Master Degree Project in Knowledge-based Entrepreneurship

The Effect of Organizational Cultural Differences on International Joint Ventures – A Case Study

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- A Case Study

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I. Abstract

Background and problem
The distinctive search after competitive advantage and new opportunities are fundamental characteristics of an entrepreneurial firm. The number of entrepreneurial corporations seeking competitive advantage through external corporate venturing, namely joint ventures (JVs), has increased drastically in the past few decades. Yet, the conflicts and problems arising at JVs are also on the rise, triggering high rates of failure. National and organizational culture differences between the partners are the main reasons behind the failure of JVs. But in relation to national culture, the organizational culture differences can be manageable and something that can be modified.

Research purpose
The purpose of the following research is to investigate the common problems arising at JVs and whether those identified problems are linked to the differences between the partners organizational culture. The findings would help companies involved in cross-organizational collaborations better mitigate the risk of failure and potentially achieve the entrepreneurial outcomes expected from such collaboration.

Methodology
The following research was carried out using a single case study of a JV in its post-formation phase. Qualitative research strategy was chosen to get a deeper understanding of the social phenomenon throughout both, empirical investigations and data analysis. The empirical data was collected through semi-structured interviews with 12 respondents from the parent companies along with observations.

Results
The results of the study show that JVs barriers to success are namely communication, commitment, trust and control which were also found highly linked to the similarities and differences identified between the JV partners. It was found that when organizational cultural similarities existed among the JV partners, there was no identified problem at the JV explicitly under commitment and trust. Whereas when differences were identified, specifically within communication and control, it signaled problems or potential problems that might arise in the future of the venture.

Implications
The findings of our study add to the body of research attempting to understand the underlying causes of the problems arising at JVs. Differences between the organizations cultures of the JV partners was found to be highly associated with the problems arising. Practitioners can use the framework constructed in this study to have a better understanding of the similarities and differences between the partners.

Key words: corporate entrepreneurship, external venturing, joint venture, international joint venture, organizational culture
II. Preface

Along the course of this research many valuable insights and experiences have been obtained. We have gained a deeper knowledge in the research field but also about research methods and how to collect, analyze and interpret data in order to draw conclusions, which have been very rewarding. Working in a team of two has been both challenging yet valuable. We have motivated each other in times of need. We walk away from this experience with a sense of proud over our achievement.

We also would like to take the opportunity to thank our supervisor Karin Berg for the valuable input, feedback and support throughout the course of this research. With her knowledge and experience she guided us through the many pitfalls of writing a master dissertation. The authors would also like to express their appreciation to Magnus Carlunger at Bulten AB for his great support throughout the process and also by sharing his experience, knowledge, and network which made it possible for us to gather valuable data. Special thanks go to the CEO of Ram-Bul Gill Sukhvinder and the CEO of Ramco Specialties, Rick Malson, for their kind accommodation and support during our visit to Hudson, USA. Finally, we would like to thank all our respondents, which without their feedback, the study would not have been possible.

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## III. Table of Content

1. Introduction ................................................................................................................................................ 1
   1.1 Background: Corporate Entrepreneurship and Business Paradigms ......................................................... 1
   1.2 Problem Discussion .................................................................................................................................. 1
   1.3 Research Objective .................................................................................................................................... 4
   1.4 Delimitation .............................................................................................................................................. 4

2. Theoretical Background ............................................................................................................................... 5
   2.1 Entrepreneurial Benefits of Joint Venture ............................................................................................... 5
   2.2 Background: Culture ............................................................................................................................... 5
      2.2.1 Debate: National or Organizational Culture? ..................................................................................... 6
   2.3 Organizational Culture ............................................................................................................................. 7
   2.4 Barriers to Success .................................................................................................................................... 7
      2.4.1 Control ............................................................................................................................................ 8
      2.4.2 Commitment .................................................................................................................................... 9
      2.4.3 Trust ............................................................................................................................................... 9
      2.4.4 Communication ............................................................................................................................... 10
   2.5 Established Frameworks .......................................................................................................................... 11
      2.5.1 Framework 1: The Focus Model of Organizational Culture .............................................................. 11
      2.5.2 Framework 2: Organizational Type and Congruence ....................................................................... 12
      2.5.3 Framework 3: Hofstede’s Organizational Culture ............................................................................. 13
      2.5.4 Framework 4: Coming to a New Awareness of Organizational Culture ....................................... 15
   2.6 Research Framework ............................................................................................................................... 16

3. Methodology ................................................................................................................................................ 19
   3.1 Research Strategy ..................................................................................................................................... 19
      3.1.1 Methodological Reasoning ................................................................................................................ 19
   3.2 Research Design ....................................................................................................................................... 20
      3.2.1 Case Study Concerns ......................................................................................................................... 20
      3.2.2 Case selection and sampling .............................................................................................................. 20
   3.3 Data Collection ....................................................................................................................................... 21
   3.4 Research Methods ................................................................................................................................... 21
      3.4.1 Literature Review ............................................................................................................................... 21
      3.4.2 Semi-structured Interviews .............................................................................................................. 22
      3.4.3 Observation ....................................................................................................................................... 23
      3.4.4 Interview Guide ................................................................................................................................ 24
   3.5 Data Analysis .......................................................................................................................................... 24
   3.6 Research Quality ..................................................................................................................................... 25
      3.6.1 Reliability .......................................................................................................................................... 25
      3.6.2 Validity ............................................................................................................................................. 26

4. Empirical Findings ..................................................................................................................................... 28
   4.1 Case Study / Context ................................................................................................................................. 28
IV. Index of Figures

FIGURE 1. THE FOCUS MODEL OF ORGANIZATIONAL CULTURE.................................................................11
FIGURE 2. A MODEL OF CULTURE TYPES FOR ORGANIZATIONS..........................................................12
FIGURE 3. A MODEL OF CULTURAL CONGRUENCE FOR ORGANIZATIONS........................................13
FIGURE 4. HOFSTEDE’S SIX DIMENSIONS...........................................................................................13
FIGURE 5. THE LEVELS OF CULTURE AND THEIR INTERACTION .........................................................15
FIGURE 6. CONSTRUCTED FRAMEWORK.............................................................................................18
FIGURE 7. CORE VALUES AT RAMCO SPECIALTIES..............................................................................29
FIGURE 8. CORE VALUES AT BULTEN AB............................................................................................30
FIGURE 9. SIMILARITIES AND DIFFERENCES AMONG JV PARTNERS................................................64

V. Index of Tables

TABLE 1. OVERVIEW OF CONDUCTED INTERVIEWS..........................................................................22
TABLE 2. DICTUM OF RESPONDENTS.................................................................................................26
1. Introduction

In this chapter an introduction to the research field will be made followed by a presentation of the problem and research question of the study. The chapter wrap up by presenting the delimitations made in the study.

1.1 Background: Corporate Entrepreneurship and Business Paradigms

As the world's markets grows bigger and organizations are ever more global, the importance of competitive advantage becomes even greater. During the nineties, the pace of new technology accelerated and in order to manage this and not become obsolete the business landscape started to shift (Douma, Bilderbeek, Idenburg & Looise 2000). Whilst new technology reached the market in high speed the world also became more global where there no longer were any problems sending products anywhere in the world. The business paradigm of globalization will impact companies in whatever industry you look at.

One way to cope with the accelerated pace of technology and globalization is to find competitive advantage. The distinctive search for competitive advantage and new opportunities are a fundamental characteristic of the entrepreneurial firm. Activities such as these can be categorized under what is called corporate entrepreneurship, which can be divided into strategic renewal and corporate venturing (Espinosa & Suanes 2011). The differences of the two lies in the focus of internal / external creation and development. According to Kuratko and Audretsch (2013) all forms of strategic renewal brings about implementation of organizational innovation in the pursuit of competitive advantage by solely focusing on internal change of the organizations already established operations. Moreover, looking at the other category of corporate entrepreneurship, namely corporate venturing, you will instead find that strategic alliances and external partnerships are used to a high degree in order to reach competitive advantage (Covin & Miles 2007). Corporate venturing can be distinguished in different ways, either through internal corporate venturing or external corporate venturing (Kuratko, Hornsby & Hayton 2015). As the two categories entail the classification of these activities are based on how you structure the set-up of the new venture. Activities where the parent company creates and owns the new business within the current corporate structure are typical activities in the internal venturing category. When it comes to external venturing the most common setup is when two or more parties jointly invest time and resources into a new external venture such as a joint venture (ibid).

1.2 Problem Discussion

Joint venture (JV) and similar forms of organizational collaborations are considered as one of the oldest commercial practices that were used in Mesopotamia and Ancient Egypt when conducting overseas business transactions. In the past few decades, there was a significant increase in the number of JVs globally (Demirbag & Mirza, 2000). The dynamic nature of the emergent international business opportunities along with increased risks, complexity, and uncertainty, facilitates the growth of this phenomenon (Sahebi, Nickel & Ashayeri 2014). In this thesis, JVs are defined as a venture that results from the contractual agreement of two or
more legally separate organizations, which are often called parents, in which they actively participate in sharing the risks, benefits, and decision-making of the JV (Geringer & Hebert 1989; Harrigan 1986). According to Geringer and Hebert (1989), when at least one of the parent organizations is headquartered outside of the country of the JV or if a significant amount of the ventures operations is carried out in more than one country then its considered as an International Joint Venture (IJV).

The topic of IJVs has recently been receiving a notable amount of attention in strategic management and international business literature. The literature on IJV was mainly carried out using three theories or what Kogut (1988) calls “motivations” and that is namely the transaction cost theory (minimize uncertainty, sharing risks, and reduce agency costs etc.), the strategic behavior theory (improve strategic position, possibility of increase in profit, economies of scale, and higher bargaining power which leads to superior competitive advantage) and the organizational theory (transfer of: knowledge, skills, technologies, and capabilities). In an effort to better explain the trend of research Beamish and Lupton (2009) divided IJV processes into four main phases and that’s namely: (1) evaluating the strategic reasoning behind the creation of such partnerships, (2) the process of selecting a partner, (3) negotiation and terms of agreement, and (4) implementation of partnership and the management of the business. The first three phases comprise the formation of the venture and the fourth phase address the post-formation stage of the IJV. This is interesting when investigating an entrepreneurial organization and to what extent and in what ways the trends are applied and executed. Therefore, the main focus of the following research will be on the post-formation stage of the IJV since in this phase, entrepreneurial activities such as local market knowledge and other types of knowledge are shared between the parent companies. According to Beamish and Lupton (2009), tacit knowledge of a market is easily shared through a JV with the use of experienced personnel, which is considered as a proof of entrepreneurial activities in the post-formation phase.

Despite the increasing amount of IJV and the benefits that follows, this form of business collaboration is associated with vast drawbacks and high rates of failure. The presence of more than one parent makes IJV difficult to manage and is often characterized by its poor performance (Drucker 1974; Killing 1983; Geringer 1986; Tjemkes, Furrer, Adolfs & Aydinlik 2012). Organizations that use JV as an entry mode to foreign markets tend to focus primarily on the benefits they would receive from such a partnership and pay less attention to the costs involved maintaining the IJV which could be both difficult to predict and substantial (Morris & Hergert 1987). Yet, majority of the problems encountered at IJVs was found to be cultural related factors (Meschi 1997; Cartwright & Cooper 1993; Harrigan 1986). In the same vein, Swierczek (1994) claims that majority of conflicts and failures are a result of the development of new culture in IJVs.

"Culture is the social energy that drives - or fails to drive - the organization." – Swierczek (1994, p.34)
Mohr and Puck (2005) argue that cultural differences are important factors to be considered when studying the problems and conflicts of IJVs. As Swierczek (1994) explain, culture is the fuel that will lead an organization to success or failure and what provides the direction to the employees. However, Ozorhon, Arditi, Dikmen and Birgonul (2008) argue that national cultural differences are out of management control and therefore the focus should be shifted to what’s more controllable by the management and that is organizational culture.

When investing into an IJV, it's understood that culture will differ on national and organizational level, thus making it difficult for partners to agree on mutual goals and actions on how to solve problems even if they shared the same or similar values and cultures (Hofstede & Hofstede 2005). Nielsen (2002) identified three related negative effects of national cultural differences on the performance of IJVs’, namely communication problems, misunderstandings causing managerial conflicts, and that it destroys the chance of utilizing all partners competencies. The differences in culture between partners in an IJV are, as mentioned above, a multi-level impacting phenomenon. But in relation to national culture, the organizational culture differences can be manageable and something that can be modified. If you know how to recognize the pitfalls before they turn into conflicts you can avoid unnecessary problems (Ozorhon et al. 2008). This has been a problem in the case of Bulten AB, a car part supplier with approximately 1,300 employees in seven countries and some of the world’s largest automotive companies as their customers.

During the last few years, Bulten AB have, as many other companies, understood the usefulness and possibilities of corporate entrepreneurship through the endorsement of cross-organizational alliances. Bulten have found that by entering a new market through a JV with a local partner, they can lower the risk of newness (new market) and also acquire market knowledge at an early stage. Other entrepreneurial outcomes that could be expected from such a collaboration can also be explained as, shorter time to market through the access of the other partners network and existing customers, and rapid growth. These alliances, has not to anyone’s surprise, also come with problems and conflicts that has been discerned from differences in the two partners organizational cultures. The effort put into the solution of these conflicts has been to manage them once they already have happened, and therefore also already made its damage. But this is now about to change when Bulten AB just recently established a new IJV with an American company, Ramco Specialities Inc. It has become clear that the solution is not to wait for the inevitable conflicts to occur but to work in a proactive manner with recognition and avoidance of conflicts.

Bulten AB decision to enter the US market came after their largest customer in Europe established a production line in the US. The communications with their customer in the US was far from what it’s like in Sweden, which pushed their cross-organizational strategy to the top of the list. The firm's entrepreneurial management believed that by partnering with an
established firm in the US, they would minimize their risk of greenfield investment and share the risk with a firm that have the market knowledge needed. Another objective was to tap into one of the world largest automotive markets and grow their business in North America. That said, Bulten couldn’t find anyone who’s a better fit than their American supplier Ramco Specialties. Ramco has been Bulten’s supplier of complementary products for nearly 20 years. The partners have never been competitors at any point in time and had established an excellent business relationship together over the years. Ramco state of the art new facility, business relationships, and market knowledge made them the perfect match for this collaboration. With this collaboration the two parent companies can become successful in their entrepreneurial activities and broaden their businesses through new networks and shared knowledge.

1.3 Research Objective

The objective of this study is to investigate what possible problems might arise in an IJV and if these problems are linked to the organizational culture differences of the partners. By doing so, firms involved in cross-organizational alliances will recognize the differences in organizational culture, minimize the risk of failure, and ultimately improve its entrepreneurial performance. In order to propose this recommendation, the setting of the young IJV needs to be explored and observed. Bulten AB will act as a case for the research where the study will be anchored and legitimized. With above problem description in accordance with the objectives of the study, the researchers have delineated into the following research questions:

*How are arising problems within international joint ventures embedded in organizational culture?*

By investigating earlier literature on IJVs, the authors will be able to develop a theoretical framework, which helps in the empirical investigation.

1.4 Delimitation

Since the main objective of this study is to investigate what possible problems might arise in an IJV and if these problems are derived from differences in organizational culture, literature on national culture will be of less focus. The research will mainly focus on organizational culture since other cultural aspects such as national culture cannot be manageable or controlled and the aim is to find what can be managed by the firm. Moreover, due to time and resource constraints, this study will only consider the post-formation phase of a joint venture agreement. This means that neither the search process nor the aftermath of a joint venture will be considered, as it will not add any value when answering the research question.
2. Theoretical Background

The following chapter will start out with the entrepreneurial benefits of JVs. Secondly, background on culture will be discussed followed by the debate on whether national or organizational cultural differences is of more importance when investigating cross-organizational alliances. Thirdly, barriers to success in IJVs will be discussed with a presentation of the main problems found in earlier literature. Fourthly, there will be presentation and discussion of the most prominent organizational culture frameworks found. Finally, the chapter will conclude with a research framework that was developed for the following study, which serves as a foundation for the empirical investigation.

2.1 Entrepreneurial Benefits of Joint Venture

There are many reasons to take part in joint venture partnerships, as they can be beneficial both financially and entrepreneurially. Entrepreneurial activities and outcomes have been touched upon earlier in this study in several different ways. More precisely brought up as reasons to reach local market knowledge, tap in to new markets and doing so rapidly, shared risk, and growth through entrepreneurial activities. Park and Ungson (1997) and Alcantara, Mitsuhashi, and Hoshino (2006) argue that engaging in a JV collaboration can bring benefits for the partners involved. They explain that the partnership can bring possibilities to tap into new markets at a rapid phase and at the same time, share valuable knowledge between the partners for the future. Furthermore, shared risk of resources and time are another reason Park and Ungson (1997) presents as an entrepreneurial benefit and outcome of a joint venture collaboration. On a different note Riberio-Soriano, Benavides-Espinosa and Mohedano-Suanes (2013) assert that through acting entrepreneurial in a JV one can obtain knowledge on two levels through the networks that is created. Firstly, you learn from the partners directly through the interaction and sharing of knowledge, and secondly the partners will learn cooperatively, which means that as an entrepreneur you can obtain more knowledge then working separately. This means that an outcome and benefit of the joint venture will be knowledge both shared and also obtained. But in order to obtain these benefits there needs to be a well-established partnership and strategy that overcome the high chance of failure (Ozorhon et al., 2008).

2.2 Background: Culture

There is no clear definition for culture in international business literature, however, Hofstede and Hofstede (2005) tried to define culture as a set of shared understandings, experiences and meanings amongst members of a certain group, organization, community or even a nation. Culture was also explained to consist of more than what Hofstede and Hofstede (2005) included in their definition, and that is morals, habits, believes, knowledge, and capabilities acquired by a certain group in an organization or society as a whole (Low & Leong 2000). As it’s understood, culture can be explained as the established behavioral influence that affects how collective members or groups evaluate, negotiate and approach opportunities in the
international business arena. The organizational culture and history of a firm is greatly influenced by the institutional environment that they operate within (Oliver 1997). Institutional environment produces two sets of restraints, which have a direct influence on the performance, and behavior of a firm. The first is the formal restraints, which include political, economic and judicial rules. The second consists of informal restraints such as culture, mindset, and the ideology of the society (North 1981).

2.2.1 Debate: National or Organizational Culture?

There is a debate among researchers on which of the cultures national or organizational is of more importance to the success of an IJV. A recent study that was initiated by Ozorhon et al. (2008) showed that organizational culture has a larger effect on the performance of IJVs than national cultural differences. It has been found that organizations involved in a cross-organizational partnership often get to experience what Lane and Beamish (1990) called a cultural shock. This cultural shock is found to be greater when partnerships are formed with organizations with bigger cultural distances (both national and organizational). Often firms get into international collaborations after ensuring compatibility between the parties involved, however, the underlying differences in the culture might prohibit the partners from achieving their objectives. Since organizations are embedded in the larger system “society”, the understanding of both cultural differences is needed (Ozorhon et al., 2008). National and organizational cultures should be treated as two separate constructs with some behavioral correlations. However, the differences in organizational culture between partners in an IJV is manageable and something that can be modified, while national culture is a given which is embedded in the firm’s practices and members behavior (Ozorhon et al., 2008). Individuals of a certain society or nation tend to share similar behaviors and values which eventually they take with them to their workplace. Those shared national values are reflected on the organizational values (Lane & Beamish 1990).

When entering into an IJV, it’s understood that cultures will differ on national and organizational level making it difficult for partners to agree on mutual goals or the way to solve a problem than if they shared same or similar values and culture (Hofstede & Hofstede 2005). It was also found that life of IJV is highly affected by the cultural differences, where organizations sharing similar organizational culture tend to live longer than organizations sharing similar national culture (Meschi 1997). Familiarity of the partners is another concept that plays an important role in reducing the differences in organizational culture (Park and Ungson 1997). Conflicts in IJVs caused by differences in organizational cultures can be greatly reduced if the parent companies spend time learning about one another (Barkema, Shenkar, Vermeulen & Bell 1996). As it’s presented, both organizational and national culture plays an important role in the success or failure of an IJV. Mohr and Puck (2005) claim that national cultural differences are important factors to be considered when studying the problems and pitfalls of IJV but differences also exist on other dimensions. However, national cultural differences are out of management control therefore the focus of this thesis should be on what’s more controllable by the management namely the organization.
2.3 Organizational Culture

In contrast to national culture the organizational cultural differences and their effects on performance is a less researched area in the literature of IJV. However, it’s important to understand the organizational cultural barriers IJV’s have to overcome, and the practices and organizational processes that were developed to resolve any disputes or disagreements (Chen, Damanpour, Devee & Pothukuchi 2010). Swierczek (1994) argues that culture of an organization is what determines its success or failure. Structures, legal documents, and strategies are an important element in any collaboration, however it’s not what drives the human behavior within an organization. The cultural qualities such as hidden assumptions, shared meanings and undocumented rules are what actually guide an organization (Kilmann, Saxton & Serpa 1985). Culture is what provides the direction to the employees of any organization and that evolves through dynamic activities. Those patterns, behaviors and basic assumptions of an organization were discovered or invented over time and subsequently moved on to new members of the organization.

