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DIGGING DEEPER: RE-FRAMING CULTURAL MISMATCHES IN STRATEGIC PARTNERSHIPS

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Abstract

The intercultural dynamics between two organisations in a strategic partnership are examined, focusing on the experienced world of boundary spanning personnel. Diagnoses of cultural mismatches are re-framed in terms of underlying dynamics of trust. Three possible intercultural states are identified and implications for managing cultural interfaces are noted.

The purpose of this paper is to examine how intercultural dynamics may form between two organisations in a strategic partnership. I focus on the social-constructive and institutional processes that affect the work of boundary spanning personnel at the interface between the organisations. I identify trust as a property of the social action system created out of patterns of routine interaction between partners' boundary spanners; trust serves to "structurate" the relations between the organisations. This view of partnership relations enables a re-framing of what are often called cultural "mismatches" in terms of negotiated systems of action which pivot on trust. Finally I offer three propositions concerning the structuration of these social action systems at the boundary, which may be useful for future empirical research.

This analysis developed out of a case study of routine interaction of personnel in two large, American-based organisations involved in a long-term contractual relationship on a specified range of services (see Wilkof, Brown & Selsky 1995; Wilkof 1991). In that case, the authors examined the destructive conflict that emerged among the boundary spanning personnel in Informatics Inc. and Framus Computers (fictitious names of real companies). The conflict affected the partnership's performance and was serious enough that one of the organisations would have liked to terminate the relationship. However, due to the economic ramifications of termination, both organisations felt compelled to continue their partnership agreement. In this paper I draw out some theoretical implications raised by that study, and explore the underlying dynamics which were not able to be broached in the earlier articles.

The scope of this analysis is situations in which all of the following conditions apply:

1. Two organisations are involved in a partnership which is continual, ongoing and important. "Continual" means that the interactions between actors are not sporadic or narrowly bounded but emergent. It suggests that actors may develop a distinctive subjective experience of their work and that this subjective experience evolves over time. "Ongoing" means there is no indicated end point and suggests that a desire to sustain the relationship into the future may motivate actors to address conflict situations in ways that enhance rather than destroy trust (Powell, 1990; Sabel, 1993; Selsky, 1991). "Important" indicates that the relationship has substantial financial and strategic ramifications, and suggests that the actors may be invested psychologically and want to make the partnership work.

2. The partnership consists of contractual agreements between the two firms, fulfilled by boundary spanning personnel at one or more levels. Boundary spanners are simply those employees in an organisation who work routinely with employees in another organisation to fulfil negotiated obligations between the two organisations. In the Informatics-Framus case the contract between the two firms was for vending and client service.

3. Each firm has a strong culture. In the case a strong culture was thought to contribute to each firm's superior performance in its industry, and produced a strong positive emotional response toward the firm by its managers. But each culture had different norms (for example high versus low tolerance for ambiguity and conflict), and the differences made personnel in each firm resistant to seeing that other ways of doing things could be equally valid and effective. This in turn produced a strong negative emotional response in its managers toward the other firm.

Many kinds of partnerships fulfil these conditions. Long term subcontracting arrangements, joint ventures to develop new technologies, acquisitions to capture distribution systems, licensing agreements and other types of "hybrid organisation" (Borys & Jemison, 1989) have proliferated in recent years (Lyons, 1991). The spread of virtual and boundary-less organisations (see Dess et al., 1995), consisting of ad hoc performance agreements between two or more companies drawn from a network of loosely allied firms, may increase the number of situations where the above conditions obtain.

Customer-supplier relationships are perhaps the most common type of partnership (Kanter, 1989). In the past decade stable supply relationships have become popular as a means of buttressing just-in-time

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inventory management systems and increasing competitive advantage. In the computer industry, in which the Informatics-Framus case study occurred, computer companies often sell their hardware to "original equipment manufacturers," who then add value to the hardware and resell it, for instance as a complete data-processing system.

I do not focus on interdepartmental situations in this paper, although some of the literature cited below necessarily draws on it. Cummings (1984) argues forcefully that inter-organisational dynamics are qualitatively different from intra-organisational dynamics, because in inter-organisational contexts a hierarchy of authority rarely exists and even a loosely unified normative context cannot be assumed. For example power and interaction patterns have been found to affect cultural agreement within organisations through their influence on formal and informal status (Stevenson & Bartunek, 1996: 100). But these connections cannot be assumed for cultural agreement between organisations.

TASK, CULTURE AND TRUST IN PARTNERSHIPS

Developing successful partnerships is a sensitive and extended process (Buono & Bowditch, 1989; Larson, 1992), which is poorly understood (Whetten, 1982) and under-researched (Kanter, 1989). Problems in ongoing dyadic relationships may emerge from issues relating to scheduling, prioritising, decision making processes, budgeting and resource allocation, and product and service quality standards. Not all of these issues can be precisely defined in the initial contract establishing the terms of the relationship (Ring & Van de Ven, 1994).

