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# The role of dynamic cultural theories in explaining the viability of international strategic alliances

## A focus on Indo-French alliances

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### Abstract

**Purpose** – Many managers of Indo-French alliances consider culture to be a failure, rather than a success factor because they address the national or corporate level for cross-cultural comparisons. In contrast, this study proposes using the Douglasian Cultural Theory (CT) to address the transactional level of culture. In so doing, it aims to overcome some of the limitations of the national, corporate and transactional approaches and provide a systematic framework for discussing the viability of international alliances.

**Design/methodology/approach** – An analysis of 48 ethnographic interviews and field studies was conducted in 25 Indo-French alliances.

**Findings** – Through an analysis of the ethnographic interviews and field studies conducted, the paper offers the following guidelines to managers for the design of viable alliances: the commonly-cited interdependence of the hierarchical and competitive solidarities is not sufficient to ensure the viability of international alliances; the presence of a third solidarity seems essential; an analysis of failed alliances reveals that fatalism is not the third solidarity we are looking for; and an analysis of viable alliances shows that the egalitarian solidarity plays a role in ensuring the viability of international alliances by building a bridge between the hierarchical and competitive solidarity, thereby preventing gridlocks.

**Research limitations/implications** – Major methodological limitations of this study include over-emphasis on ethnographic interviews for data and use of unsystematic criteria for identifying solidarities in Indo-French alliances

**Originality/value** – Unlike the paper's predecessors, it recommends that cultural plurality, not cultural domination, leads to viable alliances. International managers often tend to impose their own thought styles on others, thereby neglecting the inherent wisdom of other thought styles. The paper stresses that cultural diversity without duality leads to viability.

**Keywords** Cross-cultural management, Strategic alliances, Coalitions, France, India

**Paper type** Research paper



### Introduction

In past decades, culture was considered as a mere epi-phenomenon of economic and political organisation. Modern anthropology, however, is considered as the dynamic interaction of several cultures that share the same location in time and space (Gross and Rayner, 1985, p. 1). In this study we explore the role of culture in the viability of international strategic alliances, where a large number of cultures share the same location in time and space.

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We focus on multicultural issues that might arise when French and Indian companies form alliances. French commercial and industrial circles acknowledge India as an attractive location for setting up joint ventures and production facilities. Some even regard it as their top priority in Asia. Nonetheless, since the opening-up of the Indian economy in 1991, Indo-French trade relations have achieved only a moderate growth. The total bilateral trade between the two countries grew from €1.13 billion in 1992 to €1.77 billion in 1998. However, it is expected to grow dramatically and reach €8.88 billion in 2010 (Goliath, 2006). Currently, France only accounts for about 2 per cent of the foreign investment flow into India while East Asia collectively accounts for 6.2 per cent of France's total goods exports[1].

### Research objective

Strategic alliances have gradually become a significant component of companies' global strategy and an important element in their success. These strategic cross-border partnerships have significant advantages such as reducing manufacturing cost, developing and diffusing new technology, entering new markets, etc. Despite these advantages, they often fail. With increasing number of international alliances, it is believed that cross-cultural understanding is important in improving their chances of success. Hence a study that explains the role of culture in the viability of international alliances is called for. Furthermore, a study of this nature would neither be complete nor useful, unless it can provide advice to managers, in this case managers in Indo-French alliances, as to how they could improve their chances of success by designing viable alliances.

Our study distinguishes itself from its predecessors in many ways. First, as 6 (2004) points out, past literature on organisational success tends to be empirical, with findings specific to selected cases and not well grounded in theory (e.g. Bovens *et al.*, 2001), or else developing theory for a limited number of cases (e.g. Weick *et al.*, 1999). Most "success studies" tend to look at viability of solidarities singly, whereas failure studies rightly look at interactions and system effects. We attempt to overcome this limitation. Also we prefer to focus on viability rather than success of international alliances.

