"Close Neighbours and Distant Friends: Managerial Perceptions in Cross-border Mergers and Acquisitions".

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Abstract: In this paper managerial perceptions in cross-border M&As are discussed. The managerial perceptions relate to national and corporate characteristics. The empirical data was collected during the face-to-face interviews with executives from Germany, the United Kingdom and Poland. The findings presented here are the result of qualitative, interpretive analysis.

The authors argue that there are differences in perceptions between German and Polish managers, and between British and Polish managers, and that the national perceptions of the executives are mirrored in their corporate perceptions. The findings of the current study have therefore a particular relevance to managers in cross-border M&As since they reveal a great deal about the ability of both sides working together.

Key words: corporate characteristics, cross-border M&As, culture, managerial perceptions, national characteristics

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Introduction.

An integrating Europe is planning its biggest enlargement ever, with thirteen new countries applying to be a part of the united Europe. The candidate countries for accession are ten Central and East European States, and three other European states. This enlargement is going to be the most challenging ever. The issues faced by an integrating Europe arising from deepening and widening pose serious challenges also for business. Increased pan-European corporate integration becomes thereby a research topic of pressing importance.

Mergers and acquisitions (M&As) are a leading form of market entry and development, which bring different corporate and national cultures into direct contact. These can be seen as the 'business end' of regional economic integration. Companies integrating themselves internally across national barriers will affect economic and social integration both external and internal to firms (externally, through economic convergence; internally, through cultural exchange). The issues raised by M&As are multifaceted. They include the problems posed by cross-cultural impediments arising from conflicting business systems, and from barriers to knowledge transfer within the newly merged or acquired firm.

There is much that we do not know about the management and business effectiveness of M&As, particularly those across national borders. This has implications for the performance of M&As, and for the steps that managers need to take to make this form of market entry effective. There is a clear gap in our knowledge on these important management issues.

> A great omission in the literature on M&As and their performance is that too little attention is given to cultural clashes, while many mergers faced enormous problems due to cultural differences; Bankers Trust and Deutsche Bank, Upjohn and Pharmacia, and Daimler Chrysler are good examples (Buckley and Ghauri 2002, p. 423).

In this paper we make a small start through investigating managerial perceptions within cross-border M&As. Such perceptions are an under-researched aspect of cultural interaction. Our study shows that managerial perceptions can reveal a great deal about the ability of both sides of M&As to work with one another.

The idea and reality of 'stereotypes'.

The managerial perceptions discussed below relate to national and corporate characteristics. Managers were encouraged to talk about their understanding of themselves and of those with whom they interacted. Ideas of this kind are often discussed within the idea of 'stereotypes' (Chapman 1989; McDonald 1993), and a brief summary of our position is called for.

'Stereotypes' are often regarded as undesirable features of popular discourse and perception, which it is the duty of intellectuals and educated people generally to contest and disassemble. In the context of the European Union:

> In recent decades, debates in self-consciously 'European' institutions have frequently urged the banishment of stereotypes. Stereotypes are deemed to be deeply implicated in the 'xenophobia' and 'racism' from which so many evils, past and present, have stemmed and which the whole construction of the Community is often said to have been designed to transcend (McDonald 1993, p. 219).

Stereotypes, within this perspective, are negative phenomena, the result of hate, racism, and fantasy. It is possible to look at them in another way, however, and to regard them as statements created by ordinary people which serve a legitimate purpose in their understanding and organisation of the world. We can regard them as condensations of certain kinds of routine experience, not fact precisely, but not fiction either: partial attempts at explaining significant regularities.

According to Collins Cobuild English Language Dictionary:

A stereotype is a fixed general image, characteristics, etc that a lot of people believe to represent a particular type of person or thing (1993, p. 1430)

Although the term stereotypes has its origins in the printing industry[1], its usage within social sciences is attributed to Walter Lippman (1922), an American journalist. He noted that decision makers often decided matters connected to people they do not know or on topics they do not understand. He called this stereotypes or 'inaccurate representations'. These were acquired by ways other than through direct experience of the reality in focus (McDonald 1993).

A new impetus to the subject was given by the Second World War, when

[…] analyses of prejudice encouraged stereotypes to be seen as perceptions linked to pre-existing cognitive categories, but ultimately to be the unfortunate by-products, or the maladaptive end, of an information-processing continuum (ibid., p. 221).