There is a temptation to view such problems as if they were purely task related. The instrumental logic of much of the early inter-organisational literature (see, for example, Van de Ven, 1976) drew attention toward instrumental explanations of conflict -- such as incompatible goals, insufficient resources, or inadequate task boundary management -- and away from social-constructive or institutional kinds of explanations. Moreover researchers' tendency to favour co-ordination of activities (Whetten, 1982) implied disapproval of the conflicts that are routine, and in some cases useful, aspects of such relations. This co-ordination bias is still evident in the strategy literature on alliances, mergers and acquisitions (see Borys & Jemison, 1989; Lyons, 1991; McCann & Gilkey, 1988), where managers are admonished to consider the other firm's culture as an important determinant of a successful encounter, and to integrate the two cultures harmoniously. Finally there was a tendency to treat the organisation itself as a purposeful, acting entity. In the case of a partnership, an "organisation" would act symbiotically with, or competitively against, another organisation (Abrahamson & Fombrun, 1994).

However strategic partnerships are often complex mixtures of task factors (such as procedural agreements), expressive factors (pride, defensiveness), and symbolic factors (trust, leadership). Many conflicts in strategic partnerships are rooted in symbolic or expressive differences (Gray, 1989) such as a preference for formally prescribed reporting relationships over looser, more "organic" interactions (Kanter, 1989). Such differences indicate cultural mismatches. Hence it is important to explore the underlying reasons for difficulties in partnership relations, and not merely to rely on superficial explanations or to treat symptoms that manifest in poor task performance.

Some, more recent research in inter-organizational relations has recognised symbolic and expressive issues and their effect on task performance (see Sabel, 1993; Sheppard & Tuchinsky, 1996; Suchman, 1995; Powell, 1990; Larson, 1992). An important source of this work is the "normative context" of an inter-organisational relationship (Laumann, Galaskiewicz & Marsden, 1978), which defines appropriate behaviour across an organisation's boundary, and comprises cognitive, expressive and behavioural dimensions (Lewis & Weigert, 1985). Normative contexts may range from highly competitive to highly co-operative modalities. Later in this paper I demonstrate why this concept is crucial to understanding intercultural dynamics.

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Conceiving of a strategic partnership as a network of interaction rather than as a structural relation has important analytic implications, as will be shown below. For example the relationship between a supplier and a customer consists of a buying centre, a selling centre, and the ties between them (Fichman & Goodman, 1996). The centres consist of networks of employees in a variety of roles and positions in each firm who are involved in transactions with employees in the other firm (p310). The inter-organizational network comprised of these centres is dynamic, requires active management, and dislodges the notion that the organisation as an entity acts.

In the culture literature[1], a growing number of culture studies explore the notion that organisations have multiple cultures (see Frost et al., 1991; Myerson & Martin, 1987; Rose, 1988). In some cases this is seen as a dominant culture with compatible subcultures (Martin & Siehl, 1983), in others as competing and conflicting subcultures (Morgan, 1997), and in still others as the influence of different subcultures on each other (Barley, Meyer & Gash, 1988; Van Maanen & Barley, 1984). Martin's (1992) important contribution was in recognising that all organisational cultures may be viewed simultaneously as unitary with harmonious shared values; differentiated into stable subcultures; and fragmented in shifting and emergent groupings.

Organisational cultures can consist of both general and specific "organisational frames" (Wilkins & Dyer, 1988). General organisational frames engender a "cultural synergism" (Sackman, 1991), which consists of cultural elements within an organisation that are broadly shared -- across functional areas, hierarchical levels and even subcultures. General frames guide relationships with outside groups. Specific organisational frames are the cultural elements that are not widely shared, but instead are specific to a particular group or subculture (Wilkins & Dyer, 1988). A "cultural grouping" consists of a shared set of cognitions held by actors about a specific situation (Sackman, 1991), and is consistent with Martin's (1992) "fragmented" perspective in that

"the boundaries of cultural groupings are... flexible; they may shift. And the membership in one cultural grouping may just be one of several for a person. Because individuals have several frames of reference at their disposal, the salience of these frames may change depending on the issue at hand" (Sackman, 1991: 40).

Sackman's cultural groupings are distinguished from subcultures, which are usually viewed as having distinctive boundaries (cf. Martin's differentiation perspective).

Sackman confined her analysis to intra-organizational situations, but cultural groupings can also transcend organisational boundaries. Distinct cultural elements may build up among the personnel in an inter-organizational hybrid (Borys & Jemison, 1989). Elements such as stories serve to differentiate the hybrid from its two "home" organisations, and "can encourage cohesion among hybrid members and allow them to transcend their parochial loyalties to the partner and act in concert for the good of the hybrid" (p240-241).[2] Moreover "there may be a culture unique to the relationship" between a customer and a supplier, which "would contain interactional habits, norms, roles, and shared worldviews" (Fichman & Goodman, 1996: 303). Thus the concept of cultural grouping can enhance our understanding of how actors from the same and different organisations interact at an inter-organizational interface.

The existence of an overarching cultural synergism, or general organisational frame, helps to explain why boundary spanning personnel may both agree and disagree with aspects of their organisation's "dominant

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[1] Marcia Wilkof contributed substantially to this and the next paragraph.

[2] See Lippit & Van Til (1981) for a similar point about competing pressures and divided loyalties with respect to the members of interagency coordinating committees in the nonprofit sector.

