

Crossing the Cultural Divide: Germany

By Patrick Schmidt, Contributing Editor

Appeared in the 'Consumer Goods' Magazine, March 2001

As Japan's sun sinks slowly in the West, a more confident player has emerged to take on the American market – Deutschland AG. Mutual interests between German and American companies have encouraged many in forming partnerships, some of spectacular magnitude: Chrysler and Daimler, Random House and Bertelsmann, Bankers Trust and Deutsche Bank, VoiceStream and Deutsche Telekom. An important factor in these partnerships/equations is the so-called “soft factors,” which can often play a decisive role in determining the success or failure of a venture. “Soft issues” refer to cultural and organizational patterns of behavior which are abstract and often difficult to grasp. Recent studies have shown that when cultural differences and “people issues” are not properly resolved, mergers or takeovers often fail.

Different Doesn't Mean Wrong

Take, for example, the company presentation. Americans expect such an exercise to cover the relevant facts in a concise manner, albeit with a few jokes thrown in to spice up the attention span. This is not the case with Germans, who expect long, detailed explanations including historical and background information. And, given the Germans' serious nature, one thing they never do is use humor to lighten things up.

If Americans and Germans are not made conscious of their different cultural expectations, then what each thinks is a successful presentation will be seen by the other group as a very poor performance indeed. This is exactly what happened during Daimler-Chrysler's first joint board meeting in 1998. Former CEO Robert Eaton gave a journalist his impressions: “Germans have a penchant for coming to meetings armed with tons of overhead transparencies and colored charts. It's an absolute information overkill.”

Know Thyself First

The major source of cultural misunderstandings is the human tendency to interpret “foreign” behavior in terms of our own experiences. Our cultural reflexes are so ingrained that we can't imagine lifestyle as being otherwise. We unconsciously project our values onto others and are perplexed when they don't act the way we think they should.

How does one overcome intercultural misunderstandings? Curiously, the basis of any successful overseas adaptation is not so much learning about the new culture as acquiring a better understanding of one's own background. Knowing your own “mental software” is a prerequisite to understanding other people's ways and habits.

This brief introduction to intercultural skills allows us to make a comparison between American and German behavior in business.

Two Communication Styles

Most people when interacting forget that each culture has a specific set of rules, which often leads to subtle, and significant, misunderstandings (even when the two parties think they've understood each other).

German business conversation places strong emphasis on content and downplays personal relationships. The unconscious desire is to appear credible and objective, which tends to make conversations fact-oriented and somewhat pedantic. The basic objective in a German conversation is to get at the truth. Germans value frankness and are not afraid to explore all sides of an issue, even if it means being unpleasant, confrontational, or hurting other people's feelings. Germans are generally more direct when it comes to stating facts, offering criticism and giving orders. An American who is not used to this style may feel bullied and even personally "attacked."

German Frankness

Another aspect of directness is the frequent use of the modal verbs "müssen" and "sollen." Germans find it perfectly normal to say "Das muß so sein!" and translate it as "It must be this way." An American would likely use the more diplomatic "It would be better if we could do it this way," downgrading the intensity. Likewise, when ordering in restaurants, Germans use the imperative "Bringen Sie uns zwei Bier, bitte." Americans usually put it in the form of a question "Could we have two beers, please."

German words also have a hard, guttural sound with sharp (yet monotone) speech patterns. It's a language that sounds like it gets things done. For a non-German, this can come across as rough, even domineering. If Americans don't understand that these characteristics are normal among Germans, they may perceive the latter as obstinate, confrontational know-it-alls.

American Optimism

Americans, on the other hand, unconsciously accentuate both the personal as well as the business agenda. They want to be liked. Americans are also more direct than Germans when it comes to expressing pleasure, giving compliments or revealing personal details to people they don't know very well.

This is strongly related to the American tradition of upward mobility. Social acceptance is primordial, therefore acquaintances are often referred to as "friends" and compliments are handed out freely. In his 1835 work *Democracy in America*, Alexis de Tocqueville wrote: "In dealing with strangers, Americans seem to be impatient with the slightest criticism and insatiable for praise."

Being optimistic by nature – as well as for historical reasons – Americans like to use humor in conversations. An effective speech usually begins with an anecdote or joke. And Americans are masters at chit-chat. Germans are brought up to believe

life is too important to waste time on what they perceive is frivolous talk. If they aren't made conscious of this conversational style, they'll tend to view Americans as naive, superficial, childish and ignorant.