There was also a trend in psychology to treat stereotypes as statements that contained certain amounts of truth, and to attempt to measure their accuracy against the reality (e.g., Klineberg 1950, Peabody 1985, both cited in McDonald 1993). Since the 1930s the main focus of sociologists and anthropologists was on ethnic stereotypes. These were often based on majority/minority categories, with the majority saying negative things about the minority.

Anthropologists have argued that the meetings of different cultures are experienced and mediated through category mismatches, themselves a consequence of different 'social constructions of reality'. This experience of categorical mismatch was first pointed out by Ardener (1982), and extensively catalogued by Chapman (1992). McDonald, in her summary of this work, says:

[…] The cultural worlds in which we all live are all in some sense category-based and that when different category systems meet, they do not match up;

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[1] 'It designated a metal plate which could be used again and again for thousands of impressions, without needing to be replaced' (McDonald 1993, p. 220).

the resultant experience is one of indeterminacy, or unpredictability perhaps, of wavering uncertainty, and of riot or splendour, at the boundaries of our categories which do not match those we encounter (McDonald 1993, p. 222).

Whenever these categories do not match a misunderstanding occurs. During this process each of its parties can place themselves on the side of order, and at the same time can find disorder in the other. It is important to note that over the centuries the 'more powerful centres of self-definition' (ibid., p. 225) have generated the images of themselves as orderly and the others as disorderly. These images form themselves into patterns of opposition which are comprehensible to structural and semiotic anthropology, and which inform popular discourse:

[…] the apprehension of mismatch, or lack of fit, will usually have a dominant discourse (or genre, or systematised way of talking about it) in which to find ready expression (p. 228).

Methodology.

The research was based on empirical data collected during 63 semi-structured, face-to-face and in-depth interviews with managers in Germany, the U.K., and Poland. Data collection took place in two stages. The first stage, an exploratory study, comprised face-to-face interviews with 10 general managers from companies in Poland. Subsequently general managers from the German (7) and British (2) companies were selected and interviewed in the same way. A check-list of open-ended questions was used during the interviews, which covered general topics regarding the background of the company, style of management, competition, possible merger and acquisition activity, and so on; this was constructed so as to impose minimum constraints on potential topics of interest. The results from the pilot study served as a basis for investigation during the second stage of data collection. It consisted of 44 face-to-face interviews, out of which 24 were conducted in Poland, 10 in Germany, and 10 in the United Kingdom.

The study adopted a qualitative, interpretive methodological approach, and treated managerial perceptions as a focus of analysis. One of the reasons why this method was appropriate for the current study was the fact that it was exploratory in nature. It aimed to identify the main differences and similarities in perceptions between the managers from Germany, the UK, and Poland, for which no suitable secondary data exist. The quantitative, questionnaire based research could not be used in this case as the categories of this study were not known. Furthermore, the qualitative, interpretive approach is argued to offer a more certain and precise understanding of the societies under investigation, from the point of view of those who are under study (D'Irbarne 1996/97, Miles and Huberman 1994, Yin 1994).

Written up data were compared across interviews and across the companies, and analysed for common themes, stories, and issues. This was achieved by multiple readings of the transcripts. The interviews were then colour coded and a list of the main topics, themes, and stories were developed. The texts from the interviews were then sorted according to these themes. The main themes were the issues repeatedly mentioned by the interviewees, discussed by many of them, or pointed out by executives as important. The attention of researchers was also directed to 'important absences', and the reasons behind them. The national and corporate characteristics from this paper were among the themes identified in that way.

There are at least several considerations, within the present work, which might serve to reassure its validity and reliability. Firstly, one of the principles of data collection is using multiple sources of evidence in order to achieve triangulation (Yin 1994); here, primary data were complemented by various other sources (e.g., annual reports and leaflets of companies, press cuttings, internet sources). Secondly, 10 of the interview transcripts were sample-coded by the authors, and this coding was verified by 2 other colleagues. Thirdly, the narratives were supported with the verbatim responses of the executives under investigation, to offer the reader the opportunity of drawing their own conclusions (Marschan 1996). Fourthly, the

findings were cross-tabulated with the data on the characteristics of the respondents, types of the companies, and different industries. This provided some useful insights, and helped to build the internal validity of the study (Eisenhardt 1989). And finally, the findings of the study were compared with conflicting and similar literature, which as Eisenhardt (1989) put it 'builds internal validity, raises theoretical level, and sharpens construct definitions' (p. 533).