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culture," and how they might develop some affiliation to an inter-organisational cultural grouping. Different groupings with different norms may in fact compete for the attention of those boundary spanners, as they try to negotiate their way through various cultural groupings and consider their affiliations with and loyalties to those groupings. (See Martin (1992: 152-153) for a similar process within organisations.) For example boundary spanners may experience a tension between a cultural grouping of people from their employing organisation, and one of people from their inter-organizational team working on a partnership contract. They may cope with the tension by developing shared cultural cognitions, which help

"individuals to recognise, frame and integrate meaningful alternatives from an essentially infinite number of possibilities in similar ways. This capacity is a prerequisite for mutual understanding, for communication and for effective co-ordination in social systems" (Sackman, 1991: 42).

The inter-organizational literature's treatment of trust is consistent with its orientations toward de-contextualized instrumentality, co-ordination and reification. Trust is often seen as an alternative to installing monitoring systems for assuring compliance with a contract and reducing opportunistic behaviour (Gulati, 1995; Hosmer, 1995); or for breaking down barriers that inhibit economic development (Sabel, 1993) or co-ordination (Gray, 1989; Ring & Van de Ven, 1994). In this regard trust is viewed as an expectation rather than an outcome of successful interactions (Hosmer, 1995). Thus trust is implicitly positioned as the residual of risk that cannot or need not be specified in the initial contract or monitored during the term of the partnership. Managers risk investments of information and technology to obtain the "social capital...that arises from the prevalence of trust" (Fukuyama, 1995: 26).

The dominant discourse on trust is one of commodities: If the relationship can be filled up with more of the commodity called trust, then the relationship can be expected to be more effective. When trust is viewed as an expectation of interactions in a partnership, it is as if trust-as-commodity is an input to a transformation process. This kind of language reifies trust, positioning it as an objective entity, not as a continual inter-subjective experience.

Alternatively, if a partnership is viewed as an interaction network rather than as a structural relation, then trust may be viewed as developing in the network as a result of successful repeated encounters between boundary spanners. For the purposes of this paper, trust is an emergent, collective property of a network of interaction among boundary spanners from two organisations (Lewis & Weigert, 1985). This collective property has its antecedents in task-based interactions among those boundary spanners, and also has implications for their subsequent interactions, insofar as trust guides the tone of interactions (Robinson, 1996) and enables or constrains goal attainment (Sabel, 1993).

Trust can spread or erode in a network depending on various conditions (Selsky 1991). For example task interdependencies and shared technology tend to produce shared understandings about behavioural norms across interacting organisations (Abrahamson & Fombrun, 1994). This appears to happen because "[m]anufacturers induce suppliers to invest in complementary products... In turn, the marriage of suppliers to manufacturers and distributors forces a convergence of interests that translates into a common world-view" (Fombrun, 1988: 11-12). A common world view and shared values have been identified as important preconditions for high levels of trust (Sheppard & Tuchinsky 1996: 361). In addition expectations of future exchange inspire a greater willingness to share information and to trust the partner (Larson, 1992; Powell, 1990). However the emergence of a common worldview is not assured. Each firm in an exchange relationship may cling to its distinctive worldview, which is consistent with its strategic interests. Just as in many labour-management arenas, such divergence in values in partnership situations might be expected to lead to low levels of trust.

Trust is a dynamic part of the normative context of the partnership. The top decision-makers in a strategic partnership may enter the relationship in a co-operative spirit; the expectation is win-win collaboration (Larson, 1992). Joint ventures on new products are commonly cited examples of these so-called high-trust contexts (Fox, 1974). Alternatively, the decision-makers may go into the venture with the notion of a

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tentative, circumscribed exchange relation, and an attitude of wariness and defensiveness toward the partner. First-time purchasing contracts between two firms are common examples of such low-trust contexts (Fox, 1974). A normative context of high trust tends toward solidarity between the interacting parties; low trust, toward mutual adjustment and compromise; and distrust, toward atomism and isolation (Lewis & Weigert, 1985). Thus trust functions to structurate relations in a partnership.[3] This is discussed after the case material below.

Hence some promising foundation work has been laid for a fuller understanding of intercultural dynamics in strategic partnerships, in the inter-organizational, culture and trust literatures. The possibility of an emergent social system, cultural grouping and normative context at an inter-organizational interface directs attention to the subjective worlds of boundary spanning personnel. The literatures also point to ways in which boundary spanners might create specific organisational frames at interfaces.

THE INFORMATICS-FRAMUS CASE IN CONTEXT

The case is best described in the language of Wilkof, Brown & Selsky (1995).

"Informatics Inc. purchases computer hardware from Framus Computers (fictitious names of actual companies) and other computer vendors, adds its own software, and resells the complete system (a hardware and software package designed for a specific use) to its own customers" (p373).

The partnership between Informatics and Framus was both long-term and broad. Each firm had a large number of employees working on the relationship on a routine basis at a variety of sites throughout North America. Both firms had strong corporate cultures and were highly successful in their respective industries. Informatics had strong mechanistic characteristics, and Framus had strong organic characteristics.

An action research project with the two firms began when a consultant (one of the authors) was called in by the CEO of Informatics to help the firm deal with conflicts it was having with its partner Framus. The ensuing project "aimed at resolving chronic problems between [the firms] during system maintenance and outages" (p377) at client sites. The task-related problems which were identified were: system availability, software issues, field engineering competence, general procedures for handling outages, and documentation deficiencies (p378-379).