Second, past literature identifies many factors influencing the success of international strategic alliances: behavioural and organisational characteristics of partners (see Kauser and Shaw, 2004), impact of marketing and communication competencies (see Young Tae *et al.*, 2003), partner selection (see Robson, 2002), commitment and trust (see Cullen *et al.*, 2000), etc. Culture, on the other hand, has usually been cited to explain failures of international strategic alliances rather than their success (e.g. Barkema and Vermeulen, 1997). Even on the rare occasions when culture is invoked as a means to explain success, researchers (see Vanhonacker and Pan, 1997) highlight cultural similarity as a precondition to success. This is contradicted by studies demonstrating that cultural complementarity rather than similarity leads to success of international alliances (e.g. Park and Ungson, 1997). Our study distinguishes itself from its predecessors by offering explanations for both viability and failure of Indo-French alliances. By addressing the transactional level of culture through the use of Douglasian Cultural Theory (CT), we hope to provide a framework for a systematic discussion of viability that does not previously exist. Furthermore, we expose the findings of this approach in the context of Indo-French alliances and provide suggestions to international managers on how they can design

viable alliances. This follows from 6 (2004), who suggests that it might be possible to design institutions more intelligently (Goodin, 1996) if we have a better understanding about their viability.

### **Definitions**

#### *Culture*

Popular definitions of culture can be categorised as those that:

- (1) treat culture as an unchanging external factor dictating people's behaviours within fault lines drawn by ethnicity and nationality; and
- (2) view culture as constantly evolving, dynamic and not subject to national, ethnic or other boundaries.

As an example of the first category, culture is defined as a set of values that an individual grows up with. It is a combination of personal values and society's influence on individuals in their growing years. Hence, it is the shared way groups of people understand and interpret the world (Hoecklin, 1993). Such definitions (see also Schein, 1985) assume that culture is static. Transactional analysts (e.g. Kapferer, 1976) challenge this assumption. They consider culture as emerging through the process of interaction. They believe that cultural rules have a dynamic quality, capable of producing transformations in meaning and redirecting behaviour along new paths. Similarly, Cultural Theorists (e.g. Douglas, 1970; Wildavsky, 1987; Thompson, 1996; Gross and Rayner, 1985) question the concept of static cultures and demonstrate that members of one cultural group (often referred to as a solidarity) can easily become members of another. In fact, the same individual could be a member of different cultural groups in different social contexts (Rayner, 1995).

Douglas, the originator of CT defines cultures as the frameworks of accountability (Douglas, 1970) and the way people live together (Douglas, 1996). Evoking culture means addressing questions of solidarity and implies the use of heavy tactics of persuasion. A culture sustains a particular arrangement of social relationships, which is either supported or challenged by other arrangements. This means that cultures are constantly evolving. They are not linked to countries, customs, myths, races or ethnicities. Instead, they are ways of life, which are continually tested for social viability (Thompson and Wildavsky, 1986).

#### *Solidarity*

North (1990, p. 3) defines solidarities "as formal or informal, constraining, social rules, conventions or norms", "which structure interactions, that are recognised by those subject to them" (Knight, 1992, p. 2), "as creating an accountability and be subject to appraisal, sanction and/or reward, however informal" (Douglas, 1980, 1986), and "which lead to forming of more or less stable social patterns" (Jepperson, 1991, p. 145). Solidarities may be very general (the principle of bureaucratic rule, a system of markets) or quite specific (a specific dress code or specific vocabulary). 6 (2003) distinguishes solidarities from organisations: an organisation is a set of empirical solidarities bounded by membership, foundation and dissolution and with at least one explicitly prescribed purpose, which is supposed ideally to govern the collective action of those members. Social organisation is the structure of all the solidarities that define

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the accountabilities by which behaviour is ordered. Solidarities are not found singly but in sets, which work together (6, 2003).

### *Viability*

Institutional viability is the capability of a set of solidarities for being sustained within their environment, despite a wide range of external pressures and internal tensions, short of *force majeure* so great that no set of solidarities could be viable against it (6, 2003). As erosion of viability is failure (6, 2003) we contend that sustaining viability is a precondition to success. 6 (2003) states that for those who want to change the existing order in any field, the limits to which any status quo can be viable are of the of the key concern. He explains that the core of the viability argument concerns the dynamics or models of change, whereby solidarities undermine themselves, undermine other solidarities, or work to sustain themselves and others. Other scholars such as Thompson *et al.* (1990) have also focused on the idea of viability, in particular with “socio-cultural viability”.

### **Literature review**

Here we review two relevant streams of literature:

- (1) the essentialist culture theories, which treat culture as being static and focus either on the national or corporate levels of culture; and
- (2) the transactional culture theories, which treat culture as a being dynamically created through interactions.

Finally, we propose Douglasian CT as a tool of the latter approach.