German and British perceptions towards Poles compared.

National characteristics of the Poles.

Figure 1 resents a summary of national characteristics of the Poles as identified by the German and British managers.

Figure 1 here

Based on the figure above, we can see some difference between German and British perceptions of their Polish colleagues. We can begin with the issue of the influence of communism on the Polish psyche. The German managers who were interviewed tended to see the communist period in Poland as only a minor event in a much longer story; the U.K. managers, by contrast, saw modern Poland as having been defined in most important respects by the experience of fifty years of communism.

These quite opposite views presented by German and British interviewees are very important, as they influence a further set of oppositions and differences. The Germans saw the Poles as being a corrupt, materialistic, nationalistic, and lazy nation, and as having had these characteristics forever. They did not observe any significant changes in the mentality of the Polish nation. German managers often referred to the Poles as people who worked in a networking system, where the 'right contacts' were indispensable in any circumstances. They saw Poland and the Poles as their well known Eastern neighbour, which despite all these 'superficial' reforms had not changed at all.

By contrast, the British interviewees, who openly admitted their unfamiliarity with Poland and the Poles, could only go back in history as far as their common participation in the Second World War. Most importantly however, they often referred to the communist times in Poland, and based all their opinions on a belief that this period had been the only one to shape the Polish psyche. For the British executives Poland and the Poles appeared to be only one of many post-communist countries and societies, with typical post-communist problems. They did not seem to differentiate between the individual countries from the 'Eastern' bloc, but instead set a clear division between 'the western' and 'the communist' way of doing things (e.g., Polish bureaucracy).

British managers also acknowledged however, that Poland and its inhabitants have made enormous progress in terms of economic and mental transformation, and that this progress was being maintained. Moreover, contrary to the German interviewees, the British managers expressed their preference for the younger generation of Poles who were well educated, skilful, and free from the burden of communist ideology.

Let us move to the similarities now. The first and the most striking one was the fact that both German and British managers saw Poles as different from them. However it is important to differentiate here; in the case of the German interviewees it was 'very different', and in the case of the British it was just 'different'. While the German interviewees strongly objected to any intimation of similarity between themselves and the Poles (concerning, for example, the 'Wielkopolska mentality'; see Gajewska-De Mattos 2002), the British managers tended to acknowledge that Poles were simply different from them. The German insistence on being very different from their neighbours from the East can be explained by the long-standing ethnic oppositions relevant to the Polish/German difference (as discussed in Chapman and Gajewska-De Mattos 2000). This set of oppositions consisted of the 'self' which was doing the writing and whose picture was recorded, and of the 'other' which was

constructed through this series of oppositions and which was almost entirely negative. The analysis of qualitative data has shown that the German managers tended to reject any possibility of being associated with the right hand side column of the basic set of oppositions (this set of oppositions, presented and discussed in Gajewska-De Mattos 2002 and Chapman and Gajewska-De Mattos 2000, is presented in an appendix below; the ideas need extensive discussion to be fully intelligible, and there is no room for this in this paper). The 'other', as presented in this table, is seen to display mostly undesirable characteristics.

In case of the relation between British and Polish one could expect this contrast not to be so strong. Indeed, there was no relation between the 'self' and 'other' as the circumstances facilitating these oppositions simply did not exist. The relationship between Poland and the United Kingdom is much less close, and much less intense, than that between Poland and Germany. In the view of the British managers Poles were 'different' because they were 'distant' and 'unfamiliar'; for the Germans, the Poles were 'very different' because they were 'too familiar'.