Schein (1992) defined organizational culture as a pattern of basic assumptions around social relationships, human nature and environment that are shared among employees, which have been accumulated through the problem solving of internal integration and external adaptation. When considering organizational cultural differences, management practices are what differentiate IJV partners, which is considered crucial for the functioning of the venture. It’s considered important since such differences might result in incompatible behavior and misunderstandings. Park and Ungson (1997) found that partners in IJVs with large differences in organizational cultures might have to spend plenty of time to reach agreements on managerial practices to facilitate their interaction and that would eventually incur high costs in comparison to IJVs with similar organizational cultures. Brown, Rugman & Verbeke (1989) in their study found that IJV performance is negatively influenced by large differences in their partner’s organizational culture.

2.4 Barriers to Success

Conflicts are something that is considered relatively natural and predictable in human interactions (Damanpour et al. 2010). Conflicts within IJV can arise in different forms and on different levels, specifically in an environment where parents are geographically and organizationally distanced, such as conflicting objectives between partners (Habib 1987; Harrigan 1987), decision making (Habib 1987), control and assignment of managers (Geringer & Hebert, 1989; Killing, 1983, Schaan & Beamish 1988), communication and misunderstandings among business partners (Turpin 1993), commitment to the objectives of the venture (Turpin 1993; Mohr & Spekman 1994), ability to create trust relationship and maintain it (Hyder & Ghauri 1993; Park & Ungson 1997), and organizational cultural differences. It’s important to understand how business partners recognizes and avoid conflicts in an IJV, their similarities and the amount of conflicts they encounter when interacting (Damanpour et al. 2010). As long as the collaboration exists between the business partners, conflicts will happen; therefore, finding a process for conflict mitigation is not just important but also necessary (Bell, Den Ouden & Ziggers 2006).
Inter-partner conflicts and pitfalls might escalate causing the failure of the IJV, which can be discerned as liquidation or major reorganization of the partnership (Geringer & Hebert 1989). IJVs failure may result due to many reasons such as commercial, economic or strategic, however most problems faced by IJVs has been triggered by differences in organizational cultural behaviors and practices (Meschi 1997). For instance, different management styles between the partners result in slower decision-making process, reduced cooperation and larger amount of conflicts (Schuler 2001). As suggested by Self-categorization theory, people tend to sort themselves into psychological groups and communicate in a way different to how they would communicate in their own group (Salk & Brannen 2000). Dissimilar practices among partners’ causes tension in the communication environment resulting in differences in expectations, which eventually causes incompatible interaction, needed for the success of the IJV (Das & Teng 1998).

Due to the aforementioned reasons of IJV failures, practitioners as well as researchers are trying to discover linkages and relationships in an effort to increase the success of such collaborations. The most important linkages that have been identified in earlier IJV literature are organizational culture, commitment and trust (Cullen, Johnson & Sakano 1996; Hofstede 1980). In the following sections, the authors will discuss the findings of earlier literature on the different conflicts that might arise in international collaborations and link them to the organizational culture of the parent company.

2.4.1 Control

One of the main reasons behind the failure of IJV appears to be the parent’s exercise of control over the activities of the venture (Geringer & Hebert 1989; Killing 1983). Control in this particular context refers to the process in which one of the partner’s influences the output and behavior of the venture through higher authority, the use of power and informal mechanisms (Geringer & Hebert 1989). The control mechanisms discussed in literature are to a very large extent culture-based and their main purpose is to achieve the objectives of the parent company (Barlett 1986). The objectives of the parent could sometimes be in favor of the IJV and would help make it successful whereas it could also harm the relationship and create a conflict among partners. For instance, the influence could be to achieve a teamwork culture rather than a ‘them-us’ culture. Such a culture could create a more effective performance with comparison to formal control mechanisms through top management and IJV board intervention (Schaan 1983). Another control mechanism could be the parent’s control over the venture by staffing of top management positions at the IJV, which affects the operations of the venture and the relationship between parents (Geringer & Hebert 1989; Schaan & Beamish 1988). Geringer & Hebert (1989) focused mainly on the staffing of the general manager or CEO, which would be the link between the parents. The power of the general manager is influenced by the hiring parent’s governance structure and that is ranging from autocratic to democratic.
2.4.2 Commitment

Commitment in the IJV context is how much effort the partners are willing to employ into the venture. As explained by Mohr & Spekman (1994), for IJV partners to be considered committed, they have to aim for the long-term gains instead of focusing on the short-term advantages of the partnership. The more committed the partners are to the venture, the lower the intensity and frequency of conflicts between them, consequently, high levels of commitment affect the performance of the venture positively. In the same vein, Lane and Beamish (1982) and Lyons (1991) stress that commitment of the partners to the IJV is a significant component for the success and continuation of the partnership. Commitment is also deemed necessary in times of economic turbulence and drastic technological changes (Harrigan 1985). This long-term perspective for commitment implies that partners are willing to accept their organizational differences and try to find a common ground to ensure the longevity and continuation of the venture. Such behavior is also linked to cooperation since partners are willing to maintain a positive relationship with one another and not allow any differences to result in a conflict and affect the performance of the venture (Mohr & Puck 2005). Madhok (1995) found that commitment could be seen as an outcome that develops through the partner’s interaction and results in a trust-based relationship that counts as a stronger tie compared to a contractual one.

2.4.3 Trust

Trust is one of the most critical components in the success or failure of an IJV, yet there is a lack of a comprehensively agreed definition for the term (Blois 1999). Trust as explained by Butler and Gill (2003) has three themes, first, it can be both personal (individual, group) and impersonal (organizations procedures, rules). Second, trust composes of goodwill, promissory and competence. For instance, trust is positioned in individuals or organizations that are reliable and can keep both verbal and written promises, be efficient and not take advantage of the other partner. Third, level of trust varies depending on the time, cultural norms, and previous experience. In IJVs’ trust is between organizations however individuals mediate it. Therefore, social relations need to be considered in this context in order to understand the dynamics of trust in the organization. The importance of social relationships, trust, and indicators of trustworthiness vary among different cultures. Legal contracts and ownership rights are what governs the trust relationship between partners in the western culture (Child 1998). What could be evident from the earlier literature on western cultures is that they tend to focus on short-term pragmatism rather than long-term objectives. In the Japanese culture, trust is considered in terms of reliability, how close and personal the relationship is, informal means for conflict resolution and sincerity (Sullivan & Peterson 1981). For the Chinese culture, trust cannot be built with business partners without the emotional foundation, which is called “guanxi” (Chang & Holt 1996). Butler and Gill (2003) stress the importance of building trust with a business partner, particularly in a cross-national business relationship. The break of trust would most likely lead to instability and tensions in an IJV.
It was found that trust have a very large impact on the extent of opportunism in the venture, by affecting the cost associated with controlling and monitoring the partner’s organization actions (Park & Ungson 1997). Therefore, low or lack of trust would increase the cost of opportunism and hamper the overall performance of the venture. However, having mutual trust and commitment between the partners help reduce the amount of conflicts (Beamish 1994; Cullen, Johnson & Sakano 1995). Effective and successful business relations are built on trust (Beamish 1994) but trust is something that has to be built overtime (Madhok 1995). In a study carried out by Girmscheid & Brockmann (2010), it was found that trust is a more important mechanism on the intra-organizational level while contractual agreements is for the inter-organizational level. In another study done with IJV between Chinese and Western countries, the authors found that Chinese organizations are more concerned about trust and goodwill than economic incentives (Chua & Kin-Man 1993). Trust is seen as necessary to maintain healthy business relationships. Organizations with similar cultures seem to depict a much higher level of trust for their partners than ventures with large cultural distance (Chen & Boggs 1998). On the other hand, Julian, Wachter and Mueller (2009) found that heterogeneous organizational and national cultures influenced openness and solidity among employees at IJVs. Trust as a moderator can impact the negative influence of organizational and functional diversity in IJVs. However, Mohr and Puck (2005) argue that trust should also be considered on different levels namely managerial and the partner company as a whole.

2.4.4 Communication

Communication is the point where both partners interact and share information among each other, so differences in communication styles or way of interpreting meanings, which tend to happen among business partners coming from different cultural backgrounds, can hinder the flow of information, cooperation, and trust among partners in an IJV (Schuler 2001). Having similar communication styles among partners through sharing of information, clarity to avoid misunderstandings and updating is thus crucial for the success of an IJV. Mohr & Puck (2005) tested the influence of communication on the relationship between organizational differences and the overall performance of the IJV. It was found that communication could reduce any negative consequences of the differences in organizational culture. The larger the difference between the organizational cultures the higher the level of communication needed to achieve a better performance in the IJV. In a study done between German and Chinese JV’s, the managers stressed on the importance of exchanging information and agree on how to carry out specific tasks. This is particularly important in the early life of the venture (Mohr & Puck 2005). Nielsen (2002) identified three related negative effects of cultural differences on the performance of IJV’s namely communication problems, misunderstanding causing managerial conflicts and destroys the chance of utilizing all partner competencies. In a different stream of research, there is some evidence showing that national cultural differences can be beneficial. It was found that due to the national cultural differences, partners were challenged and wanted to show their best through sustainable collaboration and high level of communication (Park and Ungson 1997; Luo, Shenkar & Nyaw 2001). It was explained that managers tend to spend plenty of time and energy to avoid any confusions or misunderstand with their international business partners than they would do with their local partners.
2.5 Established Frameworks

The following section will present and explain the different frameworks found within organizational culture. The authors will use parts of the presented frameworks to conclude with a theoretical framework that will be used for the empirical investigation in the following study.

2.5.1 Framework 1: The Focus Model of Organizational Culture

To acquire a deeper insight into organizational culture, the use of frameworks is a common practice. The literature offers plenty of models where one of them is the Competing Values Framework developed by Quinn (1988) (Figure 1). His research has been the foundation for today’s categorization of organizational culture derived from his model (Rosengren 1996). As illustrated in figure 1, the framework is built on two dimensions that classify the organization according to four organizational orientations (Quinn 1988). The first of the two dimensions of an organization is either focusing on internal change or external adaptation. The second dimension consists of the contrasting poles of control and flexibility within the organization (Van Muijen et. al 1999). These two dimensions is then what creates the four organizational culture categories consisting of: (1) the support, (2) the innovation, (3) the rules, and (4) goal (Van Muijen & Koopman 1994). When calculating the score of the framework an organization can score high on more than one category but also have combinations of any sort.

![Figure 1. The Focus Model of Organizational Culture (Hartog & Verbarg 2004)](image)

Van Muijen et. al (1999) explains that by investigating the culture of an organization with the help of this model, insights can be found on how the culture was built. The four categories will then help understanding for instance the support category, which includes concepts like cooperation and team spirit, or that the innovation category explains the search for new information in the organizations surrounding environment. Furthermore, the rules will tell you more about the organizations emphasized respect for authority or the division of work. If
an organization is emphasized on efficiency and accomplishment, then they probably are going to score high on the goal category.

2.5.2 Framework 2: Organizational Type and Congruence

An organization's culture is grounded in the individuals within the organization's assumptions and taken-for-granted mindset (Cameron & Freeman 1991). These assumptions are shared amongst the people in the organization and are deeper than the conscious level of understanding. In order to understand these assumptions and find the underlying factor of these shared thoughts, the model of cultural types and their congruence have been developed by Cameron and Freeman (1991) (see figure 2 and 3). The model of culture types (figure 2) illustrates two axes of organizational culture based on a set of attributes developed by the two researchers. Rosengren (1996) explains the first axis in the model as ranging from “organic” to “mechanistic” processes and the other axis as “internal maintenance” to “external positioning”. When it comes to organic processes it’s about the flexibility, individuality, and innovation and on the other side of the spectrum, in the mechanistic processes, it’s about order, control, and stability. The axes with internal maintenance emphasize smoothing activities and integration and the other side with external positioning focus on competition and differentiation (Cameron & Freeman 1991).

In relation to the model of culture types (figure 2), Cameron and Freeman (1991) also developed a set of characteristics to each cultural type in order to facilitate an easier understanding. The outcome of an organization’s behavior and processes are depicted as four cultural types called: Clan, Adhocracy, Hierarchy, or Market. An organization with the cultural type of Clan will for example have characteristics of order, rules and regulations (Cameron & Freeman 1991), furthermore, see Figure 3 below for further examples.
2.5.3 Framework 3: Hofstede’s Organizational Culture

Hofstede’s (1998) organizational culture framework consists of six dimensions to measure differences and similarities among different organizations. Hofstede claims that such differences and similarities can be best measured by looking at organizational practices. Figure 4 below visualizes Hofstede’s framework followed by a more explicit explanation for each.

![Diagram of Hofstede's six dimensions](image)

**FIGURE 4. HOFSTEDE’S SIX DIMENSIONS (HOFSTEDE 1998)**
The first dimension is process versus result-oriented culture, which is concerned with objectives and how to reach these through working with uncertainties (Hofstede 1998). In a process-oriented culture, employees tend to avoid uncertainty while in result-oriented culture, employees find uncertainty as a challenge and are comfortable with unfamiliar circumstances. In a process management system, the management are concerned on how the tasks are completed (In what order and how resources and tasks were allocated), while in a result management system, they are more concerned that the task is completed allowing some flexibility in the way tasks are distributed. Differences on this dimension between partners of an IJV mean differences in power structure, communication, accomplishment of goals and expectations (ibid).

The second dimension is the employee versus job-oriented culture and it’s about how the company values their employees. In an employee-oriented culture, problems and feeling of employees are of concern while in job-oriented cultures; completion of the job is the only goal. Hofstede relates this dimension to what Blake and Mouton (1964) explained as task management versus employee management. In the former, the manager is concerned about meeting schedules and responsible employees do what they are expected to do. While the latter, managers tend to overlook some mistakes and not push for completion of schedules since employees are trusted that they are doing their best. In such a culture, employees tend to disagree less and avoid criticizing one another.

The third dimension is the professional versus parochial approach and its related to how organizations identify their employees. In a professional culture, employees are identified by the job they do while in parochial culture employees develop their identity from the organization. In simpler words Hofstede (1998) explains that in a parochial setting, the employer considers the potential employee’s social and family background before hiring. This is done due to a need of a match both on a job and social level. In contrast to a parochial culture, the professional culture separates the job and private life of their employees and therefore does not consider the outside of work aspects. Another major difference presented by Hofstede (1998) is that in a professional culture the employees have future plans and are not as dependent on the organization as the parochial culture employees, which are more reliant on the organization.

The fourth dimension Hofstede (1998) calls the open versus closed system and it’s about the communication environment in an organization. In a closed system, communication is more identified as private whereas in an open system culture, communication is inclusive and open even to newcomers into the organization. The two sides of the dimensions depict a power distance, for example in a closed system only allowing a few people to know a certain set of information and keeping the communication on a strict basis.

The fifth dimension is the loose versus tight control and its related to the internal structure of an organization and its level of control. Hofstede (1998) describes that in a loose controlled culture employee rarely think of costs while in tight controlled cultures, cost consciousness is highly emphasized, and punctuality is strong. Differences between partners in this dimension
hinder the communication pattern between them. The communication starts getting more formalized which could lead to suspicions and negative attitudes (ibid).

The sixth and last dimension is the normative versus pragmatic dimension, which refers to the customer orientation of the firm. Hofstede (1998) explains that pragmatic organizations are market or customer driven, care more about meeting customer needs than following the right procedures while normative following procedures and less caring for results, high business ethics. The difference between this dimensions and process versus result is that here the focus is explicitly on the market or customer orientation.

2.5.4 Framework 4: Coming to a New Awareness of Organizational Culture

According to Schein (1984), the basic assumptions of organizational culture can be divided into different levels. One of them is the visible artifact, which consist of constructs in an environment such as architecture, office space, manner of dress, and public documents etc. Looking at the model of cultural levels (figure 5), it shows how and what these constructs are. In order to get a better understanding the researchers needs to dig deeper and according to Schein (1984) also look at the values in the observed environment. These values are the underlying assumptions, which are the unconscious thoughts and the ones that actually determine the groups feeling, thoughts, and perceived reality (Schein 1981; Schein 1983). A clear description of these values, visible artefacts, and how they interact can be seen in figure 5 below.

![Figure 5. The Levels of Culture and Their Interaction (Schein 1984)](image)

Another important aspect of organizational culture according to Schein (1984) is the need of a group that “owns” the culture, without the group there cannot exist any culture. Needless to
say, but it’s the culture within a group that is of interest when investigating organizational culture, so this aspect is as important as any. The tricky part is defining the group of interest, first of all the group is a set of people that has been together long enough in order to have shared problems. Secondly the group has the opportunity to solve these problems and also to evaluate and see the effects of those solutions. And the last ingredient in the group is that they have taken in new members who have been passed on the culture of the group.

Schein (1984) presents the importance of interpreting the visible artifacts of the environment in focus because there are plenty of insights in these constructs. And to get as much valuable data as possible, he also proposes complex interviewing and observations as two methods to research organizational culture.

2.6 Research Framework

To conclude this chapter and for the purpose of the study, the authors aims at developing a comprehensive framework that includes parts of the aforementioned frameworks as a foundation for empirical investigation.

To understand the set of shared assumptions, values, understandings and experiences among members of an organization, it was quite obvious that applying solely one of the frameworks to measure differences in organizational culture between the partners of the JV was insufficient. Each of the frameworks presented earlier is unique in a way, however several common elements have been portrayed in all frameworks. For instance, the first two frameworks presented are very similar, the main difference is that Cameron and Freeman’s (1991) framework divides organizations into four different types. However, the categories suggested by Cameron and Freeman (1991) and Quinn (1988) might not always resemble the reality at organizations. Companies might score high on more than one of the categories creating some difficulty in analyzing the findings and knowing where to allocate it. The categories suggested in the models might also hinder the researchers creativity in developing the areas to look into in the study. For instance, the dimensions are very specific e.g. Innovation versus rules. In addition, each of the categories includes 4 different areas and numerous attributes within each. Those attributes quiet often overlap with different categories making it hard for the researcher to decide on where it should be placed and given a point.

That been said, the first two frameworks would only be used to develop the background understanding on the attributes that could be included when looking into the organizational culture of the case companies. For instance, the empirical investigation covers leadership style, level of flexibility given to employees, the sense of family at the workplace and the importance of hierarchy. However, the primary framework embraced in this study is Hofstede’s (1998) six dimensions of organizational culture. This framework was found to be the most inclusive of them all and provides the researcher with a simplified toolkit that is needed to carry out a research with a complex nature. As mentioned earlier, culture in general and organizational culture in particular are terms that are hard to define and scholars until this date have failed to agree on a unified definition. The Hofstede’s six dimensions are wider in
scope and covers several areas that can be measured within each of the dimensions contributing to a more accurate and detailed understanding of the groups hidden assumptions, habits and behaviors. For instance, when looking at the process versus result oriented culture dimension, the researchers can measure the acceptable level of risk and uncertainty among the members of an organization, as well as the level of governance and control imposed by the management.

In addition to the wide scope of the dimensions offered by Hofstede’s framework, all dimensions touch upon the JV barriers to success mentioned in earlier literature, namely communication, control, trust and commitment. Since, the aim of the research is to explore the links between these barriers to success and organizational culture, it is vital to use a framework that helps establish those linkages. For instance, the open versus closed systems dimension provides the researchers with a deeper understanding on the communication within the organization. Whether it’s between employees, top management to employees or new comers into the organization. By understanding the nature of communication at an organization, the researchers can then link it to communication with the JV partner. Another dimension that refers to communication is the loose versus tight control, which ultimately reveals the level of governance, and control imposed on employees by top management. How involved are the top management in the day to day activities of their employees, cost consciousness and punctuality are all attributes that are directly linked to control and indirectly to communication and trust. By measuring the organizations stand on the six dimensions, it would be easier to compare the JV partner’s similarities and differences. In addition, the findings of the empirical investigation would shed the light on the differences that might lead to problems in the future.