### *Essentialist CTs: evoking national and corporate culture*

Prominent among the essentialist culture approach are the works of Hofstede (1984), Trompenaar and Turner (1997) and the GLOBE study (Gupta *et al.*, 2002; House *et al.*, 2002). Hofstede (1984) explores differences in thinking and social action that exist between members of 66 different nations. According to Hofstede (1984) the four dimensions on which country cultures differ are power distance, uncertainty avoidance, individualism, and masculinity. These dimensions describe the collective programming of the mind, which distinguishes members of one national group from those of another (Hofstede, 1994). A few years after the initial study, a fifth dimension was revealed (Hofstede and Bond, 1988) which was called “long-term orientation” (Hofstede, 1991). However, some authors believe that this dimension simply adds to the descriptive and explanatory power of the original four dimensions (Yeh and Lawrence, 1995).

A close inspection of the Hofstedian framework reveals certain flaws. First, there is no common base from which the five dimensions of cross-cultural comparisons are born. Also, there is no reason to believe that this list is exhaustive as there are no binding principles that limit the proliferation of new categories. Second, it is difficult to see the practical utility of Hofstede’s “central tendencies” or dominant national traits for a study like this one. Although these central tendencies might be useful for studies requiring a broad understanding of cultural differences (e.g. Barkema and Vermeulen, 1997), they are not useful in exploring day-to-day behavioural patterns and thought styles of different people brought together in the dynamic and complex environment of

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an international alliance. Third, Singh (1990a, b) and Bosland (1985a) have shown that it is possible to have different scores on the four Hofstedeian dimensions within the same country. Using the Value Survey Module (VSM) proposed by Hofstede (1984), Singh (1990a, b) demonstrated variations in the Power Distance Index (PDI) scores for India. In the same way, using the VSM, Bosland (1985a) has quoted different scores for China. Bosland (1985a, p. 16) concludes that many factors other than national cultures influence the scores on the four Hofstedeian dimensions, for example the educational level, mean age and occupational level of the sample, and probably the corporate sub-culture. Hence, we are obliged to recognise the possibility that cultural variations within countries might be at least as great as those between countries. This is further strengthened by arguments provided by Usunier (1998)[2], who believes that that to consider national boundaries as controlling culture is erroneous. He provides examples of several countries such as Switzerland, India and countries of the African subcontinent to show that national boundaries do not automatically imply the existence of a homogeneous culture within their confines. Finally, Hofstede's (1984) assumption that values – the core of national culture – are stable constructs has been contested by several scholars (e.g. Lockhart, 1997; Thompson and Ellis, 1997).

Other than the Hofstedeian framework, the work of Trompenaar and Turner (1997) and the GLOBE (1999) study are well known among the essentialist theories. Trompenaar and Turner (1997) provide seven dimensions, while the GLOBE (1999) study provides nine dimensions for comparing national and societal cultures. A close inspection of these approaches shows that they share some of the limitations of the Hofstedeian framework. For example, they fail to tell us whether the cultural dimensions that they propose are exhaustive or not. Also, just as Hofstede categorises entire nations, Trompenaar and Turner (1997) categorise entire societies, thereby treating them as homogeneous entities. Furthermore, although both Hofstede and the GLOBE study use the essentialist approach, they disagree on the scores attributed to different nations (Koopman *et al.*, 1999).

It is commonly believed that culture manifests itself at multiple levels, corporate culture being one of them (see Hofstede, 1991). Corporate culture has been defined as the social or normative glue that holds a company together (Tichy, 1982). It expresses the values and beliefs that members of a company come to share (Siehl and Martin, 1981). These values and beliefs are manifested as symbolic devices such as myths (Boje *et al.*, 1982), rituals (Deal and Kennedy, 1982), stories (Mitroff and Kilmann, 1976), legend (Wilkins and Martin, 1980), and specialised language (Andrews and Hirsch, 1983; Smircich, 1983).

