Summary: Cultural Differences in Intranet Communication

Dutch, German and South Korean cultures communicating in a company grown by international merger and acquisition

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The study focuses on cultural differences in Intranet communication in companies with a history of international merger and acquisition. Merger and acquisition have an influence on the structure and culture of an organisation. Often companies that were independent are now integrated, resulting in organisations with many differences, among which differences in national culture. The different ways of working can hamper co-operation in the newly formed organisations. Furthermore, the previously separated companies can have different ideas on strategic issues and this often leads to strategic behaviour. All this can lead to problematic communication in such situations.

Intranet is the application of Internet technology to a limited number of users, employees of a company for example. This is a communication medium with the potential of communicating regardless of place and time. This can be very basic (publishing static company news) to very advanced (connecting planning systems for example and integration of other present information systems). To develop an Intranet, many challenges have to be met. Research from a wide range of scholars indicates that the main challenges are not technological issues but more organisational and human factors. Researchers argue for a fit of the Intranet with the organisational culture and structure. This study focuses on national culture as a factor in Intranet communication. To develop an Intranet that adds value to the organisation it is needed to know the communication styles of the different national cultures so that Intranet development plans can be fitted to the different communication styles. To investigate these communication styles, the following two research questions are posed.

1. Are there differences in Intranet communication caused by culture? If so, what are these differences?
2. What do differences in Intranet communication caused by culture imply for Intranet development?

To answer these questions, relevant literature is analysed and a survey is conducted among Rhein Biotech employees over email. Rhein Biotech is a pharmaceutical company with the head office in the Netherlands, a research facility in Germany and a production facility in South Korea. This company grew by merger and acquisition and is momentarily integrating with Berna Biotech, a Swiss pharmaceutical company. This research however, focuses on Dutch, German and South Korean national culture.

The way of working in this study is as follows. First, relevant literature on merger and acquisition, culture and cultural differences and Intranet development are reviewed to provide a framework for the research. Next the literature is combined, leading to a number of factors that have an impact on communication. These factors are analysed whether or not they are likely to affect Intranet communication. For a number of factors this is the case, and from these six hypotheses are constructed on the expected differences between Dutch, German and South Korean employees in Intranet communication. To test the hypotheses, a questionnaire is constructed with three
questions for each hypotheses and some other questions on how valuable employees think an Intranet is and what functions would be interesting.

After conducting the survey, preparing the data and analysing the responses, the research questions can be answered. Results show that indeed there are differences in Intranet communication caused by culture. The survey found three differences. First, Dutch employees will gather information more actively on an Intranet than employees with German and South Korean nationalities. Second, South Korean and German employees consider the presence of a relation in communication on Intranet more important than Dutch employees. Third, employees with South Korean and German nationality are more reluctant to start to use an Intranet than employees with Dutch nationality. The results of the survey show that it is difficult to measure culture in an organisation with very divers sites that can not all be observed by physical presence and have the questionnaire apply to all employees. this is the most likely cause of why not all hypotheses showed differences. This and observations in the organisation lead to the supposition that more cultural differences are present than this survey could show.

For Intranet development this implies that on the different sites, different functions may have to be given priority. On the sites where employees are particular in with whom they communicate it is important to have one Intranet manager who is known to the employees to make an Intranet more personal. On sites where employees are hesitant to start to use the Intranet, initial reluctance has to be overcome with promotion and workshops to teach employees how to use Intranet. Central idea is that knowledge of local employees is crucial in fitting Intranet plans to the local situation and they should therefore be included in Intranet development.

Another finding of the survey is that the Middle management function level will benefit most from an Intranet as they are the communication link between Top management and the Operational level, and therefore communicate upwards as well as downwards. It would be a logical choice to pick the Intranet site managers from the Middle management level. Employees of Rhein Biotech consider news from the other sites, sharing documents, pharmaceutical industry news, contact information of employees and a discussion forum to be the most interesting functions.

The results of this study lead to a number of recommendations. In further research it would be interesting to look at more different cultures or investigate a situation where an Intranet is already operational. Also, conducting research with researchers from different cultures is recommended. It is most likely that in doing so a much richer analysis is possible.

Finally a course of action to develop an Intranet is recommended for Rhein Biotech (Berna Biotech after the merger). First is that a team responsible for Intranet has to be constructed. Members of each site and culture have to participate to assure input of local knowledge into the central strategy. Secondly a technology has to be chosen. Important here is to keep an eye on the long term as replacing or expanding information systems often requires many resources. Third is deciding on how to start. The functions that are developed in the first stage have to be of use so that employees soon recognise the value of an Intranet. An idea is to start with a specific research and development project, also a good way of getting experienced with an Intranet system. Usage monitoring can prove to be very useful in further development of an Intranet. The fourth recommendation is to select Intranet site managers from the Middle management as the survey showed that this group benefits the most from an Intranet. It is likely that employees of this level will also be the most enthusiastic about an Intranet. Again in these recommendations the main idea is to adapt the central Intranet strategy to the local circumstances and demands.