Moreover, although both groups of executives agreed on some positive characteristics with reference to Poland and the Poles (e.g., warmth, hospitality, knowledge of foreign languages), the main points uniformly made by them were Polish negative national features. Both Germans and British pointed out the Polish tendency to evade responsibility. Polish employees were also seen as the ones who did not question any decisions of their superiors, and what is more, who needed authority in order to perform their job well. The British managers also pointed out that although strongly encouraged by them, Poles were reluctant to take any decisions, and again related it to their 'communist past'. In the German managers' view also there was a tendency of the Poles to evade responsibility. German respondents did not relate this characteristic to the communist past. Rather, they considered that in order to

produce good work, Poles needed to be well managed and motivated; this was because Poles have great respect for authority, and do not question the decisions of their superiors.

Corporate characteristics of the Poles.

Let us take a look at the corporate characteristics of Poles now, as described by the executives from Germany and the United Kingdom. The analysis of qualitative data has shown that, as in the case of national characteristics, there were several points of agreement and disagreement on the issue between the executives from these two investing countries. A summary of these German and British views has been presented in the Figure 2 below.

Figure 2 here

Based on the figure above, let us first discuss the issue of the openness of the Polish market and reform in Poland. While the Germans did not mention these at all, the British executives stated them as the main incentives for entering the Polish market. One can also observe that while the British saw Poland as transforming, the Germans only saw progress in terms of current economic indicators, such as high economic growth and a low level of inflation.

Furthermore, both groups of executives, while talking about their Polish counterparts, made it clear that the Germans and the British were the best ones to do the coaching, and to show the Poles 'the right way' of doing things. Their entitlement to do so was explained by the executives using the fact that they were 'big players' on the market, with lots of experience that the Poles did not have. German managers also saw these Poles working for their companies as the privileged ones, and also as a source of cheap labour. British managers in turn emphasised the importance of employing young Polish staff in their companies, as they were not affected by communism. British interviewees complained about the centralised structures in Polish owned companies they encountered or acquired.

An interesting aspect of German and British perceptions was their agreement on the issue of the safety of the Polish market. They tended to refer to it as relatively safer than the markets located further to the East (e.g., Russia, Ukraine), however they still emphasised the amount of preparation and research they had to do before they actually entered this market. This perception of the lower level of safety in the East is congruent with more general, and also ancient, ideas of European civilisation, where civilisation diminishes the further East one goes (Wandycz, 1974).

Although both groups of executives recognised the high pressure of competition experienced by their companies in international markets, they did not observe a similarly high level of competition in the Polish market. They perceived the competition in Poland as less keen, and stated this as one of the main incentives for entry. They did not see Polish-owned companies as their equals. Their views were not shared however on the issue of the legal system in Poland. While the Germans emphasised that the legal system in Poland was unstable, although based on the laws similar to German ones, the British presented the Polish and British legal systems as fundamentally different, with the first one transforming. The Polish government was seen by the German managers as setting higher standards and requirements for foreigners. The British managers also complained about the government in Poland, which in their view lacked specialists.

The analysis of qualitative data showed that the perceptions of Polish national characteristics expressed by the German and British executives were mirrored in their opinions pertaining to corporate characteristics. The precise way in which this was identified in the data has been presented in Figure 3 below.

Figure 3 here

One of the most striking issues here seems to be the insistence of both groups of interviewed executives on them being the best ones 'to do the coaching' of the Poles. This

idea configures with their perceptions of the Poles as irresponsible individuals who need authority, and who like rules and hierarchy. By regarding themselves as purveyors of 'the right way), the executives interviewed were implicitly offering themselves as responsible, and capable of working and taking decisions independently. These virtues, although not stated directly by the interviewees, are invoked by opposition to the vices of the Poles.

The openness and reform of the Polish market stressed by the British managers, seems to reflect the British perception of Poland and Poles as post communist, as a transforming country and society. The lack of reference to the openness of the Polish market on the side of the German executives, can perhaps be related to their vision of the Poles as a nationalistic nation. The latter was also mirrored in a German statement that the Polish government tended to discriminate against foreigners, and to set higher standards for them. British executives did not observe a similar phenomenon, but did emphasise that the government lacked specialists. This was seen as a common imperfection in a typical post communist society. We should note that the 'communist heritage' of the Poles seemed to serve as an instant toolkit for explaining quite diverse problems in organisation by the British, including the observed centralised structures of Polish companies.