The fourth framework on organizational culture by Schein (1984) explains the importance of not only including interviews with members of an organization but also observe the constructed environment of the company by considering the so-called “Visible artifacts”. As explained by Schein (1984), visible artifacts can be organizations technology, dress code, audible and visible behavior patterns, office space, and billboards. Moreover, Schein adds that observation is a common practice when investigating the culture of an organization. By observing you can get a good foundation to start your investigation from and then dig deeper to find patterns and the underlying value within an organization. Therefore, as part of the framework constructed for the following study (figure 6), observing the visible artifacts of Ramco Specialties Inc. and Bulten AB will be included. Figure 6 depicts the implementation of Hofstede’s six dimensions and Schein’s visible artifacts, which acts as the main framework for this research.
By using the constructed framework (Figure 6) the process of discovering links between organizational culture and the barriers to success (communication, commitment, trust, and control) become possible. With the use of Hofstede’s six dimensions of organizational culture and Schein’s focus on non-verbal communication the constructed framework facilitates an overall picture of organizational culture for the upcoming study. The framework is constructed to touch upon all of the success barriers of interest through the different dimensions and observations.

Furthermore, when investigating within wide research areas, it’s important to have clear definitions of the specific topics, such as organizational culture. As briefly touched upon previously in this chapter researchers have developed various definitions of organizational culture. Hartog and Verburg (2004) talks about core values, artifacts and behavioral norms and patterns and Schein (1984) presents it as the outcome of a group’s invention, discovery, and development in managing internal and external change. Hofstede (1998) also presents the definition as a “collective programming of the mind, which distinguishes the members of an organization from another”. With these interpretations in mind the definition of organizational culture used in this study is as follows: The set of core value, artifacts, and behavioral patterns that portrays an organization’s actions and differentiates it from another (Hartog & Verburg 2004; Schein 1984; Hofstede 1998).
3. Methodology

The following chapter aims to define the methodological techniques used in the study. We argue and motivate the choices being made with regards to the research strategy, methods, design, data collection, data analysis, and quality.

3.1 Research Strategy

In order to obtain a deeper understanding about the research area and to answer our research question the use of a qualitative research strategy was chosen. The choice of a qualitative strategy was anchored in the decision to reach a more profound understanding rather than generalize the findings (Bryman & Bell 2015). Bryman and Bell also present that qualitative research as a strategy puts the focus on presenting words rather than searching for quantitative variables, which were another reason, this study used the qualitative strategy. In addition, quantitative research is mostly used when testing a theories or hypotheses (Bryman and Bell, 2015), which is not case of our study. In relation to the qualitative strategy and the topic of this research the ontological considerations were approached from the view of subjectivism. This means that we view social phenomenon as creations derived from the social actors’ perceptions and actions. Subjectivism is an ongoing process of social interactions where these social phenomena constantly are revised (Saunders, Lewis & Thornhill 2012). Since organizational culture is constantly changing due to social interactions and experiences the subjectivist view best suits the study.

3.1.1 Methodological Reasoning

Our attempt in the following study is to relate and find links between organizational cultural practices, assumptions, behaviors and values and the common problems arising in a JV. We are here not trying to deduct or prove any hypothesis from existing literature. When applying a deductive approach, the use of a sufficient sample size is necessary to generalize findings (Saunders et al. 2012). As we already mentioned earlier, our aim is not to generalize conclusions but to get a deeper insight into humans behavioral pattern within an organization. Therefore, we do not fully apply a deductive approach. Speaking about the inductive approach, Saunders et al. (2012) describes it as the practice of generating theory in which the generation of this theory is a result of data analysis. This approach for the most part is based on solid methodology and does not allow for alternative interpretations. The reason why we haven’t decided on a position between deductive and inductive is because we use both. As Orton (1997) argues, it’s not always the case that the research is purely inductive or deductive, at several times it moves from one to another, the so called “iterative process”. Moreover, since the study is of an exploratory character, with the use of historical theories, the study strived to investigate the best explanation. An abductive research approach was therefore our approach, which incorporates pieces of both induction and deduction. The reasoning when using an abductive approach is to conclude in the best possible explanation to observed situation (Douven 2011). By using previous theories as a comparison to empirical data we could draw conclusions to existing theories and also build new ones (Pålsson 2001).
3.2 Research Design

The use of case studies in business research is often used since it gives the power to the researcher to dig deeper into a phenomenon and generate theory out of the research findings (Sanders et al. 2012). Bryman and Bell (2015) suggests that the use of case study gives the authors the freedom of using numerous qualitative methods in empirical investigation. Since the authors used observations and semi-structured interviews for empirical investigation, the use of case study was the most suitable in this case. Conducting a single case study in the following research was selected because the links that the authors are aiming to find between the common problems at JVs and the organizational culture are best found using this method. In a study with exploratory nature, single case study is preferred because it provides the authors with a better understanding of the research problem (Yin 2009) and was thereby seen most suitable for the research gap addressed. There are various reasons why the case selected is an interesting one when looking into a culture of an organization. The first partner in the JV is over 100 years old and the second is around 40 years with vast amount of knowledge, experience and culture to look into and learn from. Both partners went through strategic renewal; specifically, they had changed their business model several times along the way, making it an interesting case to consider with numerous learning outcomes. Furthermore, when data has been collected at a single point in time, it’s considered cross-sectional data (Bryman and Bell 2015), which was used in this study.

3.2.1 Case Study Concerns

One of the limitations of using a single case study is that results are only applicable for one particular case making it less generalizable in comparison to a multiple case study (Sanders et al., 2012). In the following case, generalization of the results was not the aim of the study but rather it was to gain a deeper understanding of the phenomenon. The time limitation was another reason for choosing a single case study. However, it could be argued that the unit of analysis was relatively comprehensive and included interviewees at all levels of the organization providing a holistic approach. Another limitation is the use of cross-sectional data, which explains the phenomenon studied at a particular point in time and that might not be the case if the research was done at any other time (Gauri & Gronhaug 2010).

3.2.2 Case selection and sampling

This specific IJV was selected since it qualifies for the post-formation phase since we are mostly concerned in this research on the implementation and the management of the JV. The JV (Ram-Bul) selected is approximately one year old and the findings of the research might help mitigate risks of conflicts in the future. When it comes to the sample of the study we only had one criteria, which was that all respondents should have been employed at the company for at least three years. This criterion was established to make sure that the respondents have had enough exposure to the organizational culture in that particular firm. Furthermore, in order to get as much valuable data as possible we also aimed to set up the interviews with employees from different levels in the company, such as top management, middle management, associates and shop floor workers. By utilizing our pre-established
contacts at Bulten, we had the possibility to schedule the initial interviews at all three business entities, which gave us a runway to continue building contacts with employees to interview. Moreover, continuing from the initial meeting the method of snowball sampling was used in order to reach interesting and relevant people in the organizations (Bryman & Bell 2015). As table 1 shows we performed a total of 12 interviews spread amongst the three different companies. Five interviews were conducted in the Swedish company whilst six were made with their American partner. The interview that is marked with JV was performed with the two parents companies JV CEO, which also was the only full time employee hired at the JV that we could interview. The rest of the team that supported the operations of the JV was a service bought from Ramco. It’s worth mentioning that the CEO of the JV is a Bulten employee and his interview input was used for Bulten in the most part unless the question was related to the JV specifically.

3.3 Data Collection

The data collected in this study are both primary and secondary data. The semi-structured interviews, observations, company press releases, emails and presentations all are considered as primary data. Data derived from academic journals, books, articles and internet in general are considered as secondary data in the study. In order to establish our theoretical framework, the secondary data was to a great help in understanding the already established research in the field in order to create an overview of the research topic. Critical reviewing and source criticism was an important aspect in order to utilize the secondary data efficiently (Saunders et al. 2012).

3.4 Research Methods

To cater for the complexity of the researched phenomenon, the use of multitude methods was suggested by Bryman and Bell (2015). In order to obtain qualitative empirical data, the primary method was interviews but evidence has also been derived through observations. Interviews are considered one of the most prominent methods of data collection in case studies since it provides answers to how and why questions (Yin 2009). In qualitative research, the most common types of interviews are unstructured or semi-structured interviews (Bryman and Bell 2015). In the following study and due to the sensitivity of the data collected, we used semi-structured interviews. When it comes to secondary data a comprehensive literature review was established to get a good foundation to evolve from.

3.4.1 Literature Review

A preliminary search was done the first few weeks to get a deeper understanding on the researched social phenomenon and to define the way to carry out the project. We first identified the key studies done within the field of corporate entrepreneurship, organizational culture, national culture and joint ventures. This was to help us understand what assumptions have already been made on the relevant researched topics and define the scope of our research area. The second step in the process was the screening of literature. The screening process helped us narrow down our scope further and, in a way, simplified the complexity of
the topic researched by constructing a circumstantial background. The following step was to create a structure for the study and decide on how to tackle the research gap. The main sources that was used for the literature review was books, e-books, academic articles, published conference archives, PHD dissertations and company websites. In addition, we created a virtual folder on Dropbox to store and share all documentation related to the master thesis and that was to facilitate an easier access and teamwork. We trust that future researchers interested in researching the same area can certainly build on our findings and develop it further.

3.4.2 Semi-structured Interviews

Semi-structured in-depth interviews are not just the most commonly used method in qualitative exploratory research, but it’s also seen as the most suitable when predetermined themes have been developed (Ghauri & Gronhaug 2010). The interviews were conducted with employees from Bulten AB (Swedish partner), Ramco (American partner) and Ram-Bul (the IJV), with the only criteria that the respondents should have been employed for at least three years. The reason why three years was set as a requirement was that it takes years for newcomers to understand the culture of their organization and develop the behavioral pattern, assumptions and values that are common among all members. The choice of using a semi-structured interview is based on the flexibility it offers to the interviewer in the sense of the overall structure and also the exercise of the interviews. In this type of approach, you are given the possibility to follow up with questions and also gives you the flexibility to ask the questions in an order that suits the respondents in each interview. Alongside with continuous notetaking the interviews were also recorded and finally partially transcribed in order to overcome any misinterpretations and forgetfulness (Bryman & Bell, 2015). A total of 12 interviews and continuous observations of the visible artifacts were conducted during a two weeks period between the US at Ramco’s Headquarters, and Sweden Bulten Arendal (Operations) and Bulten Högsbo (Headquarters).

<table>
<thead>
<tr>
<th>Respondent no.</th>
<th>Company</th>
<th>Level of Position</th>
<th>Location</th>
<th>Length of Employment</th>
<th>Date</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ramco</td>
<td>Top Level Manager</td>
<td>Ohio</td>
<td>5 years</td>
<td>2018-03-29</td>
<td>90 min</td>
</tr>
<tr>
<td>2</td>
<td>Bulten (JV)</td>
<td>Top Level Manager</td>
<td>Ohio</td>
<td>22 years</td>
<td>2018-03-29</td>
<td>90 min</td>
</tr>
<tr>
<td>3</td>
<td>Ramco</td>
<td>Operational Level Employee</td>
<td>Ohio</td>
<td>3 years</td>
<td>2018-03-29</td>
<td>60 min</td>
</tr>
<tr>
<td>4</td>
<td>Ramco</td>
<td>Top Level Manager</td>
<td>Ohio</td>
<td>32 years</td>
<td>2018-03-30</td>
<td>80 min</td>
</tr>
<tr>
<td>5</td>
<td>Ramco</td>
<td>Operational Level Employee</td>
<td>Ohio</td>
<td>17 years</td>
<td>2018-04-02</td>
<td>70 min</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Name</td>
<td>Position</td>
<td>City</td>
<td>Years</td>
<td>Date</td>
</tr>
<tr>
<td>----</td>
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<td>--------------------------</td>
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<td>------------</td>
</tr>
<tr>
<td>6</td>
<td>Ramco</td>
<td>Operational Level Employee</td>
<td>Ohio</td>
<td>24 years</td>
<td>2018-04-02</td>
<td>50 min</td>
</tr>
<tr>
<td>7</td>
<td>Ramco</td>
<td>Middle Level Manager</td>
<td>Ohio</td>
<td>17 years</td>
<td>2018-04-03</td>
<td>80 min</td>
</tr>
<tr>
<td>8</td>
<td>Bulten</td>
<td>Middle Level Manager</td>
<td>Gothenburg</td>
<td>18 years</td>
<td>2018-04-10</td>
<td>60 min</td>
</tr>
<tr>
<td>9</td>
<td>Bulten</td>
<td>Operational Level Employee</td>
<td>Gothenburg</td>
<td>13 years</td>
<td>2018-04-10</td>
<td>50 min</td>
</tr>
<tr>
<td>10</td>
<td>Bulten</td>
<td>Operational Level Employee</td>
<td>Gothenburg</td>
<td>7 years</td>
<td>2018-04-10</td>
<td>50 min</td>
</tr>
<tr>
<td>11</td>
<td>Bulten</td>
<td>Top Level Manager</td>
<td>Gothenburg</td>
<td>12 years</td>
<td>2018-04-12</td>
<td>90 min</td>
</tr>
<tr>
<td>12</td>
<td>Bulten</td>
<td>Middle Level Manager</td>
<td>Gothenburg</td>
<td>10 years</td>
<td>2018-04-12</td>
<td>50 min</td>
</tr>
</tbody>
</table>

Table 1 illustrates the interviews in detail stating the company’s name, position of the interviewee, where it took place, length of employment, date, and the duration of the interview. As presented in table 1, the interviews were held during the period of approximately two weeks, stretched from 50 to 90 min of length and all were conducted face-to-face. There are more reasons why we decided to use face-to-face interviews: firstly, the time difference from Sweden to Ohio, USA, made it hard to schedule as many interviews as we liked. Secondly, it was important for us to create some trust towards our respondents before we conducted the interviews. Thirdly, as according to Bryman and Bell (2015) it is preferred to conduct interviews face-to-face when the interviews take longer time.

3.4.3 Observation

In relation to the interviews we wanted to be able to collect data also when we weren’t directly speaking to anyone, which means through observations. The decision to perform the interviews at the location of the companies facilitated an extra dimension to the study in the sense of observing the interviewees non-verbal communication but also it was necessary in order to perform the general observations as well (Bryman & Bell 2015). The observations were done in accordance to what Bryman and Bell (2015) calls a micro-ethnography, which is suitable for projects with limitations in time and resources. The micro-ethnography has the same methodology as a full ethnography study but is done in a shorter amount of time. During the observational process the focus was to observe the visible artifacts of the organizations i.e. social patterns, office space, technology and so on. The observations were noted in a physical notebook and then at the end of each day transferred to a digital document and elaborated on further. Even though this was just a micro-ethnography it nevertheless brought valuable insight to the study. One good example was the way both Bulten and Ramco tried to display their core values on banners and monitor screens around their facilities, which could not be observed if we haven’t included observations in our study.
3.4.4 Interview Guide

A set of interview guidelines was established for the study to ensure consistency and efficiency when carrying out the interviews (Bryman & Bell 2015). The guidelines consisted of a series of questions within specified themes (General questions, Hofstede’s six dimensions, & barriers to success themes) that we needed to get answered during the interviews, which kept us from asking leading questions that could cause biased answers. The themes covered in the interview guide were based on the literature review and the theoretical framework introduced earlier. The questions constructed were open-ended giving the interviewee the flexibility to steer the conversation. In addition, it was very important for us to formulate questions that were clear and understood in a similar manner among all interviewees (Bryman & Bell 2015). It's also important to note that questions were not always asked as they were outlined in the guide as sometimes interviewees might answer several questions at once or address an interesting topic that is not covered in the guide. The interview guide was to a large extent kept the same during the entire process except from a few questions that was added with inspiration from observations or individually when an interesting topic comes up during the interview. All interviews were conducted in English, which could be seen as a limitation for the Swedish speaking interviewees. Our aim was to ensure consistency in the data collection, however, Swedish-speaking interviewees could have faced some difficulty explaining themselves in comparison to the American interviewees.

Moving on, when constructing the questions, we needed a set of questions that addressed the topics covered from different angles and avoided asking straightforward questions. This is mainly due to the fact that much of the topics covered can be considered quiet sensitive and respondents would answer in a conservative manner. By doing so, we can truly understand the parent companies attitude and distinguish their differences. For instance, the set of questions that was used in the process versus result oriented culture touched upon problem solving and the way this is done; how the respondents view the amount of given freedom and responsibility; and also, to some extent how they look at the company’s way of doing business. Another example was when we tried to ask communication related questions directly, however, we got a feeling that the respondents were somehow conservative in their answers. Therefore, to try and better understand the communication environment at each of the companies, we asked the respondents indirect questions related to communication, which was developed exclusively within each of the interviews. We asked questions on power distance, newcomers to the organization, and how dissatisfactions with work, colleagues or the boss are handled. Further information about the interview guide can be found in Appendix I.

3.5 Data Analysis

The aim of our data analysis was to breakdown the complex data collected through empirical investigation into subparts and create patterns and relationships within the identified subparts. In this research, we adopted a thematic analysis approach, which looks into underlying themes to analyze qualitative data (Bryman & Bell 2015). Based on the interview guide that
we prepared, there was a predetermined knowledge of the codes that we decided to use, namely Hofstede’s six dimensions. Moreover, another code that was found to be important to include was the core values and how the values were conceived at both Bulten and Ramco. The last code identified was the observations made and how those observations affected or could possibly affect the culture of the company. We used color-coding to highlight the different codes identified from all 12 interview transcripts. All identified codes were then categorized into four major themes and those were communication, commitment, trust and control. Findings, from both companies, were then compared based on similarities and differences identified (Bryman & Bell 2015). Quotations from the interview transcript were used as well to increase the trustworthiness of the study and link our analysis to what respondents said. Finally, we concluded the data analysis chapter with a section that includes the key findings of the research. The key findings were hence presented in a visual figure in an effort to better visualize and organize our findings. The major drawback of the thematic approach is that in some cases, the context of the data in which it was collected could be lost.

3.6 Research Quality

There are several ways to measure the quality of a study and qualitative researchers argue for different measures to use. Depending on the research, Bryman and Bell (2015) suggests different criteria to measure the quality. Some of the more common ones are reliability and validity, which incorporates, amongst other aspects, replicability, consistency, and the match between the researchers observation and true meaning of the empirical data (ibid). While facing the challenge of obtaining a high reliability we furthermore also need to strive for a high validity of the research. This is important due to the complexity of the study and also since it’s targeting a specific case.

3.6.1 Reliability

A general understanding about reliability in qualitative research is that it’s impossible to freeze the exact social setting in which the initial study took place, which ultimately will cause problems with the external reliability (Bryman & Bell 2015; Saunders et al. 2012). In order to strengthen the reliability of the study, the use of structured procedures was established such as a specific interview guide, clear documentations of the process, and framework for data analysis. According to Saunders et al. (2012) you also need to consider the actions of the interviewer to be causing biased answers from the respondent. An example of this that we faced was that some respondents at Ramco believed we represented Bulten. In order to eliminate biased answers from these respondents we were very clear in the beginning of the interview session that we were here purely as researchers with a 100% focus on the academic contribution to the research topic. Furthermore, to minimize the lack of consistency and what Bryman and Bell (2015) presents as inter-observer consistency the observations and coding process were done by more than one researcher. Performing above precautions and actions, we believe that we offer the opportunity for other researchers to replicate this study with similar results.
3.6.2 Validity

Validity refers to how well the research really measure what is intended and claimed to be investigating, which shows the generalizability and use of the researched methods in other areas (Bryman & Bell 2015; Saunders et al. 2012). Since the true aim of this is not to create a generalizable conclusion this can be a problem. This has to do with the structure of the study and its research design being a case study. In order to overcome this problem and to strengthen the validity several actions took place. At first, we used what Bryman and Bell (2015) calls respondent validation, which means that we shared the findings of the study with the respondents to confirm that they were correctly understood. This was done by sending each respondent a summary of their interview, which then they either could accept, reject and then send back to us. As can be seen in table 2 below, some of the respondents did some changes and some approved it as is. If a respondent did not answer the email we considered the summary to be accepted.

