

# 11

## adidas and Reebok: What Expatriate Managers Need to Manage M&As Across Cultures

---

*Matthias Kempf and Peter Franklin*

### 1 Possible answers

#### 1.1 On the basis of Section 2.2, “Looking ahead to the assignment” only and using the terms and definitions of the Kühlmann and Stahl (1998) study and the International Competency Framework, seek evidence of which intercultural competencies were demanded of Benedikt Paul in the job description and advice given.

This task is designed to show how much the appointee’s tasks and qualifications in terms of knowledge and experience were in the forefront of the considerations of those filling the job and how little the personal qualities of the appointee, and especially that person’s intercultural competencies, were regarded as a qualification. It is interesting that little evidence of the need for intercultural competencies is available in the job description and advice:

Flexibility – Flexible Behaviour is shown to be required here: “including adapting them to meet local and business needs to ensure implementation success”.

Personal Autonomy – Focus on Goals is shown to be required here: “implement, drive and sustain ... Don’t accept too many exceptions”.

Transparency – Exposing Intentions is shown to be required here: “build up the trust and belief in their value”.

**1.2 Now, on the basis of Sections 2.3, “Handling the assignment” and 2.4, “Looking back on the assignment” and using the results of the Kühlmann and Stahl (1998) study and the International Competency Framework described above, decide which competencies Benedikt Paul actually applied or which could have especially benefited his work. Insert the indicators (i.e. quotations) you find in the interview in the following framework. You will not be able to find evidence of all the competencies.**

The intention of tasks 1.1 and 1.2 is to underline the contrast between the low degree of significance given to intercultural competencies before the assignment and the many indications of the need for intercultural competencies to be found in the interview with Benedikt Paul during and after his experiences in the USA. This is evident in the table below.

<b>International Competency</b>	<b>Indicators found in Sections 2.3 “Handling the assignment” and 2.4 “Looking back on the assignment”</b>
1.1 Openness: New Thinking	“It was important to show we were willing to learn”. “And realizing and acknowledging in public that there were also a lot of things we could learn”. “[Be] open and curious”.
1.2 Openness: Welcoming Strangers	“[T]hese programmes allowed both sides to build relationships and networks.”
1.3 Openness: Acceptance	
2.1 Flexibility: Flexible Behaviour	“[W]e chose sometimes to do it their way first or at least to show an open mind, which gave us enough time to explore and also to learn! We were then able to adjust rather than simply force though what we were told by headquarters.” “And then it was crucial to work immediately with the results and adjust approaches.” “And then start to devote the necessary attention not only to relationships, but also to your cultural adaptation.”
2.2 Flexibility: Flexible Judgement	“My approach was mainly appreciating what was done in the past”.
2.3 Flexibility: Learning Languages	
3.1 Personal Autonomy: Inner Purpose	
3.2 Personal autonomy: Focus on Goals	
4.1 Emotional Strength: Resilience	
4.2 Emotional Strength: Coping	

4.3 Emotional Strength: Spirit of Adventure	
5.1 Perceptiveness: Attuned	
5.2 Perceptiveness: Reflected Awareness	
6.1 Listening Orientation: Active Listening	"[I]t was important to listen to the managers and to fulfil their needs."
7.1 Transparency: Clarity of Communication	"[B]ut quite often nuances were critical when it came to specific expressions".
7.2 Transparency: Exposing Intentions	"[B]ut quite often nuances were critical when it came to specific expressions, especially when the takeover led to a sensitive or emotional situation." "We in adidas learned how important it was always to show the big picture and the 'why'". "Telling 'the ugly truth' and being very transparent was almost always much better and respected than saying nothing or telling only bits and pieces." "Another very important contribution was that our communication team did a great job from the beginning by communicating very transparently in both companies."
8.1 Cultural Knowledge: Information Gathering	"There was not a particularly great interest on the part of the Americans to understand the German culture, which made it even more important for us to make additional efforts." "Take an initial trip to the new location, gather information about the environment, the expectations of the new boss and so on."
8.2 Cultural Knowledge: Valuing Differences	
9.1 Influencing: Rapport	
9.2 Influencing: Range of Styles	"Every expatriate needs to be aware that adaptation to the host country's communication conventions is important for developing positive working relations." "The most important aspects to pay attention to are communication style and conflict behaviour – how colleagues interact with each other, how they deal with differences and how they share information."
9.3 Influencing: Sensitivity to Context	"I had the chance to open some doors for the Reebok guys and for that reason they then did the same for me in the US environment."
10.1 Synergy: Creating New Alternatives	"The training we purposely organized with mixed teams from both companies showed a major benefit in terms of building up networks and also a creating common understanding for the different situations."

