



Case Study

SUBJECT:

TRANS-CULTURAL INTEGRATION

EVENT:

THE TRIAD PROJECT (1994)

SUMMARY:

In 1994 three competing companies, Toshiba, IBM and Siemens determined to work together on a joint venture project with 100 leading scientists with the purpose of developing the Next Generation Computer Memory Chip. Despite the common chosen field of practice, intellectual background and common goal, the project deteriorated over a period of three year and ended without success. How did the personal and cultural differences interfere with the business objectives to such a degree that the organizations could not overcome the diversity? What should have been different in the strategy or implementation to avoid repeating these mistakes in your business ventures? In any joint business efforts, alliances and partnerships there is diversity in business or personal culture. How you manage diversity can often impact the degree of your success.

Trans-cultural Integration – The Triad Project

In 1994, three competing companies from three continents teamed together on an ambitious project to revolutionize the computer memory chip. Following on previous joint venture successes, IBM and Toshiba teamed with Siemens AG of Germany in an effort to design and manufacture a low cost / high performance memory chip. Toshiba had expertise in semiconductor and computer production, IBM had expertise in logic designs and computer systems, Siemens AG also called upon engineers with Fujitsu computer expertise. The competing computer manufacturers agreed to bring more than 100 scientists to single location to share their knowledge and experience in an effort to combat the mounting market pressures from Texas Instruments, Hitachi, NEC and Samsung.

Speculation was that the goal of inventing a revolutionary memory chip would be enough to develop synergy between the scientists from the three diverse organizations. In the beginning of the project excitement of the scientific atmosphere and the promise of the future were enough to sustain good will and communication. However, with time, the three groups became more isolated in methods, processes and behavior. The diversity of regional cultural differences escalated the company culture differences.

The Toshiba and IBM engineers perceived the Germans as rigid and secretive. The German engineers preferred to study in isolation, with doors closed for quiet reflection. They preferred to have offices and partitions (cubicles) to separate the individual resources. The German engineers constantly reviewed and questioned processes and results, even after consensus.

The IBM and Siemens engineers were surprised to see their Japanese counterparts sleeping in meetings, and perceived this to be lazy and disrespectful. The Toshiba engineers liked to have meetings to review activities rather than to initiate them. The Japanese preferred working in large groups, without boundaries between managers or supervisors and employees. The Japanese always seemed to agree in conversation, but rarely in action.

The Siemens and Toshiba engineers were annoyed that all conversation and planning needed to be conducted in English. They perceived the Americans to be sloppy, self-centered and too independent (“lone cowboys”).

Siemens briefed employees on what it calls America's "hamburger style of management." American managers prefer to criticize subordinates gently. They start with small talk: "How's the family?" That is the top of the hamburger bun. Then Americans slip in the meat, criticism, and they exit with encouraging words—more bun. With Germans, all you get is the meat. And with the Japanese, it's all the soft stuff—you have to smell the meat.

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Regarding necessities like eating habits, food preferences, bathing and entertainment, the gap in diversity became even more apparent. Even for a group of intellectual scientists, the differences in smells, sounds, personal habits and smoking became a focus for separation between the groups.

One effort to bridge the differences backfired. In an attempt to overcome personal differences at work by developing teamwork outside of work, the Triad Project coordinated a softball event. The Americans and Japanese knew the game well, but the Germans did not. Highly motivated to represent the German culture in the new sport, one scientist hit the ball and raced to the first base. He beat the throw, but made the mistake of hitting the base stiff-legged and fractured his hip. A Japanese co-worker took the German scientist to the hospital. An American colleague loaned him a laptop computer to use while at home nursing the injury. As a result, the groups finally reached consensus on canceling any further cross-cultural softball projects.

One small consolation, the German scientists found what he called, "the perfect doctor." The perfect doctor spoke German, studied in Switzerland, and understood when something hurts when explained in a foreign language.

The cultural differences and stereotypes that each group applied to the others eventually degenerated from lack of communication to lack of cooperation, lack of mutual effort and lack of trust. Without a common culture or means to bridge the gaps, the Triad Project finally disbanded without success.



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