TABLE 2. DICTUM OF RESPONDENTS

<table>
<thead>
<tr>
<th>Respondent no.:</th>
<th>Date of Summary Sent:</th>
<th>Date of Answer from Respondent:</th>
<th>Validity from Respondent:</th>
</tr>
</thead>
<tbody>
<tr>
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<td>2018-04-18</td>
<td>No response</td>
<td>Approved through no response</td>
</tr>
<tr>
<td>2</td>
<td>2018-04-18</td>
<td>2018-04-23</td>
<td>Approved</td>
</tr>
<tr>
<td>3</td>
<td>2018-04-17</td>
<td>2018-04-25</td>
<td>Approved + Minor changes</td>
</tr>
<tr>
<td>4</td>
<td>2018-04-17</td>
<td>No response</td>
<td>Approved through no response</td>
</tr>
<tr>
<td>5</td>
<td>2018-04-17</td>
<td>2018-04-18</td>
<td>Approved + Major changes</td>
</tr>
<tr>
<td>6</td>
<td>2018-04-17</td>
<td>2018-04-18</td>
<td>Approved</td>
</tr>
<tr>
<td>7</td>
<td>2018-04-18</td>
<td>2018-04-19</td>
<td>Approved + Minor changes</td>
</tr>
<tr>
<td>8</td>
<td>2018-04-18</td>
<td>2018-04-19</td>
<td>Approved</td>
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<td>Approved through no response</td>
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<td>2018-04-18</td>
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<td>Approved through no response</td>
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<td>12</td>
<td>2018-04-17</td>
<td>2018-04-18</td>
<td>Approved + Minor changes</td>
</tr>
</tbody>
</table>

Secondly to further enhance the level of validity we only interviewed respondents that have been at the specific companies for more than three years, which means they will offer a good insight in the research topic. This was decided after carrying out one of the interviews with a respondent that worked at the company for 5 months and we got the sense that most of the
answers received did not reflect the culture of the organization. Lastly, we want to argue that
the use of observations in combination with interviews facilitated the possibility to determine
if we might have misunderstood certain observations or not, this is called triangulation
(Bryman & Bell 2015). It’s also worth mentioning that two researchers performed the study,
which strengthens the validity and quality of the research by always having an extra pair of
eyes validating the progress.
4. Empirical Findings

The following chapter will begin with setting the scene by giving background information to familiarize the reader with the context of the JV partners and the JV itself. The second section will report the findings on Hofstede’s six dimensions from both partners separately. The final part will address and summarize the findings on the observations carried out.

4.1 Case Study / Context

The following section will present the findings discerned from the two organizations under study. It will bring up data from both observations and interviews in a more general way before going into the finding in more depth.

4.1.1 Ramco Specialties Inc.

Ramco is a fast-growing global manufacturer and supplier of fasteners from Ohio, USA. The company has been a global original equipment manufacturer (OEM) supplier since 1977 when Richard Malson founded the company. Today, the company is managed by the son of the original founder Rick Malson, whose been working at the company since 1986. Ramco’s revenues are over $100 million (843 MSEK) and the company recently acquired Copa Tools adding another $14 million (118 MSEK) of sales to its total revenues. The acquisition of Copa Tools was to expand their product range and add precision parts that were not in their earlier product portfolio (Shingler 2018). After the acquisition, the headcount at Ramco is around 175 employees distributed between Europe and North America. Ramco is a supplier for different industries, however in the past decade, their focus was mostly to cater the needs and engineer solutions for the automotive industry. Throughout the life of Ramco, the strategic direction of the organization has changed several times with the most recent was moving from commodity-based products to more highly specialized value-added products. As the CEO put it, “We’ve made a strong effort as a group going towards value added engineered products and that gives us a more stable platform”. In 2016, the company expanded into their new state of the art 15,300-square meter manufacturing plant, which is also their North American headquarters. In a statement by Hudson’s economic development director, Chuck Weidie, after the completion of the new facility, “Since 1986, Ramco have been a fantastic Corporate citizen” (Mackinnon 2015). Their new facility has the possibility to expand from two sides reaching to a 3,000-meter square.

The core values at Ramco Specialties was the PRIDE acronym which is presented in figure 5 below:
Ramco has their core values displayed on banners all around the warehouse and their manufacturing plant. This is to remind everyone about the values the company stands for and ensure employees comply with them. Though, when going through the company’s website, we couldn’t find the core values mentioned anywhere. When the CEO was asked about the core values at Ramco, with no doubt he explained to us what the acronym stands for and how these values are ingrained in the employees and company’s practices. However, when asking the rest of the respondents on the core values of the company, they could hardly recall what the acronym stands for. Nonetheless, all respondents did touch upon the values of the company when asked questions related to each of the values separately. For instance, when asked questions related to their professional integrity, with no hesitation, all respondents expressed how their obligation is to report any unethical behavior noticed. As mentioned by one of the respondents, employees have even the power to go into the human resources or the CEO directly and anonymously report any unethical behavior observed at work. When asked whether they would report any unethical behavior at work, five out of six responded that they would if it’s for the overall good of the company. Moreover, it’s also worth mentioning that all respondents expressed their dedication to work by coming on time every morning, ensuring customer satisfaction at all times and delivery on time to customers. When asked if they ever went beyond the call of duty to help their customer, all answered that it’s what they do at all times, which resembles dedication and reliability. Moving to the last part of the acronym, everyone, few argued that it could be difficult sometimes, particularly when it’s a new member to a team, to crack into the group and feel included. However, the majoring responded that whenever a new member joins the organization, they always feel welcomed. As one of the respondents conveyed it, “We all welcome new employees with open arms. Everybody says welcome to Ramco. Let me know if you need anything, we are all here to help”.

4.1.2 Bulten AB

Bulten is one of the largest global fastener suppliers to the automotive industry. The company was founded in 1873 with over 140 years of experience manufacturing and developing a wide range of fastener solutions. Today, the company’s headquarters is located in Gothenburg, Sweden. When the company was first founded, they were producing high-end nails, bolts and
nuts to customers from different industries. However, in the past few decades, the founders decided to do a strategic renewal and focus only on the automotive industry. Bulten is one of the few global fastener suppliers to the automotive industry that take full responsibility for the fastener solution and that’s through their Full Service Provider (FSP) concept. The FSP concept, which was found over 20 years ago by Bulten, is basically taking responsibility from product planning to development and final delivery. This process happens through a close collaboration between the engineers at Bulten and their customers. The FSP concept includes planning, development, quality assurance, verification, documentation, production, logistics and service of faster solutions. In the past few decades, the FSP concept has provided improved and highly effective solutions for their customer. The company has a strong presence in the global market with a total of approximately 1,300 employees across Asia, Europe and North America of which only 25% are females. When asked about the male to female ratio, one of respondents believes the reason for this difference could be a cultural thing, the industry or just the company being inactive in recruiting on gender basis. Moreover, Bulten’s operations in all three continents include production, sales and logistics. They reported net sales of SEK 2,856 million in 2017 and their shares are listed on Nasdaq Stockholm. In 2017, Bulten Poland was awarded with the title of ‘Employee Friendly’ employer and that award could only be received if the employees have nominated the winner (Bulten 2017).

The core values of Bulten are presented in figure 6 below:

![Figure 8. Core Values at Bulten AB (Bulten 2017)](image)

The core values of Bulten are clearly presented and defined on their website, annual report, display screens and even as a background theme on employees computer monitors. It’s evident that Bulten is striving to ensure everyone is fully aware of the core values, which are incorporated in the corporate culture and history of the organization. Professional, innovative, dedicated and empowered are the values that “define the way we work and behave, and inspire and support us in in our effort to continue building a successful, sustainable business” (Bulten 2017). According to one of the respondents, when they were visiting Bulten Poland, it felt the same for them as being back in Sweden. Everything was done the Swedish way, which made them not feel they were visiting another country with a different culture. However, when another respondent was asked if it feels like working at a Swedish company when abroad, the answer was that Bulten is an international organization with locations all
around the globe and it should not be labeled as a company with Swedish culture but a company with its own culture. When asked about the core values of Bulten, only two of the respondents were able to recite them. The other four respondents tried to explain them or sometimes mention one or two of the values. One of the respondents said that being in the workshop, “core values doesn’t affect us. It is only applicable with companies external communication”. In the same vein, another respondent argues that it’s not about putting the core values on a piece of paper but rather living it. The respondent adds that it’s all about the leadership style in the organization, “our CEO that has been in the company since 2000, has sort of a leadership style that opened up for a lot of people to take on some responsibility. They feel sort of comfortable in doing mistakes”. Nonetheless, when asked on each of the values separately and indirectly, all responses revealed that the core values are rooted in their behaviors and practices. For instance, when talking about empowerment, all six respondents expressed the freedom they have within their given roles. One of the responses stated, “We have a lot of responsibility and duties that we are expected to do, but we all have a lot of freedom as well”. Another respondent also confirmed the dedicated and empowered values when saying, “What I like about Bulten is that, they don’t have a big brother watching you. Everybody knows what they should do and they usually do it”.

4.1.3 The Joint Venture: Ram-Bul

As explained in chapter 1.2 about joint ventures there are at least two involved parent companies that needs to agree on the structure and establishment of the alliance. There are more to it than one can think, and the empirical findings presented about Ram-Bul have thus given valuable data.

4.1.3.1 Structure

In February 2017 Bulten publicly announced their joint venture partnership with the American company Ramco. The joint venture was established in order to supply the North American automotive market with fasteners through Bulten’s established full service provider concept. The ownership on paper was to be distributed equally divided amongst the two parent companies with 50 % ownership each. Closely linked to distribution of ownership comes the dispersion of senior management positions within the joint venture. The parent companies have decided to appoint a Bulten employee as CEO of Ram-Bul, which gives them the lead in the operational decision making in the company. Since Bulten got the CEO position the parent companies negotiated to choose a Ramco employee to be in charge of the finances’ and take on the title of CFO. The role of the CFO at Ram-Bul today is fairly limited since the activities involving the managerial expertise are rather low. The distribution of the senior positions at the JV were all mutually agreed upon, where both parents turned out to be happy with the agreement.

Ram-Bul up until today only employ one direct employee and that is the CEO. The rest of the tasks are performed by people from the parent companies, mainly Ramco, as a service to the joint venture. This is mainly because of the early stage of the venture, where there is no need
for more people to put 100% of their time into the JV. Another reason that the joint venture does not need more employees at the moment is that they only work as a sales office where the products being sold is bought from the two parent companies acting as suppliers.

4.1.3.2 Objectives

The American company, namely Ramco, have been looking into other expansion possibilities on an international level in countries such as Russia and Brazil before they got approach by Bulten. During the initial contact the Swedes were clear that they wanted to collaborate with someone in the USA in order to reach the market and obtain the knowledge needed. As the CFO of Ramco and Ram-Bul recalls being the reason from Bulten’s people in early stages of negotiations, “We have an objective of getting into the states and we only have three percent of our sales in the US and we want to come over, but we want to do it in team up with someone”. It was clear that the objectives of the joint venture were in an early stage communicated amongst the involved parties.

One can discern from the empirical findings that knowledge about local market is an important factor for both parent companies when it comes to partnering up with another company and especially for Bulten, since they are trying to establish themselves in a new market. A senior manager at Bulten mentioned the need of market knowledge as an important aspect and pointed out that Ramco is contributing with this to the partnership, he articulated it as, “…I would say the knowledge of the market and how you do business in the United States and things like that…”. He also continued by sharing what he thought that Bulten offered which he believed was the business model and their long experience of working with FSP solutions.

When approaching a new market with a joint venture philosophy, both parent companies were able to lower their initial investments and also the risk of failure, which they brought up as another reason for choosing a joint venture model rather than other means of expansion. The main goal and objective of the joint venture articulated by the parent companies was thereof delineated down to growth both in North America but also globally, the latter one is especially motivated from Ramco’s side. This is clearly expressed by a senior manager in Ramco when asked about these matters in relation to the joint venture, he expressed himself as, “Our objective is growth of the company. We want to be of a certain size and to get there we had to look at what our avenues to get there”. The same question was brought up in interviews with managers from Bulten as well where the answers got a little bit more hesitant. As mentioned they explained that they were looking for a partner in order to reach the US market, to offer the FSP solution to North America, and to lower the risks of such a move, but they also mentioned that the objectives where to some degree confidential, “… you will always have agendas that is not to the open.” said one of the senior managers at Bulten.

4.1.3.3 Decision Making and Power Distribution

Even though Ram-Bul is equally owned by Ramco and Bulten, the respondents’ thought that the decision making and power distribution is somewhat skewed towards Bulten. They
mainly think that it’s because of the CEO being from Bulten and also the fact that they are the ones bringing the customer to the table, but in the same sentence they also say that their fine with this unevenness. The CEO of Ramco put it, “Bulten may come in with a customer that's really dominated by them, then they should take the lead. If it's a customer that was dominated by us, then maybe we take the lead...”. He continued with commenting that the type of decision making or power distribution does fluctuate and it’s important to be flexible in the relationship, and said “…and it's got to be somebody that has to have enough common sense and flexibility to allow that to happen compared to demanding 50 percent decision in every decision.”. That Bulten is seated in the driver seat is also a perception that is shared by the Swedish parent and also by the JV CEO when he expressed the power distribution as, “I would say that I'll got more power into what we're trying to do because it is half because people come to me for the answer. Although we're on the Ramco facility, a lot of ways has been driven by Bulten where we got a lot more to offer Ramco.”

Another important aspect is to what degree the parent companies share an autocratic view on governance regarding decision making within the joint venture. This is important in order for the joint venture manager to work freely and to perform task that ultimately grows the business. All of the top managers in Bulten that have been addressed in this study gave the same explanation to how the autonomy of the JV is handled which at this stage were to give the project time to grow and evolve. They do not want to be more involved than necessary in order for the CEO of the JV to be able to do his job in the most efficient way as possible. The same goes with Ramco where the CEO observes at a distance and as he put it, “I would say that I'm watching it from 30,000 feet.”. He also mentioned that he has a good communication with the staff involved in Ram-Bul and Ramco, which was sufficient enough for him.

4.2 Dimensions

In this section it will be a more in-depth presentation of the interview findings in relation to the Hofstede’s six dimensions presented earlier. The dimensions that will be touched upon are namely: process versus result, employee versus job, professional versus job, open versus closed, loose versus tight, and normative versus pragmatic.

4.2.1 Process Versus Result Oriented Culture

As presented in chapter 2.4.3 the process versus result oriented dimension is presented which address handling of uncertainty, and if the focus is on how a task is completed or simply that the task gets done. This is an important aspect of the study since clashes between process and result oriented structure can lead to conflicts and problems. In addition to the set problems and differences of interest the researchers also incorporated how the respondent viewed trust in relation to freedom and responsibility at work to this dimension.

4.2.1.1 Ramco

When it comes to Ramco’s problem solving structure, the answers from the respondents varied a bit from both thinking that there are set procedures and processes to follow to
solving problems in different ways each time depending on the problem. Five out of six respondents thought that it didn’t exist any structure for problem solving as a whole but there are similarities in how everyone of them work. It was explained by one respondent that they work within the same structure but use their own techniques. The one respondent that did think that there are set processes put it as, “Would depend on how the problem and the gravity of the problem, but the majority of the issues that we encounter, we have a process in place to handle that”. In relation to what type of problem all of the respondents in one way or another addressed the utilization of their team and co-workers knowledge and experience, when a problem arises. This was presented as a way of handling problem all the way from the top where the CEO explained the use of his management team. He also added that even though he consolidated with his surrounding team, the final decision was still his to take in regards for problems at such a level. As mentioned this mindset descended down through the management levels where another top-level manager made clear that if a problem arise he would gather his team and come up with a solution to fix it. The trend of using your co-workers knowledge and experiences descended as mentioned from top all the way down to the operational level employees. One of these employees addressed the question about problem solving the following way, “If there’s a problem at work, I usually go to colleague and say, “ok listen, what do you think I should do about this?”. The main keywords when the researchers asked about this topic, which came to be touched upon by all six respondents and that, was communication and team/co-workers’.

The other aspect of process versus result oriented culture was to what extent the respondents felt they either gave or were given freedom and responsibility in their work. Here six out of six respondents felt that it was to a certain degree at least given freedom in decisions and tasks. Starting from the top management perspective the CEO and owner of the company not just believed in the importance of freedom, but he also expects it to be used from the below management. By this he meant that the top management should bring him new ideas and improvements otherwise they might not be suited for the position. He explained this to be some sort of empowerment and trust. In relation to empowerment and trust two of the respondents expressed the need of being trusted and that they also got this from the management at Ramco. One of them expressed it as, “I have the freedom to exercise my judgment to the greatest degree. And I think part of that is that I’ve shown over time that if I don’t clearly have a good understanding of it, I'm not going to make a decision on my own”. And another respondent said, “I have never personally had a boss that micromanages me. Maybe it's the position that I'm in and I'm trusted enough with what I'm doing that I don't need somebody to stand over me critiquing my work”.

Another senior manager said that the implementation of freedom and responsibilities have been a result of change in culture over the last few years. He puts it as, “That's the one thing that was really changed in the culture. As I said, it went from an autocratic. I'll tell you what to do. You don't think to empowering people...”. In relation to the change in culture at Ramco the respondent also adds, “…we expect people to think for themselves and come up with ideas. I want people with open minds and ideas and especially from an efficiency standpoint, if you can find a way to cut what takes up the most amount of your time, that is non-value
adding and how can we get that off of you?". He put it in a context where he believes it’s important that everyone in the company have the mentality to push for change and improvement all the way from top management down to shop floor. An example that the same respondent depicted was the use of interns, they bring in interns that work on filing papers and so on whilst the regular staff can focus on what brings value to the company. Even though all of the respondents felt that freedom was given, three out of six also mentioned the need for limitations and directions. A mid-level manager expressed that some people need more guidance than others, but he also thinks that it would be great to have everyone being independent in their work. Furthermore, this was strengthened by two other respondents saying that freedom is needed but in relation to directions and limits to be guided in the right direction. This section of the interviews was characterized by the management’s expectations of participation from everyone and by the need of direction and limitations.

Moving on to the last part of this dimension and that is how the respondents view the company’s way of doing business. When asked questions regarding changes in the company and if they believed that the extensive restructuring during the last few years had changed the company, one respondent argued that Ramco had changed during the course of time and this was due to the change in management and leadership. The company now was being managed differently from before when the CEO’s father was in charged for example. The move from what one respondent expressed as a small business into a growth period and becoming a mid-sized company. A senior director said, “small businesses very many times are more of a dictatorship” at the same time as he pointed out that the company now works more with empowerment and to lead the employees in the right direction. As he put it, “I'm telling somebody to do something a certain way. It's working with them to get them to do things and maybe those things aren't really the way you want it to go, but you're still going the right direction”. Four out of six respondents presented the shift from traditional business into more technical way of doing things, where focus if on expansion and growth. This was also brought up in relation to the freedom and responsibility addressed earlier where there is a need for freedom in order to act innovative and to find solutions on a higher technical level. The number of in-house engineers is one of the examples that characterize this section of the interview. Where they focused on the recent shift towards growth and expansion by acting as a technical company working with solutions rather than acting as a service company just offering a product.

4.2.1.2 Bulten

Problem solving through a set process or procedure was thought to somewhat exist at Bulten according to the respondents. Even though the majority of the respondents couldn’t present a clear procedure for arising problems one of them were certain that set procedures exist but only in certain areas. The one respondent that believed processes exist even he started with saying they didn’t exist and then to some extent changing his mind. When asked about if it exist procedures for problem solving he responded, “No, not really. I mean, when it comes to real problems that like quality issues and the logistic issues and things like that. Of course, then we have procedures, how to move ahead when it comes to more, um, I don't know, sales
or strategic problems. There's not really a handbook for that. So, I think it's more up to the management and experience and skill sets that management has”. Another interesting aspect brought up during these interviews was that five out of six explained the phenomena as something that depends on the problem. They furthermore said that depending on the severity and type of problem they act differently and accordingly to what was needed to be done. One top manager said during his interview following statement, “It very much depending on the type of problem. But here's sort of an escalating process”. He meant that depending on the severity of the problem would be escalated through the ranks at the office, through affected departments, and perhaps also customer or suppliers. Escalating a problem was something that 50% of the respondents mentioned as an action within problem solving. One of the respondents put it as, “There are different kinds of problems but often we raised it in the team because if you’re four eyes is much better than just me myself doing it”, when showing one meaning of escalating. Several of the respondents also stressed the importance of communication with co-workers and managers to act on issues as efficiently as possible. In Bulten’s case the respondents did not just stick to escalating the problem but two of the respondents mentioned the importance of thinking ahead. They explained it as being proactive on problems that might occur in the future in order to avoid them.

