culture</i>	⊙	○	Δ
<i>Diversified labor market</i>	Δ	○	⊙

Legend: × weak, ○ small, Δ medium, ⊙ strong

Table 4. Overview on results of location preferences

<i>Locational preferences</i>			
<i>Environment</i>	Düsseldorf	Wolfsburg	Berlin
<i>Corporate</i>	Human resource access	Collaboration within MNE	Human resource access
<i>Market</i>	Governmental support/ Market opportunities	Collaborative development	Market opportunities
<i>Living</i>	Livable living	Information network	Information network
<i>City preferences</i>	Work & living	Work	Work

Via the questionnaire survey we investigated locational preferences, cultural orientation and the culturally fluent informant in the ego-network of the manager. This information also helped us to learn about the cultural competence of managers in relation to their

particular working environments. Japanese managers participating in the survey have been expatriated from the parent company and worked as general manager, managing director or president. Among them are newcomers as well as managers with a decade of work in Germany. Therefore, we conclude that the more experienced a manager is, the more it is likely that he can achieve cross-cultural competence in the intercultural workplace. Table 3 shows an overview of the most frequently mentioned locational preferences of the Japanese managers by location. The preferred behavioral orientation and related strategies are explained in the following.

Corporate environment

The Japanese managers stated that human resource management is most important. Second, the working atmosphere was identified as important, but for the Wolfsburg-based manager collaboration within the multinational company network was most important. Therefore, we conclude that the more remote a location is, the more important collaboration within the corporate network becomes. Here we observed sectoral and locational effects. Wolfsburg has a well-trained labor pool in automotive engineering. Conversely, in Düsseldorf and Berlin the local staff at Japanese subsidiaries must perform a range of tasks and access to skilled workers is more problematic. Further, the loyalty of the employees in these international places is difficult to maintain since there are many more employers competing in the labor market.

Market environment

Market opportunities are most important for the majority of managers based in Düsseldorf and Berlin. For the Wolfsburg-based managers the collaborative development with the Volkswagen AG was most important. A supportive government was important for the managers based in Düsseldorf. Interviews with NRW Invest showed that special efforts are undertaken to encourage Japanese firms to continue their commitment to the location Düsseldorf. BerlinPartner also competes for Japanese investors, whereas the Wolfsburg AG did not show much interest in learning about potential investors from Japan. The political will to spur the local economy with Japanese investment differs by location. Options of locational specialization and diversification in trade and industry are perceived differently. The individual manager often underestimates these differences until he or she is confronted with the reality on the particular market environment, but builds up preferences to succeed in the particular place. Therefore, we propose that in locations with a lower degree of internationalization other preferences than market opportunities are more important.

Living environment

A livable living environment is most important for expatriated managers. The managers

who lived in Berlin and Wolfsburg placed greater emphasis on the local information network whereas managers living in Düsseldorf had greater preference for manifold city life. Therefore, we conclude that managers show preferences in their private life that are relatively scarce at the location where they live. They are conscious about where they need to make additional efforts to succeed with their task of embedding in the local living environment. An alternative interpretation would be that Japanese managers in Düsseldorf demand more nation-specific support and enjoy an entertaining cultural infrastructure with Japanese restaurants and pubs, while those based in the periphery must seek out local cultural informants and rely on local amenities to achieve satisfaction from their living environment abroad.

Preferred workplace and living place

Düsseldorf is the preferred working place of Japanese managers, but the manager based in the periphery indicated that he prefers to work and live in Wolfsburg. A similarly clear yes-vote for the current work location came also from a Berlin-based manager. Berlin appears indeed to be not an easy place to live for Japanese managers accompanied by their families. Thus, reasons and motivations for choosing a particular location might differ by corporate culture. For example, the initial cause may be the decision of the human resource manager to expatriate a staff member rather than individual preference, or characteristics of the particular location. These are often unknown by the manager to be expatriated prior to their arrival on the spot. However, in order to be efficient, the manager builds up his preferences which differ by location. Therefore, we conclude that the longer the duration of the manager in the periphery, the more job satisfaction stems from the attainment of cultural expertise. Thus, we argue that the cultural competence needed to produce synergy differs by the degree of internationalization for each location.

Behavioral orientation

Düsseldorf-based managers indicated a stronger orientation to take risk, then the Wolfsburg-based manager. Thus, we conclude that in a less international or nation-specific business environment, more caution towards cultural issues is paid by the Japanese manager. Thus, cultural sensitivity can be developed by preference in peripheral locations. Nevertheless most Japanese managers perceive themselves as changing agents. However, although the literature of international management and marketing emphasizes the impact of foreign managers on local business and market environments, it is obvious that the environment's impact is often stronger. Therefore, managers often need to change themselves to succeed in the foreign business environment.

Most managers based in Düsseldorf and Berlin felt sufficiently confident to apply home country practices, while the Wolfsburg and Berlin-based managers indicated more efforts to adapt to the local business practices. Consequently, we anticipate that the lower the nation-specific support of a location is, the greater the will to adapt to local

practices. The details garnered in Berlin also tell us that a more internationally diverse location encourages the international manager, independent of nationality, to undertake efforts to fit into the international business community or so called “community of practice”. Correspondently, Berlin-based managers were more concerned with problems of globalization. This infers that a more international diversified location encourages the expatriated manager to think globally when adapting to local practices.