As in the previous section, we can observe again that while the British saw Poland as transforming, the Germans only agreed with such statements in connection with current economic indicators like, for example, high economic growth and a low level of inflation. This could have been influenced by the German view that Poles and Poland have not really changed significantly. The same may apply to the German statement pertaining to the unstable legal system in Poland, a country without long-established democratic traditions.

Finally, we can look at the statements of both groups of executives pertaining to Polish staff. The Germans saw them mostly as cheap labour, which accords with their view that Poles are lazy and in need of authority. British managers in turn emphasised the

importance of employing young staff in Poland, as the young were the only ones not affected by communism.

A Comparison of Polish perceptions of Germans and British

National characteristics of Germans and British

The analysis of qualitative data reveals that there are differences in Polish perceptions of Germany and Great Britain. The differences and similarities are summarised in Figure 4 below.

Figure 4 here

One of the most striking issues arising from the analysis of empirical data was the Polish insistence on Germans and British being different from them. These differences were regarded as being particularly apparent in the work attitudes of these two nations. The interviewees described Poles as being much more creative, spontaneous and versatile than Germans and British, who were pictured as performing routine tasks, down to earth (Germans), and having to plan everything in advance (British).

It is interesting to note in this context, that there was a tendency among the Polish managers to identify similar characteristics in their German and British colleagues, but then to interpret these differently according to whether they were related to Germany or the United Kingdom. For example, the performance of routine tasks by the Germans was seen as demonstrating their lack of imagination and creativity; the same characteristic identified in the British character was interpreted as a sign of high professionalism.

Although the characteristics of the Poles reported by the Polish interviewees were mostly presented as virtues, some negative aspects of 'Polish mentality' were also admitted; evading responsibility and having a chaotic approach to work were among these. These negative aspects of Polish character were justified by the Polish managers as being a direct

consequence of a communist system in Poland, and were contrasted with German and British responsibility towards work and their good work organisation.

Other national characteristics as observed by the Polish managers in both the Germans and the British were: their perceived wealth; their coldness and reserve; their presumption; and their assumption of superiority. These were again contrasted with Polish warmth, hospitality, and openness.

An interesting aspect of the Polish vision of the Germans was the *Wielkopolanin* mentality. On this occasion Polish managers originating from *Wielkopolska* proudly stated that they displayed German-like features. Among these were diligence, discipline, cleanliness and tidiness. These characteristics, originally attributed to their Western neighbours, were claimed by the Poles from *Wielkopolska* to be present in their own psyche. Polish managers also referred to German continuity of change, which meant that the Germans were never satisfied or complacent, no matter how good was the result. The Germans were also seen as credulous.

The Polish vision of the British was a construction based on the fact that the two nations were unfamiliar to one another. Although common participation in the Second World War was mentioned, Polish managers emphasised that the British did not know much about Poland, and that they did not speak Polish. They were perceived as phlegmatic and patient bureaucrats, who put their professional lives over their personal lives, and who were economical. Moreover, although they were seen by the Polish interviewees as liking to 'split hairs' ('dzielic wlos na czworo', literally, 'split one hair into four'), they were also perceived as relaxed and informal.

Corporate characteristics of Germans and British.

A summary of German and British corporate characteristics, as seen by the Poles, is presented in Figure 5 below.

Figure 5 here

Based on the figure above, it is interesting to note that while both German and British executives were described by the Poles as setting very high requirements and standards at work, they were also praised by the Polish interviewees for giving them a surprising degree of autonomy at work. The latter was interpreted by the Polish executives as a proof of their good job performance. In the case of the German companies, this was seen by the interviewees as a sign of the trust the investors had in them, and also of the fact that the Germans had no choice but to trust the Poles, as they did not understand 'Polish reality'.

As in the case of national characteristics, there was a tendency among the Polish managers to identify similar characteristics in their German and British colleagues, but then to give them totally different interpretations, depending whether they related to Germany or the United Kingdom. This applies, for example, to the issue of the perceived benefits of working with or for a foreign company. In the case of Germany, Poles tended to ignore all the soft skills transfer to their company. In the case of the United Kingdom, they stated that finance was not the only reason they worked with the British, presenting a long list of other benefits at the same time. It was also mentioned that British managers strongly encouraged transformation in the Polish companies, from the communist way of doing things to the habits of a market economy. This was seen as a positive influence.