Experience and knowledge leads to empowerment, trust, and freedom was one respondent’s thought of the freedom and responsibility given to employees at Bulten. He puts it as, “...I think we have a quite high level of empowerment. At least, when we have experienced people in charge...” but he also continued by adding, “Of course newer employees need more guidance and support”. This is something that the CEO of Ram-Bul believes in as well where he calls himself a bit of a control freak wanting to know what’s going on but not necessarily intervening in the process. It’s more of freedom under supervision and this is something that is earned by proving you deserve it. But he also talks about experience and knowledge as being driving forces for freedom and responsibility. Three other respondents out of six thought that trust and freedom was given from the start and that no one is watching over their shoulder. One of them expressed it as, “They don't have these, say big brother, watching over you” where they refer to Bulten as an employer. Moreover, even if people are empowered and given freedom there are certain tasks that does not have any room for creativity, this was something that three of the respondents brought up, one of them from top management level and one from operational employee level. The senior manager put it like; “...I mean certain things you have to do, sort of like an ongoing process from a finance perspective for example. It's sort of following a process, but in between I would say there is quite good amount of freedom”. Important to be noted here is that all respondents said that there are some degree of freedom and responsibility in all positions it just depends on what tasks and areas.

Regarding how the respondent view how Bulten does business it came down to be that three respondents saw Bulten as traditional, two viewed the company as more innovative and adopting a more unique strategy than others in the industry, and the last respondent did not have anything to compare to, so he had no view at all. The three respondents thinking that Bulten is a traditional company argued with the standpoint that the company are striving and
trying to be more innovative and creative but have much to learn. As one of them put it, “I think we would like to be more innovative, but, to be realistic it’s quite traditional”. The main factor of this was according to the same respondent that they often work with large customers that are setting the rules and does not give much room for creativity. The two respondents that views Bulten as an innovative company put forward the products and solutions as highly technical often more than one can think. One of them also stresses the strategy that they are using, namely the full-service provider concept. He put it like this, “I wouldn't say the FSP concept is traditional in automotive, it's more like a concept that I think would go to form in other industries as well”, by this he means that the FPS concept isn’t industry specific and can be used elsewhere as well.

4.2.2 Employee Versus Job Oriented Culture

How a company values their employees and how they treat them are two very important topics in this research when trying to understand how the companies view their employees. The employee-oriented organization resembles a culture that is caring for their people and the organization. They are also concerned about their employee’s problems and feelings, whilst in the job-oriented organization, the focus is on completing the job at any costs. To shed a light on these aspects, we looked at how the companies address mistakes; outside work activities for the employees, and to what degree conflicts arise amongst the employees.

4.2.2.1 Ramco

When asking the respondents about how mistakes in the organizations was treated, the managers said that the problem needs to be discussed and then try to find a process that minimize the risk of that mistake to happen again. One of the respondents said, “I'm not out to place blame. I'm out to find out what happened. Ok, let's find out what happened. Let's dissect it and figure out where the point of failure is. What do we need to do to make sure that this doesn't happen next time?...”. An example was brought up during an interview where one of the operational level employees had made a mistake where his boss had been, as he expressed it, “busting his balls” for a while afterwards. He understood that the manager did this in order to stress the importance not to do the same mistake again, but he also added, “But you know, I didn't feel chastised. I didn't feel humiliated. We're friends”. Another respondents explained that if a mistake was being made, she wants to find a solution for it before going to the managers. The CEO understands that mistakes will happen and clearly stated, “I make a lot of mistakes. We all make mistakes. Nobody's perfect”, he added that he wants to show his employees that he’s willing to hear them out if a mistake is done. It was also brought up by two other respondents, which said that everyone wants to do a good job and not make mistakes. It was clear that the management was not out to blame anyone for making a mistake, but if the same mistake was done repetitively there needed to be some sort of action taken.

To get an even deeper understanding of the process after a mistake the researchers wanted to know if there was a certain procedure of some sort or steps that was followed. From the
majority of the respondents the same answer was given where the company works through a three-step process. One of the respondents explained as, “I would assume we would talk about it, discuss it, how it happened, why it happened. If it happened a second time. Then we would sit down and probably take it to the next level. the third time. I think you're getting to a point where this is probably one of the pitfalls that we had with Ramco is that we have no structure for that. Meaning I would think at that point in time the person would need to be asked to step away from the position to think about what they had done on a more serious level or be relieved of their position.”. He also added, “We still have a bit of a family mentality here, which is difficult because the top management does care about the people and wants to see them succeed”. None of the respondents could remember that anyone had been terminated for doing a mistake but there had been cases of reassigning people that were not suitable for the position they previously occupied.

In order to get an insight to how the employees are socializing with each other outside of working hours, we asked about activities such as team building exercises and gatherings. At Ramco there was more or less a united consensus that outside of work activities are not prioritized from either the employees of the company. Three out of six respondents expressed that they had other things to attend during their time off and that they didn’t feel the need for such activities. Another employee feel that he would like more activities that brought the group together on a personal level he responded to the amount of activates as, “it's weak. It really is a bit of a weak element at Ramco. Um, out of the 150 employees we have here, there's still people, I don’t know”. Nevertheless, Ramco does offer some annual get-togethers such as an annual picnic during summertime and some of the departments also have an annual Christmas dinner. One of the senior managers said in relation to outside work activities that they instead do a lot of in-house activities such as bringing out the grill during the summers and barbeque hamburgers and hot dogs for the employees to show gratitude. He said that they like to make people feel good and acknowledged if someone does a good job. One of the respondents gave an example when been acknowledged after outperforming a task by being awarded a fine dinner and praised in front of everyone in the office. Another respondent got to accompany the managers on a trip to Taiwan as a learning experience, which he interprets as showing gratitude to him since he didn’t think he would bring value to the trip.

A great deal of complains and disagreements tend to take place, but all respondents saw this as natural and they felt comfortable walking into their boss’s office and complaining. However, one important point to be noted here, all respondents said they would not bypass their direct bosses and go to their boss’s boss. Even when interviewing employees that have a close relationship with the owner, they said they would not take any complain with him since he is not their direct boss. One of the interviewees said, “There are layers that you have to work your way through, so I don't go directly to the CEO”. When one of the top managers was asked if he would mind having someone bypassing their boss and come complain to him, he said: “Don’t like it when they go over their boss or their boss's boss to come complain to me, but my door is always open”. He adds, “It’s important to have some chain of command”.
All top managers said they would listen to anyone even if they bypassed their bosses but they wouldn’t overrule a manager and would send them back to their direct manager.

4.2.2.2 Bulten

Doing a mistake at Bulten is something that is accepted from the very top, one of the respondents depicted that the CEO of the company have created an environment that accepts mistakes with the philosophy that you also should learn from it. The environment in the two visited facilities shared the same idea of doing a mistake where one of the respondents puts it like, “I mean, you learn from your mistakes. It’s not like you’re getting sacked. Starting to grow that type of culture within a company. It's, I would say a sort of a success factor”. What he meant was that if you allow mistakes you will create this learning environment, which will lead to success in the future. The same thing was shared from all levels of employees where another one said, “You are allowed to do mistakes and it’s OK”. At the point of making a mistake it was made clear by a senior manager that there need to be an understanding of what went wrong and how to solve it, he expressed it as, “You would have to go through what he's done wrong and, we would have to train them better”. Another senior manager said, “Try and coach them to try to not do the same mistake again. If you're constantly making mistakes and there's got to be another reason right now, don't think anybody would want to go out and make constant mistakes, certainly I wouldn't want to be known to make a lot of mistakes, you know”. The fact that everyone makes mistakes was a shared and accepted consensus from the respondents at Bulten in this matter. In terms of terminating employees for doing a mistake was nothing that anyone of the respondents could remember happening as long as they been in the company, but two of the respondents mentioned that relocation of particular employees does occur. One of the respondents said, “I think it's more of the culture that is why we don’t terminate people”, he also added that terminating someone will affect the co-workers of that employee negatively which will be bad for the company.

Furthermore, if looking at the amount of outside of office activities that Bulten offers, it was divided opinions on the matter. Some of the respondents thought that it was enough of activities and some did not. It all came down to be about how much time they had to spend with co-workers outside of office hours. It was presented that most of the employees participate during the summer and Christmas party each year but when it came to other activities such as after works or similar it showed that the higher leveled managers did not join due to different reasons. One of them located at the headquarters said, “People don't really see that they have the time, you know, and sometimes it's that people traveling a lot”. Even though it seemed to be hard to get people involved at the headquarters one of the respondents explained that they sometimes exercise together during lunch hours, and this was also the case at the operational facility. One respondent put it, “we go running during lunch and also other exercise”, and with other exercises she meant participating in races such as Göteborgsvarvet. Even though some of the respondent thought there was a lack in activities they still believed that if someone planned for it people would be happy to join and participate.
On dissatisfaction and complains, all respondents stated that complains happens every once in a while, but it’s usually not very serious. As one of the respondents puts it, people complain not because they are unsatisfied but just to complain. Another respondent said, “I hear complains every once in a while, maybe since I am a manager, maybe I don’t hear it so much”.

4.2.3 Professional Versus Parochial Culture

The third dimension presented by Hofstede (1998) is about how and where the identity of an organization's employees is rooted. The members of a professional culture are identified by the job they do and are therefore also hired for their job competence. Another aspect of the professional culture is that the private life of such employees is separated from their working life. By being a member of a professional culture, you will have a clear plan of the future and thereof also plan far ahead. In contrary to the professional culture the parochial culture employers think more about the fit of the new employee than meeting all the requirements of the job. The social and private life is intertwined to some extent with the working life which is an important aspect of the parochial culture. And instead of planning ahead the parochial culture members are more reliant on that the organization will take them forward.

4.2.3.1 Ramco

Speaking about acquiring and accepting outside knowledge and expertise to improve the internal processes and the organization as such, this concept can be applied on Ramco in the sense that they have come to the conclusion that they need more experience and knowledge than they have internally in order to reach their goals of growth and expansion. As one of the respondents put it, “From our perspective, it was um, you know, our objective is for growth of the company. We want to be of a certain size and to get there we had to look at what our avenues to get there. We can grow internally and that takes a long time”. The choice of being a part of the joint venture can be seen as a professional move towards reaching their goal. Another aspect when trying to characterize whether an organization is professional or parochial you need to ask the respondents questions on topics that will bring to a discussion on how they identify themselves in the workforce. For example, one of the respondents that was, in this context, fairly new to the company (been employed for five years) talked very much about how the company had changed since he got there. He was somewhat of a person that did not fit the already established group and routines, he was hired to make some structural changes in the company to reach the already mentioned goals of growth. When asked about freedom and responsibilities he said, “That’s the one thing that was really changed in the culture. As I said, it went from an autocratic”.

To begin, during the visit at the Ramco facility we quickly understood there are several people that are related in one way or another working in the office. Hiring someone that you know on a personal and private level makes it easy to know that the person will fit well into the group and that he or she share the same values. As presented earlier about the private life and working life being intertwined was obvious at Ramco, for example that there were married couples working at the office or that several of the owner’s friends worked at the
company. But there was also another interesting thing that one of the respondents said about the people they hire to the company. He expressed it like, “I really wanted the company to eliminate the strong personalities. When we bring on a new person, I don't care what level, we're not bringing on those with strong personality”. Only hiring people that fit well with the group might also be the answer to why they have so many employees staying with them for long periods of their working lives.

4.2.3.2 Bulten

During the interviews at the headquarters of Bulten one of the respondents brought up the topic of having good and talented people around her. She also said that they have a lot of career-focused individuals at the office, which might be influenced by the fact that they are situated at the headquarters of a listed company. But the fact that people are mainly focus on their careers tell us that there are elements of a professional culture at least at that facility. Another aspect that was discussed and presented by two of the respondents, one at each facility of Bulten, was outside office activities and that they do not usually participate in these. One of them argued, “People don't really see that they have the time”, which shows us that they have other things to focus on during their time of and that they want to separate their private life and their working life. As presented above in a professional culture the individuals are planning ahead and do not wait for the organization to make the decisions for them. This was something that one of the senior managers articulated by saying, “So being one step ahead I think is always, you know, the right thing when it comes to customer relation”, in a professional culture proactiveness and good planning is always encouraged which this shows.

Furthermore, Bulten have some characteristics of being a parochial cultured organization as well. When we asked one of the senior managers at Bulten about how most of the new employees are found and hired, he answered that mainly it’s through contacts and people they know. This is a sign that Bulten also are thinking about the employees fit within the established group and setting. Another thing is that Bulten also have a history and reputation of long-term employees, which can be seen as another characteristic of a parochial culture.

4.2.4 Open Versus Closed Systems

The dimension is precisely concerned about the communication environment in an organization. In a closed system, communication is more identified as private and takes part behind closed doors whereas in an open system culture, communication is inclusive and open even to newcomers into the organization.

4.2.4.1 Ramco

As observed at Ramco, everyone was notably focused on what they were doing and few side talks was taking place. Employees were mostly talking with colleagues seated around them, from their own departments. It could be described as a serious working environment. Throughout the week spend at the company; it wasn’t clear to us at any point if tensions
existed between employees. The only tension observed was on a management meeting when one of the executives clearly showed his dissatisfaction on a matter that wasn’t communicated to him earlier. It signaled that the communication at the company could be not to its best. When asked about tensions at work, all respondents claimed that some tensions do exist but nothing worth mentioning. One of the respondents gave an example of an employee that had tensions with someone and it kept escalating until there was a loud argument in the office, which forced the boss to call her in and warn her not to repeat it again. The CEO at Ramco believes that a good team needs to have harmony and employees with strong personalities have no place at the company.

One of the questions that respondents were asked was if employees feel they are one family and would be supporting to one another. When asking the CEO, he said, “It’s not one big happy family like it used to be when it was a small company. That's always an issue when companies started getting bigger and loses that personal relationship you have with everyone”. Likewise, other respondents had a similar comment to what the CEO mentioned. One of the employees said, “There is that element but it’s less than before. We are a family of co-workers”, another respondent claim that, “we just don’t have that social environment like I’ve seen in some companies. Yeah. Family kind of, it's just a little different, but it's not necessarily negative.”

Moreover, one of the questions asked was how well a new employee would get integrated and feel they are part of the organization. The majority of the responses were that new employees fit in quiet easily and are properly introduced to everyone around the office. As one of the top managers put it, “We’ve got a handful of new people here now and in the office they've assimilated very well, you know, you can see them talking to people, being involved in different conversations, whether it's business or not, it's kind of up to them”. In the same manner, another respondent said, “When somebody starts here, we walk them around the whole office and introduce them to everyone, the manager will take them around and introduce them and explained who each person is and you’ll forget names and that sort of thing. It's a friendly environment.” In the contrary, one of the respondents sees its quite tough to blend in and be part of the organization. As stated by the respondent, “There's a number of long term employees here and as a result there's a lot of history with those long-term employees between each other. So it's a little tough to break into that. I wouldn't say that they push you away, but boy, when you got the two of you worked on together for 25 years and you have all this history to talk and joke about this, a little tough to break into that. So I would say initially that was a bit of a challenge, but you just have to be patient”.

Moving on, even though as mentioned earlier, some of the respondents were more or less conservative with their responses to the direct communication questions within the organization, there are still some interesting feedbacks received. Three out of six respondents believed that the communication is very good, however they agree that there is some room for improvement. The other 3 respondents think that the communication environment is not at its best. As one of the respondents puts it, “I’ve been at other companies that would do a monthly state of the union kind of address which every person in the company was brought
together ... here's where we're at. Our expenses are, this, hired this many people. We've lost this many people. And just give highlights what, like what are the high level score of where we're at, what's our goal? Here's our goal". The respondent adds, “Some companies would like to post it up on the screen or have flyers and so everybody's knows where the destination is. That's what we're all rolling to. We don't do that here and I haven't figured out why.”

Another respondent said, that at many occasions they feel they don’t know what’s going on behind the management closed doors and as little as 20% is communicated to the employees on lower levels. On a top management level, the CEO mentioned something very important, that if the top managers disagree on something they always sit together and resolve it. The communication is fairly open, and all top managers are on the same page, knowing where they are heading.

4.2.4.2 Bulten

Talking about the communication environment at Bulten, it felt the atmosphere was more relaxed at the operational office in comparison to the head office. People at the operational office were more gathered around one another and it gave the feeling of a family. During our visit, the managing director was not in office and the rest of the top managers at Bulten sit in the Headquarters. In all meetings we had at the operational office, we always found employees around the canteen having coffee and socializing. When we asked our respondents about how they would describe the atmosphere, all responded that it’s very friendly and family like. The employees know each other on a personal rather than a professional level. One of the respondents said, “It feels like a family because you spend a lot of time with them every day ... you connect with some more than the others but it’s a very good atmosphere”.

However, as one of our respondents in Högsbo answered, people working there barely take coffee breaks and the majorities at the office are always travelling, making it very difficult to socialize. Nonetheless, within the departments, the atmosphere can be very friendly. Another respondent said, since it’s the head office and all top managers are situated here, a lot of politics exist. When it comes to newcomers into the organization, the responses were relatively similar at both offices. Respondents described it as very easy for newcomers to assimilate in the company. As one of the respondents conveyed it, “I think they are very well integrated. I think people are friendly towards new people here. I don't see any frictions or any groups and so on.”

It was observed that the operational employees are somehow distanced from the managers, particularity at the headquarters. When tweaking the question and trying to understand if there is tensions around, respondents at both locations of Bulten said it's not that common and if it happens, it's usually associated with one person. One of the respondents said, “I don't think there is many tensions. I mean, it tends to be a connected to one person, a lot of times when there's a lot of tension and I think throughout the years we've had that person”. Moreover, power distance at both Bulten sites can be seen as rather low. Both employees and managers saw no problem in bypassing a direct manager to complain or raise an issue. A respondent when asked if she would go into her boss’s boss and complain said, “He's very
open and I feel that we can talk to him anytime. But of course, if there's something that my boss should handle, he might tell me that you need to talk to that person”.

On top down communication at both Bulten sites, employees and the management seemed to be satisfied with the level of communication and amount of information shared. There are four important meeting at Bulten taking place at the end of each financial quarter and it gives the employees an overview of the company’s performance, and future expectations. As the middle manager expresses it, “We share a lot of information. We have a regular meeting for all the personnel here. We gather over lunch and they get briefed. And then, each department express what they're doing and what's going on and we give them a view of the market and our customers, things like that.” In addition, each department has its internal regular meetings, which varied from one department to the other. For instance, when asking how often meetings take place at the warehouse, they have a 10 minute meeting every morning to communicate essential information for the blue collars. Operational employees satisfaction with the communication was evident as another respondents conveys it, “I think we're pretty up to date all the time, but maybe not in the bigger picture. And that could also be that I could find the information online since it’s a public company”. On the other hand, one of the respondents believed that the communication is both good and bad. Not everything is communicated from the top management, however that very same respondent believes that sometimes it's good not to know everything.

4.2.5 Loose Versus Tight Control

The following dimension is related to the internal structure of an organization and level of control. In a lose control culture, employees and management rarely thinks of costs and there is less emphasis on punctuality, while in tight control cultures, cost consciousness is highly emphasized and punctuality is strong. The questions constructed under this dimension was aimed to measure the level of punctuality at both organizations in terms of coming to work on time and meeting deadlines. In addition to the punctuality metric, respondents were asked on how cost conscious is the organization and how much flexibility is given to them in terms of individual cost decisions.

4.2.5.1 Ramco

In terms of punctuality at Ramco, it was perceived as one of the most prominent expectations from everyone. With no doubt, all respondents expressed the importance of punctuality at Ramco. When asked on what time they are expected to be in the office every morning, all 6 respondents said 8am. As noted by one of the respondents, “We started at 8:00 and [the CEO] gets pissed when he looks around and people are walking in. He doesn't care how late you stay. Be here on time”. Another respondent adds, “You're expected to be on time. It’s important. And time is five minutes early”. Furthermore, one respondent explained how before moving into the new facility, employees were prepared that everyone would have a keycard that needs to be used when entering and leaving the building. They were even told that cameras would be installed to make sure it’s the same person using the right card.
However, as observed, there were cameras installed only in the canteen. As we were told, the camera in the canteen was installed after some employee’s food went missing from the fridge. On the other hand, a top manager stressed the importance of punctuality and being on time, “We have a person who has to be in here at 7:00 in the morning because some orders have to be taken care of and she leaves a little earlier. You know, I have a person who stays a little later because she has to finish up the invoicing each day. So, she comes in a little later in the morning. But everybody has a set time of when you're expected to be here”. When the CEO was asked for the reasons why he doesn’t like to see anyone coming late into the office, “I think it shows again, a lack of respect and a lack of diligence to what you're doing, even though your doing your job”. In addition, all agreed on the importance of being punctual with deliveries and schedules. Ramco desires to maintain a 97% on time delivery, which have changed from what it was like 10 years ago. When asked if there would be any consequences for not doing so, one of the respondents said, “If we fail to deliver on time, next thing you know, they're taking money out of our pocket”.