Over the years various approaches to corporate culture have emerged in research literature. Smircich (1983) identifies three distinct perspectives: corporate culture as a root metaphor, as an external variable or as an internal variable. Unlike the last two, the first approach admits that a corporation, as a social phenomenon is a culture. Members of a company are affected by the corporate culture through socialisation. At the same time, they take an active part in re-creating the culture through daily networking with other members. Most authors in international business subscribe to the second and third approaches proposed by Smircich (1983). Prominent among these authors are Hofstede *et al.* (1990) and Quinn and Rohrbaugh (1983). The major outcome of Hofstede *et al.*'s (1990) research was a six-dimensional model of corporate cultures:

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- (1) process versus results orientation;
  - (2) employee versus job orientation;
  - (3) parochial versus professional;
  - (4) open versus closed system;
  - (5) loose versus tight control; and
  - (6) normative versus pragmatic.

Similarly, Quinn and Rohrbaugh (1983) have identified four types of corporate cultures: competitive, entrepreneurial, bureaucratic and consensual. They explain that in practice employees view their companies as having a mixture of all four but with emphasis on particular types. Despite its flexibility over the works of other essentialist culture theorists (e.g. Hofstede *et al.*, 1990), Quinn and Rohrbaugh's (1983) model is not free from criticism. In particular, the distinction that they make between different corporate cultures is not clear. Often, being competitive demands being entrepreneurial. Also, seeking a competitive advantage requires being innovative.

Like most essentialist theories of national culture, theories addressing corporate culture also have their limitations. First, we contend that if a theory of culture were really sound, it would be possible to apply the same theory to different levels of culture. Second, some researchers disagree with the idea of one overarching corporate culture. Sathe (1985) states that although the term "corporate culture" is used as if organisations have a monolithic culture, most companies have more than one set of beliefs influencing the behaviour of employees. These various subcultures may be divided along occupational, functional, product or geographical lines and may be enhancing, neutral or inhibitive of each other.

Despite the limitations of the essentialist culture theories outlined in this section, researchers (e.g. Barkema and Vermeulen, 1997, etc.) have not been deterred from applying them to explore the role of culture in the success or failure of international alliances. This makes it crucial to explore the validity of the claims made by essentialist culture theorists and to propose, if possible, an appropriate theoretical alternative. Our candidate of choice for this is the transactional culture approach.

#### *Transactional culture approach*

Transaction is the patterned transference of items, both material and immaterial between individuals and groups (Kapferer, 1976). Barth (1966b), the famous transactional theorist of the 1960s, attacked the dominant orthodoxies of normative consensus and the general assumption that culture was a structurally integrated whole. He argued that rather than making this assumption, anthropologists should concentrate on the process whereby various institutional elements within a society become integrated and on the conditions and processes, which do or do not produce generally shared meanings and understandings. This was echoed later by Douglasian cultural theorists (e.g. Thompson and Ellis, 1997), who explain that a convincing theory of culture must also be a theory of social relations and should be able to explain what types of social relations shape which preferences in what kinds of ways and vice versa. Further, Barth emphasised that a satisfactory theory of culture should explain social change. Other scholars of the time (e.g. Geertz, 1973a, b) also stressed the need for a more dynamic cultural approach which accounted for variation as well as

conformity of observed behaviour. Although Barth marked a paradigm shift in British anthropology, his work is often criticised for being too broad and too restrictive at the same time, for its excessive focus on “self-interest” and “profit maximization” and the inherent difficulty of measuring group or individual motives. Also it is unable to explain the emergence of social relations due to its neglect of feedback mechanisms (see Kapferer (1976) for details).

As mentioned earlier, Geertz (1973a, b) was also critical of some of the dominant orthodoxies of his time. He accused Western anthropological models of distorting realities that could not be explained in their terms. Although Geertz’s efforts are commendable, he wrongly assumed that each cultural entity is so unique that there cannot be any reasonable and systematic basis of comparison between different cultural entities (see Geertz, 1980).

Marriott (1976) is one of the few transactional analysts to successfully overcome the limitations of other transactional analysts and the dualistic models of the West. He criticises western social scientists for providing distorted descriptions of the Indian subcontinent because of their attempts to reduce the multifaceted Indian diversity to dualistic categories popular in the west. Further, Marriott successfully exposes the Indian diversity through the use of a fourfold framework. He concludes that similar fourfold models could be unravelled for other social entities, although he does not provide a systematic instrument to carry out this exercise.