It is important to note that the Polish perception of German corporate characteristics contains a certain degree of contradiction. On the one hand the Polish interviewees failed to acknowledge the benefits of working with the Germans other than financial ones; on the other hand, they had a strong belief in the power of the investors while discussing the level of

competition in the Polish market. In this respect of competitiveness many of the Polish interviewees claimed that German companies had no equals; however we should also mention another large group of Polish interviewees which claimed that competition was very strong.

The perception of the Poles who worked in British companies, were much more uniform in respect of their views on competitiveness, all of them emphasising the strength of competition in the market. This group of Polish interviewees also pointed out that they preferred to work for the British than for the Germans. When compared with the Polish perception of working for the Germans, we can observe that both groups of executives claimed to feel privileged to work in such good companies (both German and British). It is important to note however, that while this opinion, while applied to British companies, was undisputed, the same opinion when expressed pertaining to German companies, was immediately followed by a sense of guilt on the part of the Polish managers, as if the company they worked in would pose a threat to domestic Polish-owned ones.

Both groups of Polish interviewees claimed that their companies prior to acquisition were of a good standing, and the British investors were referred to as the ones who knew exactly what they were buying. There was no reference to this kind of fore knowledge existing on the German side.

National and corporate characteristics of Germans and British.

Let us now examine to what extent the national characteristics of Germans and British identified by the Poles link with Polish corporate perceptions of these two nations. A summary of this is presented in Figure 6.

Figure 6 here

One of the main links between national and corporate perceptions can be identified in the perceived benefits of working with or for a foreign company. In case of Germany, Poles

tended to ignore all the soft skills transfer to their company, and in case of the United Kingdom, Polish managers stated that finance was just one among many reasons they worked with the British. The analysis of qualitative data has shown that this view was reported by those interviewees who also strongly emphasised themselves to be different from the Germans. These particular respondents stressed that these differences were to the Polish advantage. Also those Polish managers who dwelled on British professionalism similarly stressed the degree of differences from the British.

The Polish perception of British professionalism seemed to have influenced several other corporate characteristics constructed by the Poles. It is therefore on account of their professionalism that the British were thought to know exactly what they were buying, as far as acquisitions of Polish companies were concerned, and to be the ones who encouraged transformation in Polish companies.

Another interesting point already identified in the data was Polish astonishment with the amount of autonomy given to them by the foreign investors, both German and British. This is itself a reflection of the Polish perception of German and British being presumptuous and showing their superiority- if the foreign investors are so superior it is all more surprising that they should devolve a high degree of autonomy to the Poles. Therefore Poles could reasonably expect foreign investors' behaviour to be defined by exactly these same characteristics. This opinion also mirrors the self-perceptions of the Poles that they needed authority, and needed to be shown the right way. Consequently they expected the investors to fulfil these needs. The self-explanation by the Polish managers of the fact that they were given a lot of autonomy by the German investors because they trusted the Poles, might also be linked to the Polish perception of their neighbours as being credulous.

In some respect almost contradictory with the previous statements relating to corporate autonomy, Polish managers working in German and British companies pointed out that the

foreign investors were setting very high requirements and standards. This also raises the question of whether Poles felt they were meeting these - perhaps wishing to invite the conclusion that they were, i.e. in support of Polish self-esteem. This perception of high standards also links to the Polish perception that the Germans and the British were presumptuous and showed their superiority, i.e., the latter did so through setting standards that might be expected of a superior economy.

And finally, we can note one more parallel of national and corporate characteristics attributed to the Germans. The fact that German companies were often perceived as having no equals, might be linked to Polish fascination with, and admiration of, the German characteristics of law and order.

Summary and conclusions.