Nevertheless, the Wolfsburg or periphery-based manager felt that he was not contributing to the international business community. Thus, we conclude that it takes a certain critical concentration of international managers with a similar value system. The headquarters of Volkswagen AG are located in Wolfsburg. The pride of German engineering and also a traditional German corporate culture dominate the workplace. Therefore, we conclude that the expatriated manager needs to become networked locally in order to share knowledge and translate nation-specific expertise within the local business community. Berlin-based managers indicated that they are well integrated in the host community; however managers in other locations did not. Thus, we can expect that if the Japanese business community is too small or too big, negative effects such as exclusion or the lock-in effect occur. In the case of the Wolfsburg-based manager such exclusion was overcome by a thorough cultural adjustment over a longer period of time. The lock-in effect in the Japanese business community in Düsseldorf appears to prevail even though individual managers had developed cultural competence for doing business in Germany from previous assignments.

Experience and challenge

The Wolfsburg/periphery-based manager paid more importance to achieve German/local language skills to be used in the workplace. Thus, we conclude that the lower the degree of internationalization the more the manager needs to make efforts achieve cultural expertise about the host country including linguistic knowledge.

All managers stated that they have sufficient experience to work in Germany. However, the Wolfsburg-based manager was the most modest about his expertise although he exhibited the greatest cultural competence for doing business in Germany. Thus, we must realize that there is a cultural bias: skillful managers do not overemphasize their ability but tend to focus on their challenges.

All managers' spouses or partners were said to be understanding of the managers' work. In conducting this research, we suspect that Japanese managers are disinclined to indicate any problems since they like to protect their privacy and image. Most managers were actively involved in the decision making of the local subsidiary but merely indicated that they succeeded in creating cross-cultural synergy. We consider that Japanese managers do not account for success individually but as a team. Therefore, their intercultural competence needs to be investigated more deeply from a perspective of collaborative development. The first step would be to survey personal networks and identify cultural

informants within those networks.

III. Discussion - Networking for intercultural competence

The managers based in Düsseldorf and Wolfsburg choose as a first adviser a German national working in the same company with whom they had frequent face to face contact. However, Düsseldorf-based managers confessed that their second and third advisers were Japanese nationals. Thus, we conclude that the stronger the Japanese business community the more the expatriate managers consult among themselves about business problems, perhaps not investigating deeply enough about local views and solutions. In Düsseldorf, the collectivistic behavior of the Japanese business people helps to reduce risk and improves uncertainty avoidance, but it appears that in other locations the Japanese manager are often going through a cultural shock phase. This actually encourages the development of artificial adjustment strategies. This cultural learning is very important qualification to create synergy with the local managers and co-workers in the intercultural workplace. In place with a high concentration of nation-specific information the organizational success can be easily achieved. However, our findings infer that the disadvantage of a spare nation-specific network can be turned into an advantage by extending into local information networks and engaging with local or hybrid managers who can function as cultural informants. According to the president of the Japanese Chamber of Commerce and Industry in Düsseldorf, we find increasingly rarely Japanese managers who succeeded to become a hybrid manager in Düsseldorf since globalization process demand increasingly different qualities from Japanese expatriate managers. However, the results of this investigation infer that:

- the global “community of practice” cannot simply be transferred anywhere;
- certain places still train intercultural competence for a particular local culture;
- and international managers cannot neglect local business culture exclusively to interact with other international managers.

Following these points, Wolfsburg appears to be a good location for knowledge building regarding German automotive engineering and management, because here a manager needs to develop the utmost intercultural competence on German management in order to integrate with the local workforce and a technical demanding client. Additionally Berlin can be seen as a good location to train cross-cultural management skills because networking with a multi-cultural workforce inside and outside their companies offers more European-wide and global training challenges. Finally, for those Japanese managers to be trained in the German business environment, Düsseldorf is convenient for both newcomers and experts on doing business in Germany but does not always offer sufficient training challenges for gaining intercultural competence. Accordingly, Glebe (2001) showed that the supportive infrastructure for Japanese businesses in Düsseldorf

contributes to the efficiency of Japanese companies, but also indicates that the spatial segregation of the Japanese population reduces opportunities for interaction with local inhabitants. This decreased interaction, therefore negatively affects the cultural adjustment of Japanese managers. Thus, we can conclude that the better the nation-specific support, the more difficult it will be to raise intercultural competence. On the other hand, an industry-oriented business culture challenges intercultural competence positively when sector-specific knowledge is target. However, it appears that a multi-cultural workplace is most suitable for the growing intercultural competence of international managers. Thus, we concluded that there are “courses for horses”, i.e. specifically suitable choices for specific needs.

This multiple case study has clearly taken a step in the direction of understanding the relationship of location and intercultural competence of international management. However, case studies do have their limitations and cannot be generalized with certainty. Therefore, an expert panel should be conducted to verify following the hypothesis:

The higher the cultural diversity in the workplace, the greater the intercultural competence of the individual international manager.

After making necessary improvements and modifications of the framework, this survey should be replicated at all major locations for Japanese businesses in Germany, testing the abovementioned assumptions. Nevertheless, it has become obvious through this study that a local and global business environment challenges the intercultural competence of the international manager more than managing in an enclave situation. This implies that Japanese multinational firms should be aware that different locations will challenge and train the expatriate manager in a different way and that short-term efficiency does not promote long-term efficiency in cross-cultural management.

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