The quality of the relationship was described as

"[h]istorically...problematic. Both could recount stories of when personnel from the other company did not follow an agreed upon procedure, did not perform adequately, behaved uncooperatively, or delayed the correction of serious problems. Informatics personnel eventually felt there was nothing they could do to get action from Framus. Framus personnel felt that Informatics would never be satisfied with their efforts or performance.

"Problems and issues became so equivocal that it was difficult to get a handle on what the major problem areas were, what was getting worse, and what was improving. The lack of agreed upon or appropriate documentation and trend analyses made any position virtually impossible to support or refute. This allowed, and indeed even forced, people to fall back on their opinions, gut level feelings, and historic reactions" (p382).

Interestingly, there was evidence that the technical people at the "coalface" co-operated more effectively

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[3] See Ring & Van de Ven (1994) for a similar positioning of a related property, cooperation.

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and experienced fewer problems than did their senior managers (Wilkof, 1991). Both senior managements were, however, committed to addressing the problematic relationship. Previous attempts by the firms to resolve their differences foundered on issues of style. Consistent with their organic and mechanistic characteristics, Framus was inclined to discuss process as well as technical issues that affected the relationship, whereas Informatics wanted to stick to the technical matters alone.

The authors used a grounded-theory approach to interpret the data gathered from interviews with key actors and document reviews. The authors made sense of the situation by positing a two-level layering of problems, with cultural issues underlying the presenting, technical problems noted above. The cultural issues they identified were differences in decision making, problem solving, conflict resolution, and performance measurement during system outages (p381-382). The authors concluded that the actors in the Informatics-Framus relationship were experiencing a cultural mismatch.

The consultant's intervention in this problematic situation consisted of a "cultural consciousness raising" (p386). This involved the consultant in first, interpreting to key personnel from each firm conflictual situations in terms of cultural norms and practices, and second, describing more directly to them their own and the other firm's culture. The authors then claim that

"This approach had an effect. Over time, personnel from both companies became more receptive to looking at alternative explanations for the other company's behaviour....Once each group [personnel from each company] understood that the technical was interpreted through, and indeed partly shaped by, cultural experience, each group's views of the other were no longer constructed as arbitrary and personalistic" (p383).

It is useful to examine the authors' diagnosis of a cultural mismatch, because this kind of diagnosis is often used to explain conflicts in strategic partnerships. What does this interpretation actually mean? Attributing poor performance and conflict to a cultural mismatch is useful in describing a set of behaviours in terms of a cultural category (a mismatch), but is not an explanation of why the behaviours were occurring. Opposites can attract and complement each other. Indeed the discourse of strategic partnerships tends to argue that different, not similar, organisations achieve an effective enough synergy to release new competitive advantages. In addition the intervention, cultural consciousness raising, is descriptive. The consultant described each firm's culture to actors in the other firm, but was prevented by senior managers at Informatics from trying to change directly the underlying interpersonal or institutional processes operating at the boundary.

Thus important questions remain. How did the boundary spanners in Informatics and Framus make sense of their situation as the tone of the partnership became more distrustful over time? How did they create the spiral of distrust into which they fell? More generally, how do boundary spanners create cultural matches and mismatches, and how do such matches and mismatches affect task performance?

EXAMINING INTERCULTURAL DYNAMICS

In order to get beyond facile descriptions of intercultural dynamics, one needs to examine the inter-subjective and institutional processes that influence boundary-spanning personnel in their work.

Behaviourally, an ongoing, continual and important partnership consists of interactions among boundary spanners, embedded in particular technical and social contexts. In the Informatics-Framus case the influence of task related and cultural factors in the relationship between the two firms was mutual, and was evident in the data collected. On the one hand the technical nature of the relationship, and the mismatched reporting structures between the firms, conditioned the cultural processes between them (see Luke, Begin & Pointer, 1989). On the other hand the strong corporate cultures affected the task-based relations between and among the boundary spanners by making personnel resistant to alternative ways of solving problems at

client sites. However it was not recognised that a normative context was evolving at the boundary, nor that that normative context was having an effect on the performance of the partnership over time. Let us examine these lacunae.

Leaders are supposed to create and manage corporate culture to suit task-performance needs (Schein, 1985; Buono & Bowditch, 1989). In this sense culture helps to implement strategy (Daft, 1992). In the history of the Informatics-Framus partnership their respective leaders had paid little attention to the cultural dimension. By ignoring it they impeded the fulfilment of the strategy which led to the partnership in the first place.

The intentions and objectives which a firm's leadership projects to its personnel affect how its boundary spanners act towards those in the firm's environment. Distinct "social action systems" crystallise when and where interactions become continual. Some time ago Van de Ven (1976) recognised that

"[t]he social structure among organisations in a social action system is such that the system can <u>act as a unit</u>. This implies that many activities in an inter-organizational relation cannot be explained simply by analysing the behaviour of member organisations. Collective events arise out of the actions of the social system and are formally a property of the inter-organisational relation itself (Durkheim 1947)...To attain its goals as a unit, a social action system adopts a structure and process for organising member activities" (p2; emphasis in original).