*Table 1. International Profiler Dimensions and Competencies.*

*Headings based on WorldWork Ltd's International Competency Framework. Reproduced with permission.*

**1.3 What implications do the results of tasks 1.1 and 1.2 above have for the recruitment and selection of expatriates and others working internationally? Which of the International Competency Framework competencies would seem to be especially important for those working as expatriates rather than for those merely working internationally while based at home? Consider and discuss whether the competencies required for a successful expatriate assignment such as those generated by the Kühlmann and Stahl study and those described in the International Competency Framework can in fact be a) assessed and b) developed.**

As we have seen, the task description and advice given to Benedikt Paul before his assignment almost entirely neglected to list competencies required for handling the intercultural aspects of the job. The obvious implication is that recruitment and selection processes should pay greater attention to these competencies.

Conventionally, expatriate managers are expected to be emotionally more robust than others working in international contexts so resilience, coping and spirit of adventure may be particularly significant. Interestingly, in his reflections on his assignment Benedikt Paul does not refer to these competencies as especially valuable. This may mean not that he does not possess them, but rather that he takes them for granted and does not invest particular energy in them or attach special significance to them in contrast to other competencies, which seem more salient to him.

Assessing intercultural interaction competencies is fraught with difficulties though various procedures and instruments have been shown to have a certain reliability and validity (cf. Spencer-Oatey and Franklin, 2009: 182–189).

Developing intercultural interaction competencies is a rather more certain activity (cf. Spencer-Oatey and Franklin, 2009: 199–241) and one which is frequently used by individuals and organizations working across cultures.

## 2 References

- Kühlmann, T. & Stahl, G. (1998). „Diagnose interkultureller Kompetenz: Entwicklung und Evaluierung eines Assessment-Centers“. In: Barmeyer, C. & Bolten, J. (Eds), *Interkulturelle Personalorganisation (Intercultural Personnel Management)*, 213–224. Sternenfels: Verlag für Wissenschaft und Praxis.
- Spencer-Oatey, H. & Franklin, P. (2009). *Intercultural Interaction. A Multi-Disciplinary Approach to Intercultural Communication*. London: Palgrave Macmillan.

## 3 Further reading for the lecturer

- Bennett, M. J. (1993): “Towards ethnorelativism: A developmental model of intercultural sensitivity”. In: Paige, R. M. (Ed.), *Education for the Intercultural Experience*, 21–71. Yarmouth: Intercultural Press.
- Brannen, M. Y. & Peterson, M. F. (2009). “Merging without alienating: Interventions promoting cross-cultural organizational integration and their limitations”. In: *Journal of International Business Studies*, 40, 468–489.
- Buckley P. J. & Ghauri P. N. (2002) (Eds). *International Mergers and Acquisitions*. London: Thomson.
- Caligiuri, P. & Tarique, I. (2012). “International assignee selection and cross-cultural training and development”. In: Stahl, G. K. & Björkman, I. (Eds), *Handbook of Research in International Human Resource Management*, 321–342. Northampton: Edward Elgar.
- Cooper, C. L. & Finkelstein, S. (2010) (Eds). *Advances in Mergers and Acquisitions*. Bingley: Emerald Group.
- Gudykunst, W. B. (2004). *Bridging Differences. Effective Intergroup Communication*. 4th Edition. Thousand Oaks: Sage.
- House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W. & Gupta, V. (Eds) (2004). *Culture, Leadership, and Organizations. The GLOBE Study of 62 Societies*. London: Sage.
- Landis, D., Bennett, J. M. & Bennett, M. J. (Eds) (2004). *Handbook of Intercultural Training*. Thousand Oaks: Sage.

- Spitzberg, B. H. (1988). "Communication competence: Measures of perceived effectiveness". In: Tardy, C. (Ed.), *A Handbook for the Study of Human Communication*, 67–105. Norwood: Ablex.
- Spitzberg, B. H. (1989). "Issues in the development of a theory of interpersonal competence in the intercultural context". In: *International Journal of Intercultural Relations*. 13, 241–268.
- Spitzberg, B. H. & Chagnon, G. (2009). "Conceptualizing intercultural competence". In: Deardorff, D. K. (Ed.), *The SAGE Handbook of Intercultural Competence*, 2–52. Thousand Oaks: Sage.
- Stahl, G. K. & Björkman, I. (Eds) (2012). *Handbook of Research in International Human Resource Management*. Northampton: Edward Elgar.
- Stahl, G., Mendenhall, M. E. & Oddou, G. R. (2012). *Readings and Cases in International Human Resource Management and Organizational Behaviour*. Fifth Edition. London: Routledge.
- Stahl, G. & Voigt, A. (2005). "The performance impact of cultural differences in mergers and acquisitions: A critical research review and an integrative model". In: Cooper, C. & Finkelstein, S. (Eds), *Advances in Mergers and Acquisitions*, 51–82. New York: JAI Press.
- Stahl, G. (2001). "Using assessment centers as tools for global leadership development: An exploratory study". In: Mendenhall, M., Kühlmann, T. & Stahl, G. (Eds), *Developing Global Business Leaders: Policies, Processes and Innovations*, 197–210. Westport Quorum Books.
- Stahl, G. K. & Voigt, A. (2008). "Do cultural differences matter in mergers and acquisitions? A tentative model and examination". In: *Organization Science*, 19: 1, 160–176.