To summarise, one of the achievements of the transactional cultural approach has been its ability to challenge and overcome the limitations of the dominant orthodoxies of normative consensus (see Barth, 1966a, b) and the dualistic tendencies of the western social scientists (see Marriott, 1972). However, there still remain several limitations to be overcome. First, in its attempt to eliminate the fallacies in the then-existing modes of anthropological analysis, transactional analysts have ended up assuming that there are as many cultures as there are cultural entities (e.g. Geertz, 1980). We contend that in their attempt to minimise the evils born out of “unity”, transactional theorists have now ended up with the problem of “infinity”. Second, the transactional approach has not been able to deal with the matter of social change as an unending process. Third, transactional theorists have not been able to explain how individuals decide where their interests lie. Finally, despite revisions to Barth’s initial models, transactional analysis still remains limited to the idea of “rationality” and activities continue to be seen in terms of receiving benefits. We believe that these limitations can be overcome by Douglasian CT. Therefore, we now present CT as an instrument of the transactional approach.

#### *Douglasian CT*

Mary Douglas, the pioneer of CT, introduced the Grid-Group Typology (GGT) in *Natural Symbols* (Douglas, 1970). She asserts that people structure their ideas about the social world in ways compatible with social structures. She classifies cultures using two social dimensions: group and grid. The horizontal group axis represents the extent to which people are restricted in thought and action by their commitment to a social unit larger than the individual (Gross and Rayner, 1985). As we move along the right of the group dimension the individual is more deeply committed to a group, so choices are more standardised (Douglas, 1996). High group strength results when people devote a lot of their available time to interacting with other unit-members. In a high group

context the group's boundaries are clearly defined and the group is fairly exclusive. Group strength is low when people negotiate their way through life on their own behalf as individuals, neither constrained by, nor reliant upon any single significant group. The low group experience is a competitive, entrepreneurial way of life (Gross and Rayner, 1985).

On the other hand, the vertical axis, grid, represents the extent to which people's behaviours are constrained by role differentiation, whether within or without membership of a group (Gross and Rayner, 1985). A high grid score occurs whenever roles are distributed on the basis of explicit public or social classification such as sex, colour, hierarchical position, holding a bureaucratic office, descent in a senior clan or point of progression through an age-grade system. On the other hand, grid is of low strength when these distinctions weakly limit the range of alternatives (Gross and Rayner, 1985). Douglas's (1970) consideration of high and low strength of grid and group gives rise to the four cultural patterns summarised in Table I.

*High grid-low group (fatalistic solidarity)*

This is an environment in which people's behaviour is strongly regulated according to their socially assigned classifications. These situations often emerge when people in strongly hierarchical structures have been excluded from decision-making. This category implies an element of coercion: people are not in this category by their own free will (Gross and Rayner, 1985). Coyle and Ellis (1994) define this as a situation in which individuals may have little choice how they spend their time, whom they associate with, what they wear or eat, or where they live or work

*High grid-high group (hierarchical solidarity)*

This is the realm, where one might find tradition-bound solidarities in which everyone knows his place, but in which that place might vary with time. Security is valued and is obtained by forsaking opportunities for competition and social mobility. Hierarchy implies both compulsion and inequality (Gross and Rayner, 1985). They are characterised by unequal roles for unequal members and deference towards one's betters matched by noblesse obliged on the part of the superiors. The tight rules and restrictions that characterise hierarchy also introduce an element of accountability that goes both ways (Coyle and Ellis, 1994). Hierarchies are oriented towards processes and are more concerned with the proprieties of who does what than the outcome (Schwarz and Thompson, 1990)

*Low grid-low group (competitive solidarity)*

This category allows maximum options for negotiating contracts or choosing allies. This culture is characterised by individual spatial and social mobility. Ancestry or past is irrelevant; individuals are responsible for themselves. Since restrictions on behaviour are weak the individual member of this solidarity can equally exert few limitations over others (Gross and Rayner, 1985). All boundaries are provisional and subject to negotiation. Self-regulation and the respect for individual rights are the order of the day. The prototypical structure where competition comes to the fore is the free market (Douglas, 1996)

*Low grid-high group (egalitarian solidarity)*

This is a social context in which the external group boundary is typically the dominant consideration. All other aspects of interpersonal relationship are ambiguous and open to negotiation (Gross and Rayner, 1985). This solidarity is by definition small, face-to-face in the interactions, and many-sided in its relationships. Participatory decision making is common. Members hold beliefs and values in common. Such a group is held together by virtue of a network of reciprocal exchanges (Douglas, 1986)

**Sources:** Derived from the work of Gross and Rayner (1985); Douglas (1986, 1996); Coyle and Ellis (1994); Taylor (1982); Schwarz and Thompson (1990); and Coyle (1997)