Social action systems are focused on task accomplishment. However they are also vehicles for the shared understandings that both signify cultural groupings and also mark the normative context of the relationship. Interactions that define a social action system come to "structurate" the relationship. That is, the interactions leave cultural "residues" which build up and become institutionalised. Subsequent interactions become conditioned by the shared meanings and rituals of the actors as they interact over time (Seabright, Levinthal & Fichman, 1992). Social action systems enable actors to bring distinctive rules and resources which they have created at the boundary into action (DeSanctis & Poole, 1994: 128). Cultural groupings infuse social action systems to create intercultural dynamics with a distinctive 9and evolving) normative context.

Having identified the general character of intercultural dynamics, the analysis proceeds in two directions. A <u>social-constructive</u> path examines the working world of boundary spanners as they negotiate it inter-subjectively. An <u>institutional</u> path examines the two organisational cultures as emergent wholes. These paths ultimately converge on implications for intercultural management.

Negotiated cultural practices. While the normative context of the relationship between two organisations influences the behaviour and attitudes of boundary spanners, it does not control them completely. Boundary spanners actively perceive and enact their general and specific organisational frames. They are able to reflect on their situation, and this gives them some freedom from cultural straitjackets (Golden, 1992). What happens at the interface will be a product of prescribed intentions of the top decision makers in both firms and the emergent, negotiated interactions of the boundary spanners (some of whom may be the top decision makers themselves).

The working world of boundary spanners is more complex than that of other employees, "reflecting transactional efficiencies as well as the features of [embedding] social networks" (Seabright et al., 1992: 154; see also Fichman & Goodman, 1996). It includes routine access to other organisations, some of their subcultures and cultural groupings, and the working worlds of the boundary spanners in other organisations with whom they regularly interact. It is a mutually defined world because multiple organisations inhabit the same space, and each - through its boundary spanners - tends to

"shap[e] action in accordance with <u>their</u> favourite interpretative schemes and thus influenc[e] the environment to which others are trying to adapt and react.... Environments are enacted by hosts of

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individuals and organisations each acting on the basis of their interpretations of a world that is in effect mutually defined" (Morgan, 1997: 149; emphasis in original).

The mutually defined world can mean that boundary spanners, through their recurrent interactions, create space for new cultural dynamics to emerge. This could include those actors' attempts to "colonise" each other's space by gaining advantage over resource dependencies (Crozier & Friedberg, 1980) or over symbols and meanings (Rose, 1988). In a strategic partnership, differences may exist in each firm's projections of its shared meanings and in the cognitive schema by which each firm's agents, including boundary spanners, make sense of their world (Shaw, 1990). These differences are what Wilkof et al. (1995) called cultural mismatches. In the Informatics-Framus case a social action system characterised by poor performance, mutual recrimination and distrust emerged at the interface and became institutionalised. The boundary spanners experienced tensions in their interactions because both general and specific organisational frames conflicted. Prior to the intervention, they were unable to resolve those tensions and establish task-based norms for their interactions by negotiating mutually acceptable cultural practices (Wilkof et al., 1995).

However a recent study in cross-cultural management provides some empirical support for the claim that intercultural negotiation might occur. Brannen & Salk (1995) studied the cultural negotiations between two national groups (Japanese and German) in an international joint venture in an existing plant of one of the partners in Germany. The two groups continually negotiated cultural outcomes as issues evolved into "issue domains." They found that

"[o]rganisational culture as a negotiated entity evolves as a dynamic, ongoing, and changing subtotal of interpersonal negotiations around organisational issues as they come up in real-time over the course of the organisation's history" (Brannen & Salk, 1995: 25).

Thus boundary spanners' trust in their partner's employees is an outcome of successful interactions with them, which "lead to social-psychological bonds of mutual norms, sentiments, and friendships...in dealing with uncertainty" (Ring & Van de Ven, 1994: 93). These bonds develop into psychological contracts at an inter-subjective level, with implied obligations of the partner's acting with integrity and goodwill (Kanter, 1989; Robinson, 1996).

In sum, at an inter-subjective level the interface between Informatics and Framus was characterised by boundary spanners (1) exchanging technical information relatively co-operatively in problem solving situations; (2) interpreting situations (e.g., system outages) incompatibly in a context calling for long term reciprocity and trust; (3) being ignorant, prior to the consultant's intervention, of their mismatched cultural frames; and (4) distrusting the motives and behaviours of employees from the other firm.

Incompatible culture spaces. Negotiated cultural practices take place within cultural contexts (Golden, 1992; Riley, 1983). Hence an examination of the cultural features of each firm in a strategic partnership adds to the inter-subjective analysis above by showing in what ways or areas the two cultures are structurally compatible or incompatible.