The results of our study demonstrate that there are differences in perceptions between German and Polish managers, and between British and Polish managers. It also shows that the national perceptions of the executives are mirrored in their corporate perceptions. The findings of the current study have therefore a particular relevance to managers in cross-border M&As. According to Barkema et al. 1996 cultural distance is one of the reasons for the failure rate of acquisitions being greater than the failure rate of greenfield investments. This could be related to a lack of knowledge about the main characteristics of different cultures, and a lack of knowledge and awareness that perceptions of individuals vary across cultures. It may also be agreed that lack of self-knowledge is an impediment. As views are systematic by nationality, self-awareness of the existence and dangers of these views, as well as their origin, may be a distinct advantage. Therefore it is recommended that managers considering or participating in such deals make a particular effort to understand these issues. Equally, education may be advisable. Proper understanding of these concepts by the managers can

positively influence the co-operation between representatives of different cultures and therefore positively affect company's efficiency. As international business expands, cross-cultural issues naturally arise with greater frequency. In our paper we have attempted to show that these can differ markedly by nationality of the investor. Therefore it should not be expected that any 'one size fits all' solution is available.

Furthermore, the framework from social anthropology presented here has wider applications than between only Germanic and Slavonic managers. We believe it can be applied to other situations of ethnic meeting in a business context, as managers representing other core/periphery cultures/nationalities from other geographical locations can experience similar relationships, and potential problems. Their awareness that such problems are likely to exist could enhance both negotiation and integration processes in cross-border M&As.

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Appendix:

Ethnic oppositions to which we are referring emerge from the work of Chapman (1992). According to this author many differences between centre and periphery nations/groups of people were expressed in terms of ethnic oppositions – oppositions expressed in imagery, metaphor, writing and action. Chapman focussed on the Celtic/Anglo-Saxon contrast, but as he commented in the introduction to his work, the relationship between the English and the Celts, as popularly expressed, bore a strong resemblance to other core/periphery ethnic relationships (e.g., the oppositions between Germanic and Slavonic).

All peoples have a strong tendency to characterise themselves as orderly, civilised and properly human, and to regard other surrounding peoples as failing to achieve these virtues. Any cultural differences can be used as material for the construction of differences in this

domain – notable, however, are issues to do with food preparation and diet, dress, sexuality and kinship, conventions of non-verbal communication, and so on. In many cases, however, the historiographical record is strongly biased towards one series of accounts rather than the other. This is certainly the case with the Roman/Celtic and English/Celtic oppositions. When we inspect the record, we find a picture of the Celts constructed as the 'other' of those doing the recording. Thus, a picture is created from a series of oppositions something like this (Figure 7):

Figure 7 here

The 'self' which is doing the writing is the one whose picture is recorded. The picture of the 'other' constructed through this series of oppositions is almost entirely negative. Another turn in the argument is required for completeness. We can cite Chapman's earlier work verbatim:

> With the intellectual revolution that we call romanticism, the entire system of oppositions listed above undergoes a subtle metamorphosis. What I have called the 'centre' continued to characterise itself by the left-hand column, and the 'periphery' by the right-hand column; but the balance of virtue shifted. Where previously goodness had resided on the left margin, romanticism shifted it to the right. As it did so, new adjectives appear which, while expressing the same series of oppositions, also express the new moral valuation. The list above, therefore, acquires a new series of glosses from the romantic reappraisal (the original list is in parenthesis, Figure 8):

Figure 8 here

The first list, above, is, as already noted, one in which the 'other' is constructed out of almost uniformly undesirable characteristics. We can see easily enough that this is an argument made from one side only, and that no people is ever likely voluntarily to characterise itself using terms from the 'other' side of the oppositions. The second list, however, with glosses derived from the romantic reappraisal of primitive naturality, allows an entirely desirable picture to be drawn from the images of 'otherness', and casts an undesirable and dreary pall over the 'self'. It is from these ideas that most modern British people construct their idea of the modern Celts. It is important to note, however, that the 'other',

while desirable, is still somebody else's construction; the 'self', dull or not, is still in the metaphorical driving seat.

Figures:

Figure 1: A Summary of German and British Perceptions of the National Characteristics of Poles[2]

German executives   **British executives**

not affected by communism

transformed only on the 'surface'

corrupt

materialistic

lazy

nationalistic

networking phenomenon

neighbours

very different

warm and hospitable

evade responsibility

need authority

like rules and hierarchy

speak foreign languages

typical post communists

transforming society

young generation not affected by communism

brothers in arms in the Second World War

bureaucratic

distant

unfamiliar

Figure 2: A Summary of German and British Perceptions of Polish Corporate Characteristics.