Moving on to the second metric and that is how cost conscious is the organization, 5 out of 6 respondents believes it’s considerably tight. One of the respondents even expressed some frustration on how expenses are handled at the office. For instance, if a stapler or some batteries are needed, then the employee needs to get an approval on it. On the contrary, another respondent sees it as a positive thing and exemplified as, “When I first started here, you had to supply your own pens and pencils. The founder of the company was the operations director, so he watched every penny very closely. He cared about them and because of that, the company was able to grow financially with this good idea if there's very little waste here, which is nice”. When flying for business, it's important to look for cheap and reasonable flights. We asked if there is a maximum amount or some formal policy in place, “There’s not a formal policy, but common sense policies are only for those times when people can't use common sense. There's no reason I should ever fly business class unless I'm authorized to”. If any equipment is to be purchased, department managers have a capital expenditure of up to $2,500, which they can make decisions on without review and approval processes needed from the top management. In the past it was like one of the respondents calls it, “Hallway approvals”, which is getting the CEO’s approval in the hallway. This has changed in the past few years and more formalized processes were established. As explained by one of the respondents, “ We give latitude to the higher levels to make decisions as long as they're staying within budget. So for instance, issuing credits to customers, our customer service people have an authority level up to $500, above that, they need their boss’s approval ... above $5,000, it need to go to the CEO for approval”. Nonetheless, the last respondent believes that Ramco is quiet lose with expenses. The respondent explained that if an expense is of value to the company then it’s with no doubt approved.

4.2.5.2 Bulten

When asked on how punctual is Bulten in terms of coming on time and leaving on time, respondents believed it was punctual yet fairly lose. As exemplified, “I think if we are quite punctual, but we have had for a long period, were we have a lot of people come really early
and they leave early and that's why we had to go out with some new regulations or, that we wanted people to stay longer in the afternoon because, if we have customers that needs attention later, we also need to have people in place here”. As it is today, employees are quite flexible to decide what time to come in and what time to leave, which apply to everyone, even the warehouse employees. However, one of the respondents argues that even though its flexible, the majority of the employees are still showing up, “Most people are here for the most important hours of the day... Depending on what you work with, you have different office times for example the sales people”. However, respondents considered Bulten more punctual when it comes to scheduling and deliveries. As it was explained by one of the respondents, deliveries are around 95-97% on time, however it’s not the case as of today. Currently there are few issues, which make it drop to 80% on-time delivery.

Moving on the second metric, the majority of respondents as well considered Bulten to be relatively lose on expenses. For instance, when asked about office supplies, one of the respondents answered that, “They are just in the archive. Go and grab what you want. You don’t need to write how much you take, it stays in the office and it’s for us to use”. Department managers are given up to 50,000 SEK per order on equipment or other expenses. When the invoice exceeds the maximum amount, “The boss has to sign it, which he probably will be OK with it, if it's something that's needed. ... It's pretty loose. Yeah. I have no one watching over me or something”. Each department has a set yearly budget to use based on how much it has been projected by the department manager. Moreover, there is no monthly or quarterly follow-up on how much money was spent by the department. As one of the respondents puts it, “It's loose as long as you are within the budget”. When asked on travelling expenses, one of the respondents discussed that “We need to have what we need to have”, as long as it’s within the budget and justifiable. For instance, one of the examples given was long distance flight, which the respondent said that employees, even non-managerial positions, fly premium economy class. However, one respondent believes that it’s between loose and tight, “I think it's very much under our own responsibility. We look for the best solution, if that’s the cheapest one then fine but it should be the one that actually add value for you in the future. An organization strictly looking at the cost side of things will not be very successful”.

4.2.6 Normative Versus Pragmatic Culture

The following dimension refers to specifically customer orientation. Pragmatic organizations are market or customer driven, competitive and care mostly about meeting customer needs than following the right procedures, while normative follows procedures, do things the right way, concerned about high business ethics and less caring for results. What differentiates this dimension from the process verses result one is that Normative versus pragmatic explicitly describes the market or customer orientation of the organization. Therefore, we asked our respondents questions concerning their business ethics, integrity and the times when they went beyond the call of duty to help a customer.
4.2.6.1 Ramco

When looking at the customer orientation at Ramco, one of the top managers explained that the company has a code of conduct and policy statements in place to ensure that the firm/employees operates within the rules and regulations. Recently they changed the policy to sell only customers who spend over $3,000 annually. We were told a story of an eleven year old customer whom they stopped selling since they don’t meet the annual minimum new set amount. As conveyed by one if the respondents, “We absolutely try to make sure we have the customer happy. But we still have our policies that we have to stick with”. Moreover, all respondents believe that unethical behavior, even if it were in the favor of the company, would not be tolerated. When asked if they would report any unethical behavior that would affect the business, with no doubt, all respondents said that they would report it. As one of the respondents puts it, “But if I knew somebody was acting unethically, I would feel that I would have to report it. I mean, if we were unethically trying to capture business, doing things, taking people to places, spending on them or buying for them, I would want to report it. I would feel OK with reporting and if it got me in trouble for reporting it, then maybe that's not the kind of company I want to work for”.

Saying that, it could be understood that the firm leans more toward the normative side. On the other hand, respondents as well gave examples on how they went beyond the call of duty to help customers or even bear the cost of flying freight, to ensure customers satisfaction. One of the respondents gave us an example when helping a customer with urgent need for parts at a very short notice by stopping the machines and adjusted them based on the customer’s specific requirements. The additional costs were charged to the customer, yet the firm showed commitment and high customer service. As expressed by one the respondents, “There is a lot of headaches that the company faces which is not communicated to the customers”. Such drawbacks or delays that might happen are due mainly to “suppliers not delivering on time. We have changed suppliers even if they were the cheapest, but we care for on time delivery since we want to deliver on time to our customers”. When, for instance when the price of steel increased, which is due to governmental regulations, out of the control of the management, the local supplier straight away increased their prices 25%. This did affect the business, however, when asked if they would impose a 25% increase on their customers, the answer was that most likely they would try to find an internal solution and absorb some of the cost rather than just imposing it on their customers. It’s important to recap that Ramco today mainly focuses on selling value added solutions and that gives them the possibility of gaining a margin of up to 40% in comparison to the 15% they had 10 years ago. Another example that revealed the companies pragmatic culture, was when asked if there as times when the salesperson would go above and beyond the call of duty to help a customer. The respondent exemplified it, as, “Whenever it needs to happen, that’s the standard answer that you get But whenever they need me to do anything extra, like I received a phone call at 10:00pm two weeks ago and I had to come in to work and was here until about 1:00 in the morning. Something that does happen! It’s part of the position”.

47
4.2.6.2 Bulten

Moving on to the Bulten side, there is as well a policy, code of conduct and procedures in place, which exemplifies the way of doing business, what’s accepted and what’s not. If we would first discuss the pragmatic side, many examples were given that shows the company should be categorized as pragmatic. For instance, one of the respondents claims that, “customers are setting the rules on how the RFQ should be carried out for instance. It’s mostly our large customers that sets the rules we work by”. This indicates the company’s strong customer orientation and their willingness to do whatever it takes to do keep the business. The same respondent also believes that the sales department in comparison to the rest of the departments within the company is result oriented. Another respondents said, “If we were the reason a company had to stop their line, then perhaps we arrange an event and tell them we have a corporate event and you’re invited. We go karting or have lunch and few drinks”. Or when a problem comes up, Bulten has an open communication with their customers. They would say, “we messed up here and that’s the past, here’s what we are going to do about it. This is how are we going to make it work”. When asked if they would go beyond the call of duty to help customers, one of the respondents said, “When it comes to the sales department, we work whenever, if we get calls at night then we have to take it of course!”

On the other hand, one of the respondents said, “we are not interested in selling over the shelf boxes”. It shows that they care more about procedures and policies rather than what some of the customers might need. However, when asked a follow up question on why wouldn’t you be interested in such a business, the answer was, “We can produce fasteners and sell it off the shelf, but that’s another type of business. We cannot do this! It would just cost us too much in order to handle such a business. We don’t have the organization setup for it”. Moving on, with respect to whether they would try to find an internal solution if prices increased due to uncontrollable conditions, such as tariffs etc., “If prices went up due to regulations, tariffs then we have to increase on the customer of course. If they didn’t accept it, then we lose the business. We can’t really absorb these kinds of costs due to the products we are selling. We tend to have low margin products here”. On the ethical side, respondents were asked if they would report someone for bribery or an unethical behavior to gain business, one of the responses was, “I think that we have a very strong work ethics here in that way, and it's also part of the culture... you can never bypass a good ethics and hand bribes or other similar activities. It's not worth that much for me anyways, I am an employee here and we just need to do a good job within the rules we have”. Another respondent said, “When it comes to corruption, then you are stuck and if you done it once then you will do it again. I will absolutely talk to the person and then seek some advice form the CEO or the HR. When in comes to trust within a professional area, and then I will have no problem bringing it up if it’s a breach that would hurt the organization. Cause this will not only hurt the relationship of this person or few people but it would affect the entire organization”.
4.3 Observations

The observations were used in order to incorporate the non-verbal communication and visible artifacts into the study. In addition, it helped us find patterns and behaviors interesting for the research that could also be justified during the interviews. The observations focused on five topics namely: office/workspace, visual and audible behaviors and patterns, technology, billboards, and dress code. The following paragraphs will exemplify the observational data and act as empirical evidence in the upcoming analysis.

4.3.1 Ramco

Upon first arrival and throughout the complete stay in Ohio the researchers were meet with great hospitality from all parties involved. The employees offered water and coffee before almost every interview. Something else that was noticed after a couple of handshakes was the amount of business cards that the researchers would collect during the brief stay in the US.

The office was reached through one of the two entrances, one on the front of the building for visitors and one in the back where the staff for both the office and workshop entered. The office was to the size very big in relation to the number of people working there and it’s a mix of a large area with cubicle in the middle and enclosed offices surrounding it. The cubicle area is allocated to the operational level employees and the offices to mid and top-level managers. Most of the interviews were held in the main conference room which can be described as a rectangular room with a large oval table that facilitated meetings for up to 15-20 people. The room was also of a high technological standard with state of the art conference call equipment both for voice and video meetings.

Another interesting thing is that spread out across the facility there are banners stating the core values of Ramco. In relation to big signs the company also have a big billboard with information about competitions and other informative notes. As well, there were hanged portraits of certain individuals on the billboard with a few sentences showing their gratitude. An example of such a portrait was of a man that has reach 10 years of employment in the company.

During the time spent in Ohio the researchers participated in a couple of meetings as observers, which gave valuable insight behind closed doors. One of these meetings that we attended included all of the managerial staff plus some operational level employees that were discussing the development of the JV. The lead man in the meeting was the CEO of the JV which showed great calm and efficiency in the way he pushed the meeting forward. In this particular meeting, the researchers observed what they like to call a stiff atmosphere, where the room was almost at a complete silence before the meetings starting. Bare in mind that the meeting was with approximately 15 people and all of which were men. Also, during that meeting the CEO of Ramco participated without getting into any discussions nevertheless it was observed that he brought a sense of seriousness and hierarchical feeling to the room. Furthermore, on the topic of hierarchy this was also something that was observed when the same person walked around in the office space, the people sitting at their computers seemed
to get even deeper involved in their work. Even though the people seemed to work hard during the whole day it was only observed that they had one break and that was during lunch at noon every day for one hour. If the employees wanted to get something to drink or maybe a snack there were vending machines allocated in the lunchroom that offered everything from energy drinks to sandwiches. When surfing the web, we found that Facebook was blocked through the company’s server.

Furthermore, when it comes to the dress code it was discerned that a casual mentality in clothing was accepted with a simple shirt and pants on the males and similar for the females. This was the case in all levels of the company from top management to operational employees. Regarding the shop floor workers, they didn’t have any specific requirements of work wear where some of the workers had uniforms with their name on and some didn’t. This had to do with a waiting period of six months in order to receive a uniform. Apart from the wide differences in work wear, all who were located in the workshop was forced to wear eye and ear protection.

4.3.2 Bulten

Upon first arrival to one of Bulten’s operational facilities, located approximately 30 min outside of Gothenburg city center, the feeling of seriousness but yet a relaxed atmosphere struck the researchers. The usual offer of coffee was brought about in the first few minutes of settling in the conference room allocated for the interviews. The conference room had decorated walls with Bulten colors and in one end of the room there are a set of armchairs and in the other part it’s a table with the setup of a U, so everyone sitting at the table were able to have eye contact. Like the Ramco conference room it’s equipped with technology for conference calls and presentations. Just that day the first interviewee was running late which gave some time for further observations of the ground floor. At this floor, there seemed to be only one person working and that was the receptionist. The rest of the space was allocated for the canteen, dressing rooms and conference room amongst other amenities. On the tables in the lunchroom there were baskets filled with various fruits for the employees to grab as a snack, but there were also vending machines offering everything from drinks to microwave food. When walking up the stairs to the second floor you were first meet with people standing at each other’s desk and talking about various work-related topic, and perhaps also about private matters. There were cubicles in the middle for operational employees and enclosed offices surrounding them where managers were allocated working.

Focusing more on the apparel of the employees it can be discerned a casual dress code to such a degree that managers wear jeans with a suit jacket, and the operational level employees’ generally wear regular pants with shirt and sweater. After the first interview at this facility the researchers observed that the employees from the office had a break at 9:30 to get some coffee and something light to eat. Lastly a walk around the shop floor showed high standards in both safety wear and protection where everyone had safety shoes in order to protect them from accidents involving the forklifts. Another thing that was observed in the shop floor was that everyone working there was polite and said hello whilst they passed by.
When it comes to observations at the headquarters the findings came to be more or less the same as in the first Bulten facility, but with some differences in office space, visible behavior patterns, and in dress code. The first feeling that struck the researchers when entering the headquarters of Bulten was seriousness and something that can be described as stiffness. The stiffness was something that both researchers felt being incorporated into the walls, important to keep in mind is that it is the headquarter of a large publicly traded company. The seriousness was noted as something that had to do with the power and politics that was going on in the building. The setup of the office was built as two long corridors with both enclosed offices and some open cubicles. In between the corridors one could find conference rooms of various sizes allocated for meetings such as ours. The conference rooms were equipped with large monitors for presentations and video calls. In relation to the first of the two facilities visited, the dress code was more formal with suits on the males but not necessarily a tie, and also the women were more corporately dressed. Except for the differences mentioned above the hospitality and excitement for the research topic and project were to a high standard at both Bulten addresses.
5. Analysis

The following chapter will concentrate on analyzing the empirical findings presented in chapter 4. Furthermore, it will be presented and discussed the links found between the barriers to success and compare them to the organizational culture of the JV parents. The chapter will wrap up with a section that summarize the key findings of the research.

5.1 Barrier to Success

Section 5.1 aims at discussing the organizational cultural differences and similarities of the JV partner companies in relation to the four barriers to success themes presented earlier in section 2.3.

5.1.1 Communication

The communication environment at both companies, Ramco and Bulten, was observed to differ on different levels. To begin with core values and the way they were communicated at both JV partner companies, despite the fact that the core values were clearly presented on banners throughout the warehouses at Ramco, the majority of the respondents could not recall what values the company stands by. In addition, the core values were poorly communicated through their online homepage. However, by asking the respondents indirect questions related to the values, we realized that values are part of the organizational culture and what Schein (1984) calls it, basic assumptions that are taken for granted. On the other hand, Bulten had their core values well communicated both throughout the company and on their homepage. Respondents even said they have the company’s core values as a background on their computer screens, yet only 2 of the respondents managed to recite them. As one of the respondents argues, “core values don’t affect us. It is only applicable with companies external communication”. Again, the values namely empowerment, professional, dedicated and innovative is part of the embedded values in the culture of Bulten and taken for granted. By investigating the visual artifacts, such as the companies website, banners, billboards and the office space, we could understand the how and what of the core values, but to understand the ‘why’, we had to dig deeper and try analyze the employees hidden assumptions (Schein 1984).

Moving on to the Hofstede (1998) 6 dimensions, all 6 dimensions touched upon the communication environment at the parent organizations. The first dimension is the process versus result-oriented culture where we investigated the companies’ handling of uncertainty. Speaking about problem solving at the organizations, it was clear that the majority at both companies tend to solve problems in a unique way each time and no process to follow. However, what was evident here is that many discussed the importance of communication and asking peers and managers for advice. There is an open communication environment when it comes to problem solving, especially at Ramco. Likewise, three out of six respondents at Bulten stated that they would escalate the problem to higher managers for decision-making. Despite the empowerment and freedom given to employees at both companies, it was obvious that employees fear making any mistakes and avoids uncertainty.
Speaking about mistakes, in the second dimension, employee versus job-oriented culture, an open communication of mistakes between employees and their managers was observed at Ramco. Managers try to hear out their employees whenever a mistake had happened and try to figure out a solution for this not to happen again. Employees are not bullied or punished for doing a mistake at Ramco, but it appeared to be not as tolerated as it is at Bulten. In addition, the communication in relation to complain at Ramco is fairly limited. Employees can only complain or express their dissatisfaction about a certain matter to their direct manager. As conveyed by all managers, employees cannot bypass their direct manager. On the other hand, at Bulten, neither employees nor managers have problems bypassing their manager to complain. There is a much more relaxed communication at Bulten in that sense. When it comes to employee activities at Ramco, opinions vary where 3 out of 6 respondents don’t see enough outside activities taking place, and as explained by one of the respondents, it’s a small place yet he doesn’t know everyone around, which hampers the communication environment at the company. At Bulten’s headquarter, it’s relatively similar to Ramco since it’s mostly the top management sitting there and they rarely take part in any out of office activities. While at Bulten operational office, employees seem to have a more open and friendly communication environment inside and outside of office. Employees have rather plenty of activities going on outside of working hours and they know one another on a personal level.

On the third dimension, professional versus parochial culture, respondents from both organizations were identified based on either their competencies and how separate their professional life is from their social life or employed based on their fit to the culture. Communication becomes an important part here since for instance, at Ramco, we found that the organization cares mostly for a best fit to the culture of the organization rather than professional competence. The company was found to hire mostly people from their social surrounding, namely family, friends and friends of friends. As conveyed by the CEO, “I don't care what level, we're not bringing on those with strong personality”, which shows they are more concerned to ensure a cultural fit in the person they are hiring. By hiring someone that someone in the company already know, Ramco ensures their communication environment is left intact. However, Bulten had a mix of both cultures where hiring from the social surrounding is common yet characteristics of a professional culture was also evident. It shows that Bulten is also concerned about the cultural fit to the organization and tries to ensure a good level of open communication.

The fourth dimension, open versus closed systems, measures how open the organization is with its internal communication. As observed, at Ramco, employees seemed to be to a certain degree serious yet committed and dedicated to what they were doing. At most of times, there was silence in the common office space and few side talks were taking place, usually among seniors. At Bulten’s headquarters, it was much like what was observed at Ramco. However, at Bulten’s operational office, the atmosphere was more relaxed, and people were gathered in groups at all visits. Employees were dedicated and doing their jobs, yet still socializing with their coworkers. Moreover, it was also mentioned at Ramco that the company is not anymore,
a small family like it used to be in the past. There is a clear shift from a family to a more professional communication environment. Yet as noted by most of the respondent, the company still has the family element present to date. Likewise, at Bulten’s headquarters, it is more professional and highly political communication environment in comparison to the operational office, which was seen more of a small family. Furthermore, most of the respondents at both organizations claim that the assimilation of newcomers into the company is rather easy. Finally, on the overall internal communication level, the responses collected from Ramco varied. Some argues that the communication level is good, however, this seemed to be the case for the top management. The top management seemed to have an open and frank conversation amongst one another while operational employees don’t seem as satisfied with the communication they receive from their managers. Contrarily at Bulten, even though not everything is communicated down to operational employees due to the company being publicly listed, the employees didn’t seem to have a problem with it. The best explanation might be that Ramco’s employees were used to know everything in the past, while now with the company’s rapid growth, the management team is trying to keep things confidential until deals are settled. While at Bulten, operational employees are not used to know everything going on around since the company has been publicly listed for many years and confidentiality in top management communication is a requirement.