Two distinct processes are embedded in the cultural mismatch between Informatics and Framus: normative integration and the projection of culture. Normative integration deals with how experience is collectively structured and articulated, that is, how it is codified. This involves formal and informal "co-ordination mechanisms" (Boisot, 1986). The literature on the management of culture suggests this can be a conscious or unconscious process. In "strong" cultures, or from a "unified" perspective (Martin, 1992), leaders use deliberate strategies to mobilise desired employee behaviour by codifying their work experience around core values and symbols. In "weak" cultures, or from a "fragmented" perspective (Martin, 1992), work experience is codified unconsciously and equivocally. Thus culture within an organisation may be more or less integrated from, for instance, its strategic apex to boundary spanners at lower levels (e.g., field service representatives).
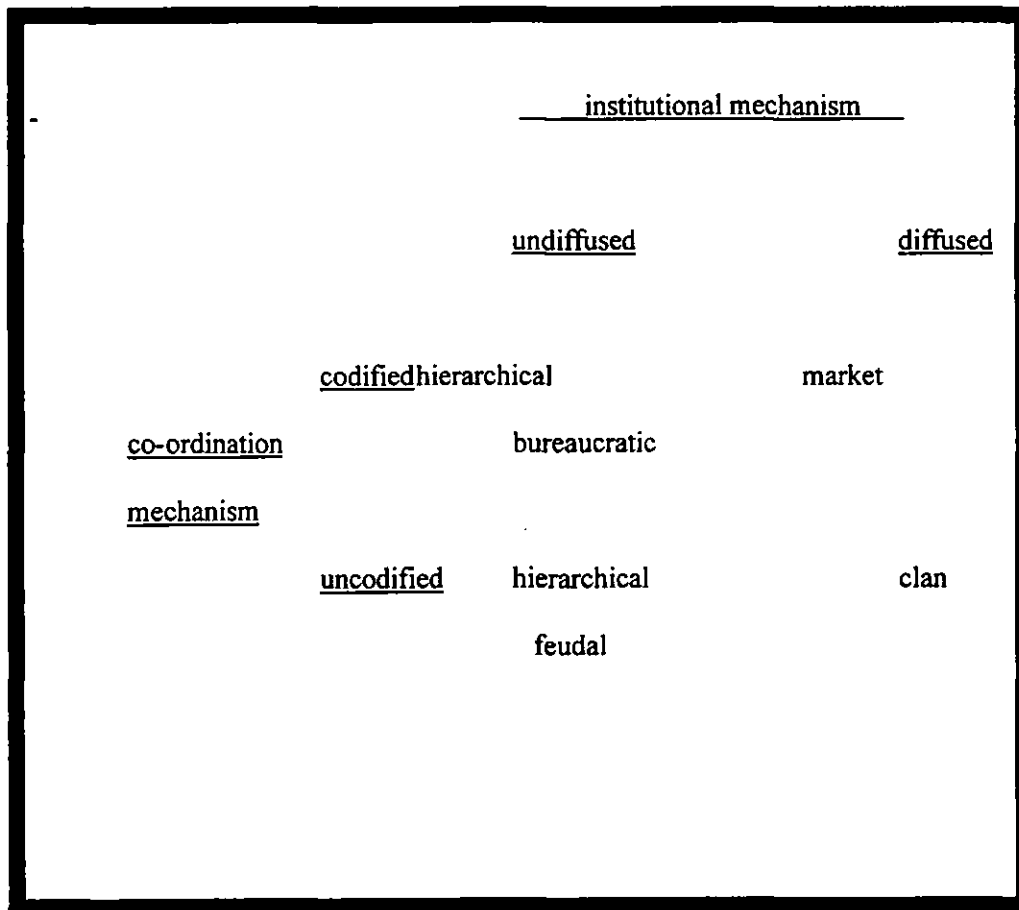
The second process is the projection of a culture as a gestalt cognitive schema to other organisations during routine transactions. This involves what Boisot (1986) calls an "institutional mechanism." That deals with how information is diffused and how diffused information is. The processes of projecting corporate culture to other firms are less often discussed in the literature, and are often unconscious and unintended.

Codification and diffusion may be viewed as dimensions with high and low ordinal values. Combining the two produces a matrix of prototypical "transactional strategies," as shown in Figure 1. Boisot (1986) uses this matrix to describe different types of cultures.

In the Informatics-Framus case the boundary spanners in each firm codified their reality differently, as they attempted -- individually and collectively -- to make sense of their experience with the other firm. Informatics' mechanistic management style and Framus' organic management style reflected this difference.

FIGURE 1

Transactional Strategies in a Culture Space

	institutional mechanism	
	undiffused	diffused
codified hierarchical		market
co-ordination	bureaucratic	
mechanism		
uncodified	hierarchical	clan
	feudal	

Source: adapted from Boisot (1986: 143)

But in effect the mismatch between the firms was two-dimensional. First the firms had different operating styles internally. Informatics was a hierarchical-bureaucratic culture; its employees preferred information to be highly codified but undiffused. In contrast, Framus functioned as a clan culture; its employees preferred uncodified, diffused information. The firms were cultural opposites.

Second, the senior managers of the two firms held different conceptions of the nature of their relationship. Informatics' leadership saw it as more codified, like a licensing agreement; Framus' leadership saw it as less codified, like a subcontracting agreement (see Boisot, 1986: 149). These views affected the frames of reference of the boundary spanners, and created dissonance in the enactment of the relationship.

We may conclude that what Wilkof et al. called a culture mismatch may be decomposed into an issue in the co-ordination of culture within each organisation and an institutional problem at the boundary. The institutional problem is more apparent because the conflicts became visible to clients, the consultant, and the boundary spanners themselves. Using Boisot's language one could say the two firms were reaching for convergence at a relatively uncodified information boundary. Because of the structural incompatibility in the two cultures, the boundary spanning personnel at several levels in each firm were collectively unsuccessful in this quest. Conflict persisted until the intervention enabled the actors to reframe their experiences.