**Table I.**  
Four solidarities  
proposed by CT

The GGT, as discussed above, is a static categorisation of people's behaviours; its dynamic potential was exposed much later by Thompson (1996). First, Thompson showed that not only are the four solidarities found in every social system, but also that they are in constant rivalry with one another for more adherents. At the same time, Douglas (1996) argued that each solidarity has its weaknesses and needs to depend on others for its survival. The mutual dependency and rivalry between the four solidarities create a state of dynamic disequilibrium. Second, Thompson (1996) freed the cultural debate from the dilemma of social scales. This means that if transactions fall into a number of distinct spheres, the same individual could be a member of different solidarities in different contexts. For the first time, we can now explain why the same individual behaves differently in different social contexts. Having established CT as an instrument that exposes the dynamicity of culture, we now examine whether it overcomes the limitations of the transactional approach.

One of the criticisms of the transactional approach is that it fails to explain how individuals decide where their interests lie. In Barth's (1966a, b) opinion, individuals do not know their best interest at the outset, but they have a "rag-bag" of values to choose from. With each experience they learn which arbitrary choice from the rag-bag is rewarded. This consolidates their behaviour over time. Thompson (1996) disagrees with Barth's suggestion and explains that individuals have precisely four sets of values to choose from depending on their membership in the four solidarities. Self-interest would be defined differently by members of each solidarity. Also, people would redefine self-interest when they shift solidarities.

The second criticism of the transactional approach is that it remains limited to the idea of a single rationality. In contrast, cultural theorists propose that there are four ways of rationalising, based on the four solidarities. Thompson (1996) explains that rationalising is about information processing. However, people stop way short of their physiological limits of information processing and not everyone stops short at the same point. In order to stop short, one is required to effectively reject information, not just avoid collecting information. There are four ways of information-rejection based on the four solidarities: risk absorption for fatalists, paradigm protection for hierarchists, networking for competitive solidarity and expulsion for egalitarians (Thompson, 1996).

The third criticism of the transactional approach is that it cannot explain social change as a dynamic never-ending process (see Kapferer, 1976). As Thompson (2003) explains, past literature provides several examples of twofold models in social sciences where a change from state A implies an automatic landing in state B[3], thereby inviting a self-inflicted dead-end to the process of change. CT, on the other hand, provides an alternative fourfold model, which means that being thrown out of state A no longer implies falling into state B. There are 12 possible transitions. This enables us to treat change as a complex, never-ending, non-linear, non-equilibrium process as opposed to a simple, linear, Newtonian mechanism leading to some sort of equilibrium.

The last weakness of the transactional approach is its inability to resolve the "unity" versus "infinity" dilemma. Contrary to its predecessors, CT propagates the idea of plural forms of culture. Plurality obviously introduces the concept of relativism. However, this relativism need not be absolutely unconstrained, as some transactional analysts have wrongly presumed. Cultural theorists contend that culture is subject to "constrained relativism" (see Thompson *et al.*, 2005).

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Besides overcoming the limitations of the essentialist and transactional approaches, CT also has some advantages over them. First, as compared to the essentialist approach, CT seems to have a much larger scope. It has been used to study culture across different disciplines and at different levels[4]. Second, while essentialist theories offer broad generalisations in terms of peoples' behaviours, CT has the ability to explain variations as well as conformity in behavioural patterns. Third, cultural theorists claim that the four solidarities are not only contradictory to one another but also sustain the system through their contradictions and mutual interdependence. Thus, CT provides us with a mechanism that feeds back into the social system. Fourth, by not limiting the cultural discourse to the national or corporate level of comparison, CT shows that several cultures can be found within the same society, country or company. Finally, the four solidarities proposed by CT are born out of different combinations of the same two dimensions, namely, grid and group. All the four possible combinations of grid and group have been discussed. Therefore, these solidarities are collectively exhaustive and also mutually exclusive.

Based on the above discussion we are inclined to believe that CT, as a tool of the transactional approach, is more appropriate for this study than the essentialist approach. Nonetheless, whether this assessment holds up in the field remains to be seen. We now move on to the final section of our literature review that links CT, social viability and design.