On the loose versus tight control dimension, communication was observed at several occasions. First at Ramco, before moving to their new facility, the managers communicated to their employees that more controlling measures would be considered such as keycards to record when they actually come to work. Employees were also told that camera will be installed to make sure it’s the same person using the card. This can be seen as communicating something that would warn employees not to be late to work or ask someone to use the card, even though when we checked, there were no cameras at the main entrance and only in the canteen, which is also the main entrance for employees. As noted, the reason why cameras were installed in the canteen was because at few occasions, employee’s food went missing from the fridge. When comparing to Bulten, respondents assured that they never felt that someone was watching when they come or leave from work and that’s due to their flexible working hours system.

The last dimension, normative versus pragmatic, is specifically used to measure the customer orientation of the organization. Both Bulten and Ramco were seen to have a high level of communication in relation to compliance with external regulations and policies. This is identified as highly significant, especially when working with large automotive companies. Before the selection of a supplier, customers need to make sure the company’s policies goes inline with the country/industry regulations. However, with communicating internal policies at Ramco, we were told that at many occasions, managers fail to communicate what operational employees need to know resulting in some operational errors. Moreover, communication with customer at Bulten is noted to be more of an open book where customers know exactly how much a fastener costs. Ramco does have an open communication with their customers but not to the same extent as Bulten. This could be
because Ramco focuses on value-based selling with higher margins rather than cost based selling, which is the case for Bulten.

Communication is the point where both JV partners interact and share information (Schuler, 2001). When asked about the communication between Ramco and Bulten in the JV setting, both sides expressed their satisfaction with the current situation. The management at both companies are not involved in the day to day communication of the JV activities and rather the CEO, which is a Bulten veteran, is given the full authority to make decisions in coordination with the sales director, a veteran from Ramco, on the partners behalf. As expressed by both, they get along very well and they are in tuned with one another. Mohr and Puck (2005) found that the more communication the better since it reduces any negative consequences in the differences among partners. Meetings take place regularly to brief everyone involved with the JV on forecasted sales for the coming year in addition to the activities and tasks to accomplish. However, despite the fact that both expressed harmony to one another, it was observed at one of the meetings we attended, one of the directors at Ramco revealed some tension regarding a matter that wasn’t communicated to him earlier. This signaled that communication might not be to its best as the respondents put it. In accordance to what Schuler (2001) claim, differences in communication styles, which tends to happen among JV partners due to their differences in organizational culture and the way they interpret things, might hinder the flow of information. However, according to our empirical findings, both partners tend to have differences on all six dimensions, yet the similar leadership and communication style of the top management is noticed to be the key in the smooth flow of information. Nonetheless, differences among business partners can be also seen as beneficial (Park & Ungson 1997). As explained, managers tend to spend more time communicating to ensure they are not misunderstood.

5.1.2 Commitment

We found that the two parent companies have many similarities that has been touched upon during this study but also a number of differences that is equally or even more important to understand. To begin, Ramco was characterized as a good corporate citizen that had been true to the society and did offered many jobs during the past few decades, which shows high commitment to the people and society around them. This was even more evident with the new facility that has the possibility to grow and offer even more jobs in the near future. Furthermore, Bulten in Poland won the 2017 awarded for being “Employee Friendly”, which was given to them due to the nomination of their employees; this shows high commitment in their employees since they show this gratitude back to the company. Another aspect of commitment that is somewhat more diffuse is the relation to the two companies core values and to what degree they truly commit to them on all levels of the company. Bulten clearly show their commitment and willingness to communicate these amongst the entire organization even though only two out of six respondents knew them by heart. The same willingness to spread them amongst the employees takes place at Ramco, even though not to the same degree as Bulten.
Moving on to the six dimensions presented by Hofstede (1994) it was found that commitment was present in five of them. The dimensions employee versus job-oriented culture addressed in what way the organization's value and treats their employees in different situations. One major finding that struck us as being a proof of commitment was that in both Ramco and Bulten there is a high tolerance for doing mistakes. At Bulten there is this philosophy of staying committed to their employees throughout several mistakes, which sums up into the conclusion that if a person is making mistakes on a continuous basis it’s something else that is the problem and not the employee. The same goes with Ramco but is not taken to the same length as Bulten, the organization will commit in the progress of their employees and try to remind them of mistakes that was made in order to not do them again, but they do not necessarily blame it on something else. As the CEO puts it, “I make a lot of mistakes. We all make mistakes. Nobody's perfect”, which shows he is understanding and accepts employees doing mistakes. Moreover, by connecting these findings to another aspect more linked with the organization culture directly, we can see that in both organizations there is a commitment and trust in their employees and the willingness to see the employees succeed. This was found in two disparate ways at the two organizations: in the case of Ramco, they share this family mentality from back in the days which still is deeply rooted and in the case of Bulten, they have this culture that is strongly believe in the employees. Moreover, during the interviews we realized the importance of showing gratitude towards the employees in different ways. For instance, the management at Ramco sometimes barbeque spontaneously and offer lunch to all their employees. At Bulten as well, it was observer that they have fruit baskets on the tables in the lunchroom for their employees, which might not be much but nevertheless will show some gratitude and appreciation.

Continuing on to next dimension, professional versus parochial oriented culture, which is about how and where the identity of an organization’s employees is rooted. The professional culture is more rooted in the work the members of such culture are doing and in the parochial culture members are more concerned about the fit in the established group. This dimension is interesting in relation to the study’s case companies since they both share parts of each cultural orientation. To begin, both Ramco and Bulten have people in the organization that is focused on their career development. It’s mentioned during the interviews that Ramco have made large restructuring within the organization on a management level which included bringing on experienced and knowledgeable people, this entailed that employees are jumping on an opportunity. The same goes with Bulten where it was spoken about the number of career-oriented employees at the headquarters. This finding shows that people are willing to act on opportunities and will stay committed as long as they are motivated and not another opportunity arise that is better. Another sign of commitment is the large number of long-term employees working at both organizations. It must be taken into consideration that Ramco for a long time have been driven as a small family company and that might have impacted the number of long-term employees staying there due to their relationship with the family.

Furthermore, focusing on the next dimension of open versus closed systems, which looks at an organizations communication environment more precisely, but nevertheless this dimension also brought some interesting aspects of commitment as well. It was observed in relation to
the communication landscape at Ramco that few side talks were taking place during office hours and that employees often only communicated with their coworkers in a close proximity to their desk. We saw this as a bit unusual but understood that this might have to do with either of two things. First it might be so that the employees are so committed to their job or secondly it could also be about the fear of being told off from a superior manager that they should do their job and not talk about none work related things at work. To keep the employees at Bulten motivated and committed, they have regular meetings where they discuss the goals of the company and in what direction they are heading. This is something that strengthens the willingness to work harder and commit to the company when one sees the development of the company in relation to what they are doing. One of the employees at Bulten said, “I think we're pretty up to date all the time, but maybe not in the bigger picture. And that could also be that I could find the information online since it’s a public company”, which show that they are satisfied. Something else that is interesting is how employees stay committed and motivated to Ramco is that even though they have gone through big changes they still think of themselves as a family. In relation to the family like situations and how that is shown in the commitment, one respondent said, “There is that element but it’s less than before. We are a family of co-workers”. People enjoy working there and they are okay with not being part of all the private conversations going on behind closed doors. It also shows how they accept new people into the organization, where they try to work with integration, which is also the case at Bulten. Nevertheless, one interesting observation was how Ramco is not highly commit to new employees at the shop floor, since they need to wait 6 months to receive a work uniform. If this is due to a logistical problem or the fact that they don’t know if the person will stay is something we cannot comment on.

Moving on to the loose versus tight control dimension, where the focus is on the internal structure of the organizations and the level of control. In regard to commitment under this dimension, there was only one thing that was brought up during the study and that was punctuality and how it affected the believed commitment to the organization. In both organizations when asked about being punctual towards customers, it was clear that it was something very important, which shows high commitment towards their customers. Nevertheless, when it comes to punctuality in the sense of being at the office at a specific time, the opinions were different from the two organizations. At Ramco the top management strongly believed in their employees being punctual to work and saw this as something that showed high commitment and respect to one’s job and the organization as a whole. On the other hand, Bulten believes their employees would perform their job even if they work from home and punctuality was of less importance to them. It can be seen as if you give trust you will also get commitment from your employees.

Furthermore, the last dimension, namely normative versus pragmatic, emphasizes on how customer oriented the organization is. Here we can see quite a lot of similarities between the two organizations in how they treat their customers. Since Ramco is now starting to focus on bigger and more stable customers, they have started to neglect smaller customers that are not bringing in enough business, which is the similar case to Bulten. This shows a low level of commitment towards these customers, but it’s also a sign that Ramco is moving in the right
direction to reach their set goals of growth and expansion. On the other hand, when it comes to large customers, both organizations are prepared to do that little extra in order to keep them satisfied. As one of the respondents at Ramco puts it, “there is a lot of headaches that the company faces which is not communicated to the customers”, and another saying, “We absolutely try to make sure we have the customer happy. But we still have our policies that we have to stick with”. To even further strengthen Ramco’s commitment to their customers one respondent brought up the following example, “Whenever it needs to happen, that’s the standard answer that you get whenever they need me to do anything extra, like I received a phone call at 10:00pm two weeks ago and I had to come in to work and was here until about 1:00 in the morning. Something that does happen! It’s part of the position”. The same goes with Bulten as one respondent explains, “customers are setting the rules on how the RFQ should be carried out for instance. It’s mostly our large customers that sets the rules we work by”, how they adapt and commit to their large customers requests.

Another part of the dimension, normative versus pragmatic, is the attitude towards unethical behavior. This metric shows a commitment to the organizations core values and it was clearly articulated from both organizations. One of the examples from Ramco’s side was, “But if I knew somebody was acting unethically, I would feel that I would have to report it. I mean, if we were unethically trying to capture business, doing things, taking people to places, spending on them or buying for them, I would want to report it. I would feel OK with reporting and if it got me in trouble for reporting it, then maybe that's not the kind of company I want to work for”. The same goes with Bulten as one respondents says, “I think that we have a very strong work ethics here in that way, and its also part of the culture… you can never bypass a good ethics and hand bribes or other similar activities. It's not worth that much for me anyways, I am an employee here and we just need to do a good job within the rules we have”. With this said the two organizations have employees that are committed in doing business in a fair way that is in line with their core values and code of conduct.

Commitment in a joint venture context is about how much effort in terms of time and resources the parent companies are willing to put into the partnership. As Mohr & Spekman (1994) puts it, the focus should be on the long-term gains rather than short term profits. This means that the parents need to give the JV time to evolve and not stress the development. The fact that the two parent companies share the same size of investment and also 50% stake in the JV entails that they are committed on a financial level as well. Commitment is also shown through that the companies are betting on the partnership when Bulten for example positions a valuable employee as the CEO of the JV and that Ramco offers them to utilize their facility. Furthermore, the two organizations are willing to leave the internal growth to the JV itself, which shows commitment to the employees of the JV and towards each other as parent companies. Ramco’s CEO explains how involved he is in the JV as, “I would say that I’m watching it from 30,000 feet”, where management at Bulten share the same philosophy by allowing the CEO of the JV to take the lead. Madhok (1995) stress the importance of a trust-based relationship in order to develop a prospering collaboration and this is something that both organizations top management have established. This is further strengthened as an action of building a strong partnership and collaboration, when Mohr and Puck (2005)
explains that through committing in the JV, overcoming their organizational differences, and accepting the JV to take shape on its own will give the best possible circumstances.

5.1.3 Trust

Trust is one of the most important factors for the success or failure of an IJV (Blois 1999). Trust has been observed through our empirical investigation using three themes introduced by Butler and Gill (2003). First theme and that is personal, which is found in groups and individuals and impersonal, rules and organizational procedures. The second theme says that trust should also compose goodwill, competence and promissory. Third, trust differs from one level to another depending on the time, previous experience and cultural norms. To begin with the core values at Ramco, integrity is one of the values the company stand for. For a company to have integrity, its own people should do, which was clearly noticed at Ramco. All respondents with no hesitation expressed how they feel bound to report any unethical behavior at work, even if this person is a friend or of a higher rank than them. This implies a high level of trust in the employees toward the company, since they believe it would be in the best interest of the company and its employees. On the other hand, this is not one of the core values at Bulten but when asked if they would report any unethical behavior, conjointly respondents said that they would do which shows no difference on that between the partners. Saying that, this covers the sixth dimension as well, normative versus pragmatic in Hofstede’s organizational culture framework. Furthermore, one of Bulten’s core values is empowerment, which explains the companies trust in their people to take on freedom, responsibilities and do mistakes because that’s how the company believes employees get to learn. This indicates that trust is one of the elements that’s truly rooted in the culture of Bulten. Empowerment at Ramco is also something that changed in the past five years after the restructuring of the organization, where employees now are expected to think for themselves and come up with ideas and that shows a move towards a more trustworthy culture towards employees.

Moving on to Hofstede’s (1998) six dimensions, trust was present when measuring all six dimensions. On the process versus result oriented, when respondents at both companies were asked about problem solving, a significant number of respondents answered that they would either escalate it to their managers or asks their colleagues for help. This shows that they have trust in their coworkers and managers knowledge, which reveals personal trust in the group (Butler & Gill 2003). With respect to freedom and responsibility given to the respondents at Ramco within their roles, all answered that they have freedom to a certain extent. Employees are trusted to take decisions, but the trust is earned after some time, which goes in line with Madhok (1995), trust is something that has to be built over time. Nonetheless, half of the respondents at Ramco said they would need guidance before making a decision. It implies that the company is giving more trust to their employees, yet the employees still don’t trust the actions the organization would take if there were consequences for their decision. On the contrary, at Bulten, the majority believes that freedom within their roles is given from the beginning. Respondents didn’t have to earn the trust from their managers.
The second dimension, employee versus job oriented, picks how managers handle mistakes. At Both Ramco and Bulten, it wasn’t seen as a problem from the management point of view to do mistakes, yet at Bulten it felt it’s more acceptable. At Bulten, having an accepting environment for mistakes, as explained by one of the respondents, enhances the learning of its employees. It reveals management trust in the employee’s judgment; however, it’s not a mutual trust between the employees and the management in Ramco’s case. One interesting input that we received from respondents in both organizations was that in case an employee continuously does mistakes then usually that person is assigned to a different position within the organization. Termination is not common practice at either Ramco or Bulten and that gives the employees higher level of trust in the organization.

The third dimension, professional versus parochial culture, touches upon the types of employees hired at an organization. At Ramco, we quickly noticed that many of the employees in the office are related in some way or another. The company trusts more hiring people from the social surrounding of the current employees since they would know if this person fits well in the culture of the organization and share similar values. This was also depicted at Bulten where many of the employees working at the group are brought in through someone already working at the company. Knowing the employees from before could also be the reason why a lot of freedom and trust is given at both companies.

The fourth dimension, open versus closed system, refers to trust within different settings. The dimension is mainly concerned about communication, and as observed at both organizations, there are plenty of private talks and meetings happening behind closed doors. At Bulten, half of the respondents claimed that they barely know what happens when the top management gets to meet. Though Ramco is not a public company, but still lot of secrets circulates in the office. One of the examples the respondents gave was the JV agreement, however, management at Ramco could not share such information with their employees since Bulten is a publicly listed company and a spread of such news would affect their share price. So, it implies that the management has less trust in their employees when it comes to matters with a larger gravity. The same goes with Bulten as most of the respondents also claims that a lot of private meeting takes place behind closed doors. However, Bulten is a private company and even if the top management have trust in their employees, the regulations prohibits them from share sensitive information that would affect the share price.

On the fifth dimension, loose versus tight control, in terms of cost consciousness and punctuality. Trust was quite evident in the cost consciousness metric where respondents at Ramco saw the company is rather tight when it comes to office supplies for instance. Employees don’t see the reason why they have to get approvals for receiving office supplies, which will be used at work. As one of the respondents explained it as it’s always been the way, and it’s why the company is successful today. However, it gives the impression that the company does not trust their employees to take office supplies when needed. In comparison to Bulten, office supplies are available in the archive and anyone can get in there and take what’s needed. There is no need to document and control how many batteries, staplers, pens etc. one takes. This gave the impression that Bulten have more trust in their employees’ usage
of office supplies than Ramco does. When it comes to larger investments and expenses, Ramco’s management used to get approvals in what one of our respondents called it “hallway approvals”. However, this have changed today and there is more structure where proposals need to get to the CEO’s desk and then get approved. This as well signals that there was a shift from blindly trusting the management to a more structured and bureaucratic way of doing things. Similar approval structure is at Bulten, hence no differences found between the partners on trust in terms of large expenses.

Finally, speaking about the JV, it was evident that trust existed between the two partners on different matters. At first, appointing a CEO from Bulten’s side clearly shows harmony and trust from Ramco towards Bulten. After 20 years of business relationship between the two partners, Ramco trusts that having a CEO with the background and knowledge from Bulten, will add value to the JV. In the same vein, Bulten as well trusts in the knowledge and experience Ramco have which is why they chose to partner with them in the first place. Ram-bul also decided to buy services such as manpower from Ramco, which also entail the trust Bulten has in the knowledge of Ramco’s employees. Moreover, despite the equity of both partners divided equally, the decision-making at this point in time is skewed towards Bulten. This also shows that Ramco trusts in the judgment of the JV CEO and believes his decisions will be for the interest of both partners. Having mutual trust and commitment between the partners help reduce the amount of conflicts (Beamish 1994; Cullen et al. 1995), which was evident in the case of Ram-bul. It could also be that since both organizations have similar organizational culture, the level of trust is much higher between the partners (Chen & Boggs 1998).

5.1.4 Control

The level of control differs at the parent organizations on a few areas but there are also some similarities that have been noted. Ramco has gone through big changes during the last few years and also grown on a much higher pace than ever before. The headcount at Ramco is now approximately 175 employees, which entail that it’s no longer a small family owned company that can be governed and controlled by a single person. They are truly transitioning from the small family owned organization towards a mid-sized organization in need of processes and different controlling structures. Bulten on the other side are and have been an established player in the market for a long time and it’s nothing new to them working with a lower amount of control and instead focusing on the trust towards employees in their day to day operations. As stressed before there is no big brother watching over the employees at Bulten.

Moving on to the six dimensions, it was found that control was a topic that was brought up in five of these dimensions besides normative versus pragmatic. In the first dimension namely, process versus result-oriented culture we found differences in the control structure within for example decision making but there are also similarities between the two organizations. To begin, looking at established structures within problem solving, it was clear that both organizations found less control in this area where five of six respondents at Ramco didn’t
think such a structure even existed. Even though one of the respondents at Bulten opposed this and said, “No, not really. I mean, when it comes to real problems that like quality issues and the logistic issues and things like that. Of course, then we have procedures”, but the majority found that problem solving was done in a less controlled way. Another interesting finding was that 50% of the respondents found that depending on the severity of the problem it will be escalated to someone with higher power in the organization, one puts it, “‘It very much depending on the type of problem. But here's sort of an escalating process’”. In relation to this, we also found that the CEO of Ramco still has this family company mindset where he acts as the judge and the final decision is still his. Both these approaches are evidence that there is a controlling mindset from upper management and that depending on the problem and its severity someone above you might make a decision and overrule you. Furthermore, as touched upon, Ramco is expanding and transitioning from small to mid-sized company, in this transition phase, the company have been forced to leave old habit of top steered government into allowing more freedom and responsibility. One respondent puts it as, “That's the one thing that was really changed in the culture. As I said, it went from an autocratic. I'll tell you what to do. You don't think to empowering people...”. During this conversion for Ramco, they most likely will notice what Bulten says about large customers controlling them by their demands in certain processes, so even if Ramco allow freedom internally, external actors might influence it later on. Another example of less control is that three out of six respondents from Bulten believe that even new employees are trusted and shown less control from the first moment. This was also found at Ramco but here they required more guidelines and directions to follow.