At this cultural level of analysis, trust is a function of the compatibility of organisational codifications of reality. In the Informatics-Framus case, for example, the two firms interpreted the character of the relationship differently (Wilkof, 1991). Framus saw it as basically a sound relationship, which sometimes experienced problems; they codified it as high-trust. Informatics saw it as a problematic relationship that sometimes became intolerable; they codified it as low-trust. From these different codifications, we can infer that each firm would interpret certain behaviours by the other as opportunistic when in fact they were merely part of its standard cultural script (Hosmer, 1995). Prior to the intervention, misaligned inter-subjective experience helped to produce incompatible cultural patterns at the interface. A normative context of distrust resulted. Subsequent behaviour by one firm's boundary spanners, informed by distrustful assumptions about the other firm's personnel, in turn served to reinforce the incompatible cultural patterns.

In sum, the social-constructive and institutional explanations of cultural mismatches in strategic partnerships inform each other. Emergent cultural dynamics negotiated by boundary spanners are influenced by institutional factors which are intended to reduce uncertainty and risk (Lane & Bachmann, 1996: 370), but which can exacerbate conflict. This argument has direct implications for the management of cultural interfaces.

DISCUSSION

Three assumptions underlie an adequate understanding of cultural interfaces in strategic partnerships. First, the meaning of a partnership, as experienced inter-subjectively, is socially constructed through the medium of culture (Boisot, 1986), and is expressed in emergent cultural groupings (Sackman, 1991). Second, organisations are themselves "social constructs that express a culturally determined cognitive order" (Boisot, 1986; see also Crozier & Friedberg, 1980; Shaw, 1990). Social action systems express these emergent constructions. Third, some but not total shared meaning between actors in a strategic partnership is needed in order to make their contractual relationship viable (Stevenson & Bartunek, 1996). This assumption is grounded in the self-reported interpretations of the actors in Informatics and Framus themselves, who saw the conflicts between the two firms as destructive and draining.

In ongoing, continual and important partnerships I suggest that a distinctive social action system will crystallise at the interface in one of three ways:

1. As they work on their inter-organizational task, boundary spanners from each organisation may work out a harmonious working relationship by integrating elements of the two main cultures, as each culture manifests locally (i.e., at the boundary). They mutually adjust by reconciling the general organisational frames through deliberation. Brannen & Salk (1995) found that "a type of synchronisation began to occur" (p23) between their two national groups over conflictual issues. The emergent negotiated outcome was often a compromise between the two. Other possibilities included yielding to the cultural practice of the other group, innovating a new cultural practice, and dividing tasks to minimise the need for negotiation. All of these possibilities are <u>harmonising</u> behaviours and are consistent with low-trust relations.

    Proposition #1: Boundary spanners will <u>harmonise</u> cultures, or cultural practices, at an inter-organisational interface when home cultures are strong; or when boundary spanners have high commitment to their home organisations or low investment in the inter-organisational task; or when a low-trust or competitive context exists.

    This was the situation in the Informatics-Framus case.

2. A distinctive kind of culture may emerge at the interface, which draws on elements in each organisation's culture but is different from either of them. This might be termed an "interculture," and is a distinct cultural grouping (Sackman, 1991). An interculture is grounded in the inter-subjective reality that emerges from interaction (Weick, 1995). As a cultural grouping, an interculture enables boundary spanning personnel in the two firms to create a specific frame of reference (Wilkins & Dyer, 1988) and to codify meaning through norms, symbols and procedures to guide specific task related activities. The actors create new cultural dynamics. It is possible for intercultures to emerge in ongoing, continual relationships because the boundary spanners struggle together to make sense of their complexly experienced world. One way to reconcile the tensions in the specific and general organisational frames which they experience is to transform them into something else, an interculture. Their behaviours in this context are consistent with high-trust relations.

    It seems possible that the more fragmented, and less unitary or differentiated (Martin, 1992) the home cultures are experienced by boundary spanners, the more likely it is that an interculture may form. "Fragmented" is used in Martin's (1992) sense of ambiguous, shifting and equivocal. Moreover intercultures are likely to form in marginalized work roles, for example in the space occupied by technicians who broker between two professional worlds (e.g. between end users and a technical/expert community) (Barley, 1996). Technicians in these roles do not inhabit the same social worlds as either professional group. Barley's evocation of the world of technicians suggests an occupational interculture in the boundary between two professional worlds.

    Proposition #2: Boundary spanners will construct an <u>interculture</u> when home cultures are weak; or when boundary spanners have low commitment to their home organisation, or vice versa, or high investment in the inter-organisational task; or when a high-trust or co-operative context exists; or in marginalized spaces.

    These two propositions present a variety of conditions under which one or the other intercultural state might emerge. It is not clear at this time what might emerge if the conditions were mixed.

3. The boundary spanners may be unable to harmonise elements of the two main cultures in the course of their normal working relationships, and they may be prevented from evolving a distinctive interculture by strong cultural sanctions from their employing organisations. Consequently they

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may get stuck. In the absence of other alternatives, this could mean that their frames of reference would become polarised, and they would persist in discordant enactments. The relationship would turn sour and a cultural stalemate would result. The social action system would crystallise at the boundary into recurrent patterns of behaviour which actors see as destructive, which threaten the viability of the partnership, and which indicate a normative context of distrust.

Proposition #3: Boundary spanners will polarise cultural constructions at an inter-organisational interface when they are incapable of harmonising cultures or building an interculture, or when they are prevented from doing so; or when a distrustful context exists.