Problem-solving: Two Approaches

In 1995, psychologist Sylvia Schroll-Machl conducted a study of why joint American-German projects often failed. Acting as a moderator at a German multinational corporation, she was able to observe and evaluate American and German engineers and researchers interacting. It became clear early on that the misunderstandings between the two nationalities were due in large part to an ignorance of each other's method of problem-solving:

"Germans talk about too many details during the meetings," Americans complained. Countered the Germans, "Americans don't concentrate enough, don't make real contributions. They don't go deep into the core of the problem, which means we have to fix up their mistakes afterwards."

During the problem-solving phase, the Americans said that their German boss didn't set "real goals" and left them in the dark, giving neither praise nor critical feedback.

Philosophers and Cowboys

Analyzing these differences, Schroll-Machl found that at the outset of a project, Germans showed a greater need for detailed information and discussion. They tended to see the problem-solving process from an engineering point of view, considering all potential problems in order to find the most logical solution. For the German, who unconsciously desires a sense of security and control, achieving a thorough understanding of the problem removes uncertainty and, therefore, anxiety.

During the initial discussion phase, Germans expected all team members to share their experiences and knowledge, exchanging a lot of detailed information. In turn, this permitted the group to reach a consensus, allowing a far more rapid implementation of the solution they agreed upon. Schroll-Machl concluded that German decision-making and problem-solving processes concentrated on the problem, its history and its components. Less emphasis was placed on the ultimate result.

For less worried, more action-oriented Americans, the initial long discussions were found to be extremely trying (and sometimes boring). They perceived the exchange of information as a waste of time, a sort of "paralysis through analysis." No matter how well a plan of action was thought out, it would need to be modified along the way. The Americans often didn't speak up at this stage because they were impatient. By not saying anything, they hoped to speed up the process and get down to work.

In their minds, problem-solving began with a short brainstorming session to define the goal or mission. They would then devise a series of approximate milestones. Schroll-Machl found that American decision-making and problem-solving processes

were more open-ended, concentrating on defining a goal or vision.

For the German colleagues, the Americans tended to act without understanding problems, the “cowboy mentality of shooting first and asking questions later.” Americans, however, thought their approach was more efficient and creative. The German obsession with sticking-to-the-plan meant being locked into a rigid scheme that wouldn’t allow flexibility during the implementation phase. Americans wanted to “keep their options open,” perceiving it as a trial- and-error process.

Once a plan was established, Germans were able to go off and work relatively independently. Americans, on the other hand, expected further meetings and informal communication throughout the project. The Germans complained afterwards that the Americans asked needless questions about issues which had already been discussed.

Iron-clad vs Flexible Decisions

Americans are used to frequent communications with their manager and other team members. Germans, because of their more practical and theoretical training, seem to work more auto-nomously. This is reinforced by the large number of technical rules, standards and company norms which they are expected to know and follow. Additionally, Germans assume that decisions made at group meetings are binding, while Americans see them as guidelines that can change if the need arises or if a better solution presents itself. The fact that Americans expect such changes to happen explains why they are not so interested in detailed analysis in earlier meetings.

Lastly, Americans have a tendency to share more of their personality with co-workers. Germans, who by nature wish to remain credible and objective while communicating, tend to maintain a more impersonal “work only” relationship with colleagues. This explains, in large part, why Americans complain that Germans don’t seem to be very open in conversing about a project during the implementation phase.

Persuasive vs Top-down Management

The nationality of the leader generates different internal dynamics. If the leader is German, the group is treated like a coalition. The leader is both an expert and a mediator who builds consensus within the group. The German leader is expected to “convince,” not give orders. During the implementation phase, the same leader has little interaction with individual group members. Thus, Americans may see him as distant and difficult to reach out to.

The American leader, has a more structured position. He or she is expected to define the middle and final goals, distribute tasks and check to see if they are performed correctly. An American leader motivates through intensive communication and offers both critical and positive feedback. The dynamics are top-down, a chain-of-command style. During the implementation phase, the

American leader is accessible, continuously communicating with all members of the group.

The Schroll-Machl study makes clear that if these differences are explained before beginning a joint project, the chances for success increase enormously.

Business in Germany

Doing business with Germans can be highly rewarding and for good reason. Germany has become a major player in world trade, concentrating on producing high-quality goods and building market share overseas, especially in the United States. Much of Germany's success is due to advanced technology in specific industries, e.g. printing machines, automobile engines and automated manufacturing.

For those planning to visit Germany, the following offers a few guidelines for getting off to a good start.

Traveling

Arriving in Frankfurt, the principal transit point in Europe, is a relatively simple affair. There are no visa requirements for Americans, and almost all employees at the airport speak English.

