

Book Review

Understanding American and German Business Cultures

*A manager's guide to the cultural context in which
American and German companies operate*

By Patrick Schmidt

116 pages, \$ 30.00

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German and American companies are increasingly forming partnerships and cooperating in their respective markets. The recent mergers of Daimler and Chrysler as well as Bankers Trust and Deutsche Bank quite obviously represent the most spectacular developments in this regard. Especially in the wake of alliances of this magnitude, the so-called “soft factors” can often play a decisive role in determining the success or failure of the venture. Recent studies have shown that when cultural, organizational and people issues are not properly resolved, mergers often fail, and big ones fail more often — over 70% of the time.

The key to addressing potential cultural clashes between German and American companies is to understand the cultural context in which businesses from these countries operate. *Understanding American and German Business Cultures* provides excellent practical information in this regard. Drawing on extensive secondary literature and over 25 years of personal experience in cross-cultural training, the author Patrick Schmidt reveals the unexamined rules and “hidden logic” by which American and German business organizations and individuals work. Based on detailed social, cultural and organizational research, Schmidt shapes a stimulating and provocative read that accurately describes the characteristics and practices of Americans and Germans. In contrast to other publications that cover only the cultural aspect of one country, this compact volume offers new insights and practical advice by using the comparative method. When contrasting work ethics, for example, it becomes clear that German employees tend to be task oriented and consequently at times perfectionists, whereas American employees tend to be result oriented and thereby occasionally opt for speed over detail. By comparing different values and attitudes, the reader is able to precisely grasp where cultural differences lie and at the same time become conscious of his or her own national uniqueness.

The last point is the premise of the book — understanding the particularities of your own culture and your own “mental software” is a prerequisite to understanding the ways and habits of other people. Schmidt points out, that the basis of successful international adaptation depends less on learning about a new culture and more on acquiring a better understanding of one’s own background. The many clear and direct examples provided by the book succeed in reminding readers how much their work and leisure habits, tastes as well as outlook on life continue to depend on values particular to the culture they experienced during childhood. Only this realization and the consequent awareness of personal “cultural baggage” make it possible to understand thought-patterns of another culture so that, in the end, individuals are able to comprehend “foreign behavior”.

This is a book that every person active in German and American business relations should read. Broad in scope, it covers all the important aspects of the German-American partnership-equation: the psychology and characteristics of the two nations, the basic business assumptions in both cultures, the styles of meetings, the communication differences, the business ethics and legal framework and a motivating chapter on intercultural competence. Designed as a reference for managers and for used in a seminar setting, the book is profoundly original and informative, but at the same time entertaining to read. *Understanding American and German Business Cultures* is a unique and essential guide for successfully eliminating the risks that differences in culture can cause for business.