In the Informatics-Framus case prior to the intervention, the actors were unable to reconcile the general frames from the two firms, and they were incapable of evolving a specific frame to undergird their interactions effectively. It is possible that the intercultural dynamics in the Informatics-Framus case were fragmented at some time prior to the consultant's involvement, and practices were subject to soft, equivocal interpretations. By the time the consultant was called in, however, the dynamics had become differentiated into reified interpretations based on actors' organisational affiliation. After the intervention the actors were intent on re-framing their social action system at the boundary by mutually adjusting.[4]

In the scenarios above, cultural mismatches in strategic partnerships have been explained in terms of the dynamics of trust which underlie and evoke them. Trust is shown to function at two levels. First, it functions as a mediator between task performance and cultural norms and practices at the intersubjective level. Second, it is an emergent property of a network of interactions at the cultural level. It can have positive or negative valence. This conceptualisation enables us to reconcile the views of trust as an expectation and as an outcome of exchanges (Hosmer, 1995). A "spiral of rising trust" (Fox, 1974) can be set in motion when (1) boundary spanners interpret others' behaviour as co-operative; (2) this interpretation inclines them to expect the others' future behaviour to be guileless; and (3) this expectation is reciprocated (Selsky, 1991). Conversely, boundary spanners can dig themselves into a hole of distrust when they interpret others' behaviour as uncooperative, which inclines them to expect the others' future behaviour to be vicious, and when this expectation is reciprocated. Such spirals and holes can be inferred from circular models of organisational trust (Mayer et al., 1995).

The cultural consciousness raising intervention used in the Informatics-Framus case can be re-examined in view of this "structurated" concept of trust. It can be viewed as an attempt to re-frame the task related problems as mere misunderstandings, rather than as indicators of fundamental differences in task commitment or performance. This re-framing enables the shared history of the partnership to be re-told as "family squabbles" due to inconsequential stylistic preferences (Sabel, 1993: 1146). This is still a descriptive, rather than an explanatory re-framing; but the effect of this intervention was to set in motion a process of "studied trust" between the firms, that is, trust resulting from collective reflections on their cultural differences (Sabel, 1993: 1158). In turn Wilkof et al. believed this studied trust would help to re-make the network of interactions, because it could affect not only the behaviours, but also the cognitions and emotions, of boundary spanners into the future. In general, it can help to transform the normative context from destructive distrust to workable low trust.

At the end of the case and the end of this analysis, we are left questioning whether this studied trust is the

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[4] One might speculate on a fourth possibility, namely that the boundary may evaporate over time, and the firms' main cultures implode on each other. A friendly merger between long-term partners would be a likely scenario here. This is consistent with "aligning" relationships, in which partners identify intimately with each other (Sheppard & Tuchinsky 1996). The barrier-free organization also holds promise for this scenario, in that it is thought to "...[enable] a firm to bridge real differences in culture, function and goals to find common ground that facilitates cooperative behavior" (Dess et al., 1995: 13).

start of a spiral of rising trust. Will the two firms be able to "reinterpret themselves and their history in such a way as to make trust the natural outcome of their common experiences" (Sabel, 1993: 1148)?

CONCLUSION

This paper has highlighted the bearing of trust on the intercultural dynamics of long term, routine strategic partnerships. I have suggested that Wilkof et al. (1995) neglected the variety of ways that intercultural dynamics could manifest in the Informatics-Framus partnership. Consequently they froze the situation in a descriptive diagnosis and in the intervention that flowed from it. Digging deeper into the dynamics of the partnership, I have in this paper offered an alternative approach for understanding this and similar cases. The approach seeks to integrate cultural and inter-organisational perspectives, and is based on social-constructive and institutional logics. The major conclusion is that structurated processes involving trust can underlie diagnoses of cultural mismatches when conflicts occur at partnership interfaces.

Empirical research that might flow from this approach might proceed along two paths. One path would explore the conditions for expecting harmonisation, interculture formation, or polarisation, as presented in the three propositions. For example, does the formation of an interculture depend on structural alignment (see Sheppard & Tuchinsky, 1996: 354; Stevenson & Bartunek, 1996)? A second path would examine in a more fine grained way how actors collectively construct contexts that are conducive to the three intercultural states.

Implications for intervention would flow from the research findings. A set of techniques for intervening in routine inter-organisational dyads might be offered, keyed to the propositions. For example, cultural consciousness raising and appeals to superordinate goals might be consistent with harmonising; joint training and team building might be conducive to interculture formation; and re-alignment of transactional strategies might be conducive to loosening the constraints necessary to break a polarised state. A theme in all these techniques is the need for boundary spanners to develop a shared appreciation of the complex situation they confront, with pressures for loyalty, commitment and trust coming from multiple directions. A consultant can help the members of boundary spanning groups to establish shared frames of values to guide their routine interactions. Boundary spanners need clarity on their tasks first, then the appreciation that instrumental, task focused interaction alone is not sufficient to sustain an important, long-term partnership.

Re-examining cultural mismatches in strategic partnerships in terms of negotiated systems of action may help us to understand better the management of intercultural dynamics. Including intercultures and polarised states in the repertoire of possible states of partnerships can help managers and consultants to move beyond the often-facile admonitions to harmonise or integrate cultures at partnership interfaces.

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