As Germany is relatively small, no city within the country is terribly far from any place else. For example, Hamburg to Munich (the north-south axis) is 370 miles, and Berlin to Frankfurt (east-west) is only 270 miles. Traveling by air doesn't save much time because most airports are located outside the major cities.

The most practical and convenient way to move about Germany is by train. Between major cities, the ICE (Intercity Express) offers high-tech comfort and luxury at super fast speeds (up to 150 mph). Non-European Union residents can buy the German Rail Pass for 50% off the regular rate. This can be purchased through your travel agent, or at any major train station in Germany upon presentation of your passport.

Renting a car is another possibility, although the way Germans drive on the Autobahn can be initially shocking to Americans. On most stretches, there is no speed limit and the "recommended" one – 80 mph. (130 km) – is often ignored. It's usually a good idea to stay in the righthand lane until you get used to things.

In the cities, traffic is dense and driving is as frustrating as in most American cities. Public transportation is far superior to that in the U.S. There is usually a network of underground city trains (U-Bahn), city-suburban trains (S-Bahn), trams and buses. Buying tickets can be confusing as fares depend on the number of zones through which you will travel. It's often quicker and easier to walk or take a taxi.

Making Appointments

Germans, by nature, are meticulous, long-term planners who value punctuality and reliability. Making appointments in advance indicates that you're well organized.

One month's notice isn't unusual, especially if the person is a top executive. Avoid scheduling meetings in July or August or during the Christmas/New Year period – times when Germans are often on holiday.

Avoid making “cold calls” to a company you have no contact with. A more positive approach is to send a well-written letter, following up with a telephone call some time later. The letter may be written in English as practically all German executives and most company employees speak English.

When pitching a product, send (in advance of a potential visit) as much documentation as possible, including background material and spreadsheets. Brochures aimed at the German market should be lengthy and factual. Less is definitely not more here; Germans will read it thoroughly.

If possible, try to have your promotional materials translated – this gesture won't go unnoticed. And avoid using slogans or exaggerations. Germans are unimpressed by these methods.

The Business Meeting

Arrive on time (earlier is even better). Germans tend to organize their lives around the clock, and arriving even two or three minutes late creates the impression of inefficiency or disinterest.

Meeting for the first time will always begin with a hearty handshake, but smiles are not required. Germans are serious people and animated, optimistic looks are not the norm. As the handshaking ritual takes place, Germans give their family names.

Titles should always be used, Doktor Fischer, Graf (count) Boehm. Don't ever think of using first names. German business is still highly formal, and any attempts to make the atmosphere intimate by saying, “Just call me Bob” will be frowned upon. Germans are private people who see a strong distinction between private and professional lives. Americans sometimes have the reputation for asking too many personal questions, which Germans perceive as “promiscuous familiarity.”

Germans appear at meetings well-dressed and are polite and orderly. You should act accordingly and wear a tie and jacket – even in the summer. Avoid wearing any gaudy accessories.

You know the meeting has begun once the door is closed. Coffee or mineral water will be offered and after an exchange of pleasantries, the meeting quickly hits cruising-speed. Germans expect to plunge straight into the subject matter. And be thoroughly prepared for your presentation. Germans will exhaust you with detailed questions and if you don't “know your stuff,” your chances for a deal are nil.

Germans want solid information. Hollywood-like gesticulation and hard-sell talk won't go down well. Jokes and humor in general are considered to be distractions. Likewise, attacking other company's products is not the way Germans operate. In

their minds, a product or idea that is good will stand on its own merits.

Expect Germans to take more time and need more details than Americans in reaching a decision. They aren't obsessed with immediate results – they think in the long term. To them, stability is an asset and repeat-business is the norm.

When the meeting comes to an end, don't expect more than a formal "thank you." Should a German say your presentation was interesting, take it as a compliment. He's not trying to be liked or make small talk – he means it literally.

Business Entertaining

After a meeting, you may be invited out to lunch or dinner. Entertaining is an important aspect of German business and allows both guest and host to become better acquainted. Germans rarely invite business associates to their homes. Again, private and public lives are strictly separated. Should you be "invited in," consider it an honor.

Business entertaining can take place in the company canteen just as it can at a fine restaurant. Seating arrangements usually depend on hierarchy, so allow the host to indicate where you're sitting. Wine is usually served with the meal, even at the company canteen, but wait until the host has offered a toast before sipping.

After dinner, a choice of brandies along with coffee will be served. Then, if the atmosphere is positive, Germans will engage in their favorite pastime – Unterhaltung – an animated discussion on a wide range of topics. Here you'll experience the other side of the normally staunch German – a fun-loving person who enjoys a good time as much as anybody.