Continuing on to the dimension of employee versus job-oriented culture, we found that control exist within the reporting structure of Ramco. There is a high control in Ramco’s organization where employees do not go around their boss to raise an issue with a superior manager. One of the interviewees said, “There are layers that you have to work your way through, so I don't go directly to the CEO’. This is different at Bulten where there is an open structure, sure there are a hierarchy but there is no problem to go around your boss if necessary.

In the professional versus parochial culture dimension, we found that when it comes to hiring new employees, the two companies have some requirements. Firstly, the CEO of Ramco said, “I really wanted the company to eliminate the strong personalities. When we bring on a new person. I don't care what level, we're not bringing on those with strong personality”, this tells us that he wants to keep a balance in his workforce and not someone that stands and hard to control. Furthermore, we also found that both companies often hire new employees through contacts and even people you directly know, which in that case lowers the control level since you most likely trust these people.

When it comes to the dimension of open versus closed systems, it was found that in both organizations the management tends to let the lower level employees solve their own disputes to a certain degree, which shows a lower level of control. Nevertheless, if intervention is needed, then managers will get involved and solve the dispute by showing authority at
Ramco. Since the dimensions is about open and closed systems it’s suitable to bring up that Bulten uses small briefing meetings every morning to crosscheck the progress with their shop floor workers. This can be interpreted as a way of controlling the operations in the lower levels and to make sure that they are on schedule.

Moreover, the loose versus tight control dimension and as the name suggest, there are some interesting aspects of control embedded. Punctuality is an important aspect of how control is depicted at Ramco and this is managed from top management, which portrays the hierarchy at their organization. As explained by one of the respondents, even though one is doing their job, coming in to work on time is extremely important. In contrary to Ramco’s stressed importance of punctuality, we found that there is a higher level of trust and less control at Bulten. The management at Bulten believed their employees would get their work done as required without necessarily starting at a fixed time. One respondent puts it as, “Most people are here for the most important hours of the day... Depending on what you work with, you have different office times for example the sales people”. Another example is when visiting the operational facility of Bulten the interviewee was running late which is a proof of their flexibility on punctuality, but of course it might have also been a coincidence. In relation to the importance of punctuality at Ramco we also heard during the interviews that during the move to their new facility cameras would be placed in order to keep track on the people moving in and out of the building, this can be seen as another element of tight control from their side. Moving on to control within financial expenses, both organizations have somewhat of an established structure to deal with it. The structure looks pretty much the same at both organizations but it’s more of a loose control in Bulten’s case, where the managers have higher figures to move around with. One respondent said, “it's loose as long as you are within the budget”. When it comes to smaller expenses, for examples office supplies, the two companies have vast differences. At Bulten, employees can take any office supplies needed without any approvals while at Ramco, everything needs to be documented and approved beforehand. Another interesting observation in relation to loose versus tight control is that at Ramco, social media websites are blocked. This is a sign of less trust towards your employees with the need to control them by blocking sites such as Facebook.

Finally moving on to the JV and the impact of the partners, it was found that some aspects fall within previous research frameworks. Control can be one of the main reasons behind conflicts and possibly failures in a JV partnership (Geringer & Hebert 1989; Killing 1983). We can see that in regard to control, both organizations trust the JV instead of inflicting it with high level of control, which would lead to a skewed power distribution in the partnership. This is something that Schaan (1983) addresses, were the parent organizations need to merge into one within the JV in order to not create a ‘Them-Us’ culture. Furthermore, we can see that in the JV we have a Bulten employee as CEO with much of the operational power, which might be a problem, if not now then maybe in the future. This was something found in previous literature on JV’s where one parent might impact the operations by staffing top management, which leads to conflicts in the relationship between the parents. It could also be said that the partners’ governance towards the JV is rather on the democratic side of the spectrum were open discussions and a good dialogue seemed to exist.
5.2 Key Findings

Figure 9 below illustrates our key findings after completing the empirical investigations and analysis. The table summaries the differences and similarities found between the JV partners based on Hofstede’s six dimensions for measuring organizational culture and observations of the visible artifacts from Schein’s framework. The analysis of our findings was categorized under the four themes namely communication, commitment, trust and control which was found to be the main reasons for conflicts between JV partners in earlier literature. The aim of this research was to try and find links between organizational cultural differences and similarities of the JV partners and the aforementioned themes.

<table>
<thead>
<tr>
<th>Communication</th>
<th>Commitment</th>
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<tbody>
<tr>
<td>• Communication from top management to employees - Similar</td>
<td>• Commitment of employees towards the company – Similar</td>
</tr>
<tr>
<td>• Communication of core values - Differ</td>
<td>• Commitment towards smaller customers – Similar</td>
</tr>
<tr>
<td>• Communication among top managers - Similar</td>
<td>• Commitment towards larger customers – Similar</td>
</tr>
<tr>
<td>• Communication towards customers - Similar</td>
<td>• Commitment towards JV – Similar</td>
</tr>
<tr>
<td>• Communication between JV partners – Moderate</td>
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<table>
<thead>
<tr>
<th>Trust</th>
<th>Control</th>
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</thead>
<tbody>
<tr>
<td>• Trust among management team - Similar</td>
<td>• Control of employees – Differ</td>
</tr>
<tr>
<td>• Trust in the social surrounding – Similar</td>
<td>• Control of JV – Differ</td>
</tr>
<tr>
<td>• Trust towards employees – Differ</td>
<td></td>
</tr>
<tr>
<td>• Trust among JV partners – Similar</td>
<td></td>
</tr>
</tbody>
</table>

**Communication**

Communication of core values differs between partners. Bulten for instance stresses more on communicating their core values however, it was clear that the values at both firms were embedded in the employees’ practices, assumptions and behaviors. It’s important to precisely communicate the core values but it’s even more important to believe in them and ensure it’s ingrained in the culture, which was the case at both firms. When considering communication from top management to employees, it was found to be similar at both organizations. Top managers at both Ramco and Bulten tend to share limited information with their teams mainly due to confidentiality of the information. This can be as reasonable since confidential information such as an acquisition wouldn’t directly affect the employees until the deal is
closed and information is public. However, some non-confidential information was poorly communicated from top managers to their teams at Ramco. When speaking about communication of non-confidential information, such a difference between the partners communication might come with implications. For instance, errors that tend to happen due to poor communication would hinder the efficiency of the operations. If customers are affected by such errors then there is high possibility the JV might lose their contract and/or not get their contract renewed. Another implication would be the effect on the reputation of the JV and the loss of potential future business. Moreover, communication among the top management team at both organizations was found to be similar. Top managers seemed to have a more open communication among each other. This is considered healthy for the JV since any conflicts that might arise can be resolved easily if the top management are working together. In addition, in term of communication towards customers, both firms showed a similar communication behavior. There is a high level of open communication with their customers and they always tend to ensure high level of satisfaction. Both partners are found to be highly customer-oriented and strive to guarantee customers are consistently pleased with their services. Finally, communication between the partners is considered moderate. The partners argue that their communication level is at its best. However, we observed that, sometimes communication within the JV is not at its best. We believe that at the moment, and since the venture is at an early stage, partners can’t spot any issues in the communication level. After building the foundation of the JV, with time and when the communication becomes more frequent, the possibility of communication issues will increase. This is primarily due to the increase in cross-functional and cross-organizational communication and coordination that will be required.

**Commitment**

Employees at both Bulten and Ramco showed high commitment towards the company. If any unethical behavior took place, employees of both companies said they would report it as it could harm the company. Both companies revealed similar behavior towards smaller customers by being less commitment to them, as they either don’t bring enough business in the case of Ramco or they don’t fit the business model in the case of Bulten. Moreover, commitment towards larger customers was found to be similar since both firms showed high commitment towards larger customers by going above and beyond the call of duty to ensure they are always satisfied. Finally, commitment towards the JV was also found to be similar as both partners have clarified and communicated their objectives before entering the partnership. Objectives might not necessarily be aligned, however, the partners are aware of each other’s goals and objectives. For instance, Bulten entered the partnership to gain market knowledge, be geographically close to their customer, tap into the large potential of the North American automotive market and eventually grow. When it comes to Ramco, their main objectives were growing the business, learning more about the FSP concept and gaining a larger share in the European market. The objectives of the partners are clear and confirm that they both have something to gain out of their partnership. The partners motive to ensure the JV’s success is for the best interest of everyone. As high commitment was depicted at different aspects of both partner companies, this theme showed no differences but similarities
among them. We believe that conflicts regarding low commitment might hardly arise in the future of the JV.

Trust
Trust among the management team was found to be similar since at both companies it was evident that on confidential matters, it was only the top management that was trusted on the information. As the reason behind the confidentiality is clear, to lower rank employees, such behavior might affect their trust towards the organization. One outstanding finding that wasn’t expected was the trust in the social surrounding which was similar at both companies. When it comes to filling a position, it was found that in many cases the person getting the job is someone known to a member of the organization. This reveals high trust in the social surrounding and ensuring cultural fit rather than searching solely for high competence and capabilities to carry out the job. Nonetheless, this could also come with some disadvantages. For instance, by knowing someone with a higher rank at the organization, this employee might take advantage of it and not work as hard. Other employees around might feel a different treatment, even if favoritism doesn’t exist. Furthermore, trust towards employees was found to be different among the partners. Bulten seems to have higher level of trust towards their employees than it was found at Ramco. This was evident when showing the importance of punctuality for Ramco and their tight control on office supplies. This is one of the issues that the partners might face in the JV. The JV is located at the same facility with Ramco so issues concerning office supplies and punctuality might arise in the future. If the JV decides to have flexible time for workers, as it is the case at Bulten, then Ramco might not accept it. Having a flexible time for the JV employees would create frustration among Ramco’s employees. Finally, trust between the partners was evident. Both partners showed trust and harmony towards one another. The trust between partners was developed during the course of over 20 years of business relationship. Ramco trusted Bulten with hiring a CEO that will bring in knowledge and add value to the JV. Where also Bulten trusted buying manpower services to the JV from Ramco.

Control
The level of control imposed on employees was found to be different at the partner companies. Higher level of control and governance towards employees was marked at Ramco in comparison to Bulten. Some of the measures we looked at to reach this conclusion were for instance the blocking of social media websites, the installment of a camera, punctuality in coming in to work and not being able to bypass a manager. The high control measures at Ramco in comparison to Bulten might cause some implications in the future of the JV. As it was understood from our interviews, the JV would to a large extent adopt the measures at Ramco. This is mainly because the JV is located in the same building as Ramco. However, by doing so, this goes inline with the culture of Ramco but against Bulten’s, which might bring about some conflicts. If the JV will continue to be based within the Ramco facility, it wouldn’t develop its own culture. Control of the JV in general was also found to be different at the JV partners. It was noticeable that Bulten imposed higher control measures. As part of the agreement between the partners, the CEO of the JV had to be hired by Bulten, which obviously shows that Bulten would want to have the higher control and authority over the
venture. In addition, since the CEO is from Bulten, the decisions made at the JV is found to be made with the acceptance of both partners, however mostly influenced by the CEO. The higher control Bulten has on the JV could possibly result in future conflicts. However, if the CEO consistently manages to control in the interest of the JV, then such conflicts can be prevented.
6. Conclusion

This chapter aims to answer our research question by presenting the conclusions drawn from the findings of the study. Furthermore, theoretical and practical implications of the study will be discussed and finally the chapter will end with suggestions for future research.

Inspired by corporate entrepreneurship and literature on joint ventures and organizational culture, this research has identified some of the barriers to success of JVs that are linked to organizational culture of parent companies. The so-called barriers to success namely communication (Turpin, 1993), commitment (Turpin 1993; Mohr & Spekman 1994), trust (Hyder & Ghauri 1993; Park & Ungson 1997) and control (Geringer & Hebert 1989; Killing 1983; Schaan & Beamish 1988) were found to be the main cause of conflicts and failure of JVs in earlier literature. The research was carried out at a single case company, a JV with the name of Ram-Bul, were the researchers looked in depth into the organizational culture of the parent companies with the use of a constructed framework that comprised Hofstede’s six dimensions of organizational culture and observations. By investigating the organizational culture of the parent companies, similarities and differences were compared to uncover these links and relationships.

It was found that when organizational cultural similarities existed among the JV partners, there was no identified problem at the JV amid the respective themes. The parent companies were found to be highly similar regarding the trust and commitment themes showing no problems in the current time. Commitment was measured by looking at the embedded practices and assumptions of the parent companies to understand the commitment of employees to their organization, organization commitment towards its employees, towards customers and the JV. We believe that conflicts regarding low commitment might hardly arise in the future of the JV as the culture at both organizations is built on high commitment. Similarly, trust was measured by considering the respondent’s assumptions and behavior with regards to trust towards the organization, among management team, social surrounding and the JV partner. Trust was similar between the partners at all measures except the trust of the organization towards its employees. Since one of the partners have less trust in their employees, such behavior might develop a problem between the partners at the JV given the JV is located at one of the partner’s facility. Nevertheless, the majority of the trust measures were found to be similar which implies the trust theme is tweaked towards a higher trust level among the partners.

However, when differences were identified, specifically within the communication and control themes, it signaled problems or potential problems that might arise in the future of the venture (Brown et al. 1989). For the communication theme, it was measured by taking into account the level of communication among top managers, top managers to employees, with customers, degree of communicated core values, and at the JV. Differences of communicating core values, non-confidential information from top managers to employees and at the JV were revealed. The difference in the way of communicating the core values was not found to be staggering or cause any future problems between the partners since core values is something ingrained in the values and behavior of the employees rather than displayed on screens, websites and banners. However, the communications at the JV as well as the communication from top managers to their employees are of concern. Problems within those two measures can cause serious threat for the success of the JV. Likewise, the control theme was measured by the control imposed from the organization towards its employees and the JV, which both were found to be different between the partners. If the partners do not
agree on which control measures to be embraced at the employees of the JV, specifically in terms of punctuality and cost consciousness, this could be a cause of conflict in the future. Similarly, the uneven distribution of control between the partners might be another reason for conflicts.

The findings of our study add to the body of research attempting to understand the underlying causes of the problems arising at JVs. Differences between the organizations cultures of the JV partners was found to be highly associated with the problems arising. The barriers to success discussed in this study were brought into being embedded in the organizations practices, values, assumptions and behaviors. Conflicts and failures of JVs often happen due to reasons such as lack or poor trust, communication, commitment and tight control. Our findings go in line with earlier research that organizational cultural fit is important for the success of organizations seeking entrepreneurial outcomes (Schein 1992). Saying that, we conclude that the more similar the JV partners score on the constructed organizational culture framework, the higher the chances of the JVs success.

Moreover, with this in mind we also conclude that in order to reach the aforementioned entrepreneurial benefits of a successful joint venture namely: tap into new market more easily, obtaining local market knowledge, shared risk, and growth, you need to find a balanced structure in the JV. As mentioned the more similar the JV partners are the higher the chances are of reaching the set goals and objectives, which are the entrepreneurial mission of the JV.

6.1. Practical Contribution

Companies willing to engage in corporate entrepreneurship through external corporate venturing, specifically a JV, should ensure cultural fit between the parent companies. To achieve the entrepreneurial outcomes such as rapid growth, access to knowledge, expanding their network and minimizing risks, organizational cultural fit of JV partners is considered highly substantial. One of the measures companies could use in assessing their JV partner could be the application of the constructed framework in this study. The framework incorporates metrics that reveal hidden assumptions, values and behaviors of an organization and its culture. It gives decision makers a better understanding of their potential partner and whether their differences could affect the entrepreneurial performance of the JV in the future. As discussed earlier, the more similar the partners organizational culture, the higher the chances of success and the less probability of conflicts in the operations of the venture. With regards to the barriers to success, themes such as communication, commitment, trust and control are areas that are rooted in the culture of an organization. Significant differences between partners among those themes would hamper the operations of the venture. For instance, in the case company selected for this research, partners differ on the communication environment, which was found to be a signal for future conflicts regarding communication. Therefore, we also believe that companies whom already engaged in a JV partnership should invest in understanding their partner’s organization culture. Some mitigating measures could be implemented such as constructing procedures for communication.

6.2. Future Research

Our research on organizational culture in relation to corporate entrepreneurship and more precisely joint ventures, have given a deeper insight into the research field, but there is always room for improvement in order to understand the impact of organizational culture further. We believe it can be considered useful to implement our work as a foundation for
future research. We suggest that future researchers look into how different joint venture, in the post-formation phase, can be compared to each other. This would be possible by conducting a multiple case study approach. Furthermore, future researchers could also implement a quantitative research strategy that can offer a larger number of respondents hence increase the generalizability of the findings. Moreover, it would also be intriguing to follow the development of, as in this case, a JV over time through a longitudinal study. Finally, future researchers could combine both organizational and national culture to see how national culture influences the culture of an organization. Even if the research field is not novel there are still interesting knowledge to obtain from investigating JVs and which could eventually reduce their rates of failure.
7. References


8. Appendices

I. Interview Guide

**Introducing and general questions:**

1. How long have you been an employee at (Bulten/Ramco)?
2. Can you please specify your role in company and explain the day-to-day operations you are involved in?
3. Can you please give us a briefing of the company? (Managers)
4. Can you tell us more about some difficulties and turbulences throughout the life of (Ramco/Bulten) and how did you overcome such obstacles? (Managers)
5. Did you have to change the strategic direction of the company and how? (Managers)
6. What is the occupational background of the majority of the members at the organization?
7. Is there a certain process/procedure for problem solving?
8. How was it developed and who takes part in that process?
9. Can you please state the core value of your company?
10. How are those core values applicable if u can give us few examples?

**Dimensions**

1. **Process vs. Result oriented culture:**
   1. How much of freedom and responsibility is given to your employees in regards to day-to-day activities? Can you give example?
   2. Could you explain to us the way you do business? (Traditional, open to creativity and uncertainty)

2. **Employee vs. Job oriented culture:**
   1. How do you treat mistakes of your employees?
   2. How often have you fired someone for a mistake they’ve done? What was the reason?
   3. What’s the employee turnover? Male/female ratio?
   4. Do you have any activities for your employees outside of work? How often? What do you do?

3. **Professional vs. Parochial approach:**
   1. Can you describe with your own words what commitment means to you?
   2. Can you describe a situation where your company has showed commitment to the JV?

4. **Open vs. Closed systems:**
   1. How often do you get someone complaining or criticizing a co-worker or a way of doing something?
2. How open is the door to your employees? Do you know the names of everyone working around? (Power Distance) (Managers)
3. Can you tell us more about the communication environment at your organization?
4. How easy is it for a new employee to integrate into the company?
5. Is everyone included in the communications that happen? Or would you say it’s more private?

5. Lose vs. Tight control:

1. How punctual is the organization with deliveries? How punctual is your employees with deadlines?
2. Do you always make it on time with deliveries to external parties?
3. Have you had any incidents were you failed to deliver on time? What were the consequences?
4. Did you have to change the way you did things in the past?
5. How much authority has low-level management when it comes to financial expenses? (Managers)

6. Normative vs. Pragmatic:

1. Do you care more about the end result or the process leading to the end result and why so?

Internal maintenance vs. external positioning:

1. Since the company is working with cross-organizational alliances, how much and in what way do you focus on internal efficiency and development?
2. Please also specify the external efficiency and development (Managers)
3. How does the company adapt to external changes? Meaning things that the company have no control of. (Politically, financially, technologically, demand, regulations and so on.)

Trust:

1. Describe a work circumstance when the pressures to compromise your integrity were strong. How did you respond to that?
2. Under what circumstances have you found it justifiable to break a professional confidence?
3. When you have experienced unethical behavior at work, have you confronted it, or chosen not to say anything in order not to get involved? Why? Would you do something differently next time?
4. What are examples of times you went above and beyond the call of duty to help either a customer or co-worker?
5. Tell me about a work incident when you were totally honest, despite a potential risk or downside for the honesty.

JV related questions (Only for people that is involved with the JV)

1. Can you tell us a little about the JV?
2. What are your objectives or goals behind entering into collaboration with (Ramco/Bulten)? As many JV’s have a set time period, how would you describe the time horizon of this JV?
3. How involved are you in the JV? (Managers)
4. How would you describe the power distribution in the JV? Can you explain to us how decisions are made? (Managers)
5. How often do you meet with your JV partner? (Managers)
6. How would you explain your relationship with your business partner? (Casual, formal, views the partner as a competitor etc.) (Managers)
7. How much time would you say the two parent companies put into the JV on a continuous basis? (Managers)