German executives   **British executives**

unstable legal system

laws similar to German

source of cheap but less efficient labour

government sets higher standards for foreigners

privileged to work in German companies

investors are the ones to do the coaching

good economic indicators

safer than Eastern neighbours

less competitive

big market

open market

keep reform on track

have different laws

government lacks specialists

need to act quickly

need to employ young staff

Polish companies have centralised structures

Poland as an extension of German activities

Figure 3: Polish national and corporate characteristics - German and British perceptions .

German perceptions   **British perceptions**

unstable legal system
(*transf. only on the surface*)

laws similar to German

source of a cheap/
less efficient labour
(*lazy, need authority*)

government sets higher
standards for foreigners
(*nationalistic*)

privileged to work in
German companies

the investors are the ones to
do the coaching
(*need authority, evade
reponsib., like rules and
hierarchy*)

good economic indicators
(transf. only on the surface)

safer than Eastern neighbours

less competitive

big market

open market
(*transf. society,
typical post comm.*)

keep reform on track
(*transforming society*)

have different laws

government lacks specialists
(*typical post communists*)

need to act quickly
(*transforming*)

need to employ young staff
(*young generat. not
affected by communism*)

Polish companies have
centralised structures
(*typical post communists*)

Poland as an extension
of German activities

Figure 4:   Germans and British as Reported by the Polish Managers – national characteristics.

German executives   **British executives**

'cybernetic' society

lack spontaneity and poetics

state of law and order

limited and formal

uninspired and unimaginative

credulous

continuity of change

blindly follow regulations

disciplined

similar to Wielkopolanie

clean and tidy

diligent

different from Poles

responsible

well organised

perform routine tasks

presumptuous/show their superiority

cold and reserved

very wealthy

phlegmatic and patient

plan everything thoroughly

bureaucratic

relaxed and informal

work comes first

do not know much about Poland

do not speak Polish

professional

'split one hair into four'

Brothers in arms from
the Second World War

economical

Figure 5: Germans and British as Reported by the Polish Managers – corporate characteristics.

German executives   **British executives**

only financial benefits from the co-operation

beneficial co-operation

German companies have no equals

set high requirements

strong competition

threat for domestic companies

acquired Polish companies of a good standing

it is better to work for them than for the Germans

trust the Poles they work with

give autonomy in a workplace

know what they are buying

have no choice but trust the Poles

it is good/a privilege to work with them

encourage transformation

Figure 6: National characteristics and managerial corporate perceptions - Polish perceptions.

German executives   **British executives**

only financial benefits from the co-operation
(*very different from Poles/ uninspired, unimaginative*)

beneficial co-operation
(*different from Poles/ professional*)

set high requirements
(*presumptuous/ show their superiority*)

German companies have no equals
(*state of law and order*)

strong competition

acquired Polish companies of a good standing

threat for domestic companies

it is better to work for them than for the Germans

trust the Poles they work with
(*credulous*)

give autonomy in a workplace
(*presumptuous/ show their superiority/ Pls need authority*)

know what they are buying
(*professional*)

have no choice but trust the Poles

it is good/a privilege to work with them

encourage transformation
(*professional*)

Figure 7: Self / Other – the basic oppositions

Self	:	Other
Rule	:	Disrule (absence of rule)
Order	:	Disorder
Culture	:	Nature
Human	:	Animal
Controlled	:	Uncontrolled
Lawful	:	Lawless
Clean	:	Dirty
Reason	:	Unreason
Intellect	:	Emotion
Constant	:	Inconstant
Modern	:	Backward
Progressive	:	Regressive

(from Chapman, 1992a, p.210-11).

Figure 8: Self / Other – the Romantic Reappraisal

Self	:	Other
Constraint (rule)	:	Freedom (disrule, absence of rule)
Predictable (order)	:	Unpredictable (disorder)
Artificial (human)	:	Natural (animal)
Urban (culture)	:	Rural (nature)
Reserved (controlled)	:	Impulsive (uncontrolled)
Formal (controlled)	:	Informal (uncontrolled)
Conventional (lawful)	:	Unconventional (lawless)
Sterile (clean)	:	Fertile (dirty)
Calculation (reason)	:	Imagination (unreason)
Measurement (intellect)	:	Passion (emotion)
Dull (constant)	:	Exciting (inconstant)

(Chapman, 1992a, p.212)