#### *CT, viability and design*

This study focuses on the cultural dynamics in Indo-French alliances with the aim of determining conditions in which the relationship can be most viable. Thompson *et al.* (1990) focus on the idea of viability through the concept of coalition formation between different solidarities. They build this argument on Douglas's earlier suggestion that no solidarity is without weaknesses; hence, a coalition between different solidarities can help make up for the defects of any single solidarity. However, such coalitions can never provide lasting solutions. Although coalitions help the allies to make up for their weaknesses, allies continue to remain competitors, eventually driving each other apart. This happens because the investment that each solidarity has put into forging and strengthening the coalition eventually takes its toll and the coalition ruptures. It is for this reason that no cultural coalition lasts forever (Thompson *et al.*, 1990). The next logical question is: "Is it possible to create a coalition that would incorporate all three active ways of life (hierarchy, egalitarianism and competitive solidarity)?" Such alliances, Thompson *et al.* (1990) contend, are both rare and extremely short-lived.

In order to make organisations viable, one may need to focus on their design. However, not all organisations are amenable to design and certain aspects of most solidarities are resistant to many kinds of design, for precisely the reason that they are viable, and some kinds of designs are threats to their viability (6, 2004). Hence, organisations cannot and should not be designed and redesigned at will. Indeed many very stable organisations prove unviable for precisely the reason that they are resistant to adaptive change. Nor does viability imply an absence of innovation (6, 2004). For example, it is commonly observed that click-and-mortar (i.e. online) companies have to be very responsive to the slightest change in the external market environment. In such a case, viability lies in constant redesign, innovation and reactivity to external changes. Hence, in these companies viability and design go hand-in-hand. On the other hand,

traditional brick-and-mortar companies are not required to be as innovative and open to change as click-and-mortar companies. Excessive change and redesign, if forced upon them, might even destabilise such a company making it non-viable. In this case, viability and stability go hand-in-hand.

6 (2004) suggests that an important question regarding organisational design that future researchers should raise is “What combinations of solidarities are more likely than others?” Taking a cue from 6, in this study we raise the same question in the context of Indo-French alliances. We hope to shed light on the design of viable international alliances by comparing the coalitions of solidarities observed in failed alliances with those in viable alliances. In so doing, we build on past CT literature. While past CT literature focuses on studying risk perception, emotions, data sharing etc. among the four solidarities within an organisation or more recently between two or more organisations (6, 2004), we study the overall viability of Indo-French alliances through our focus on organisational design.

### **Research questions**

Based on our literature review, we raise the following questions:

- Is CT upheld in the field as an appropriate tool to explain cross-cultural issues in Indo-French alliances?
- What kinds of inter-solidarity dynamics are seen in viable and failed Indo-French alliances?
- What kinds of cultural coalitions are observed in viable and failed Indo-French alliances?
- How does this discussion guide managers to design viable alliances?

### **Justification of methodological choice**

We were inspired to use the qualitative methodology for this study due to our desire to be active and reflexive in the process of data generation rather than as a neutral data collector (Mason, 1996). This also justifies our role as a participant-observer. Furthermore, the data desired were not available in any other form. Hence, asking people for their accounts, talking and listening to them (apart from participation-observation) was the only way to get at what is the focus of this research. One of the major trade-offs in choosing the qualitative method over the quantitative method is giving up the generation of data that can be generalised in favour of data that are more in-depth.

Our choice of the qualitative methodology led us to use a combination of ethnographic interviews and participation-observation for our data collection. Hence, one of the questions we need answered is: “Why was ethnography considered to be the best qualitative approach in this research?”. Among the many reasons given by Spradley (1979), the ones most relevant to this research are the desire to understand complex societies and the need to be of some use to society, in this case, to international managers. This last reason is particularly relevant for this study. The interviews conducted in the early days of data collection confirmed that this kind of study was of use to international managers. Furthermore, this research focused on learning from the interviewees what they perceived as issues rather than going in with preconceived

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ideas and questions. Hence, using the approach suggested by ethnography i.e. learning from the interviewees was best suited for this study.

Other than the reasons cited above, there was also another reason behind us choosing to use ethnographic interviews. Famous anthropologists of the 1960s and 1970s, notably Kapferer (1976) have criticised comparative anthropological approaches of the past which involved a morphological matching of forms so as to locate differences, a process that does not lead to any procedure that differs from that utilised in cross-cultural area files. Barth and other researchers such as Buckley (1960), Van Velsen (1964) and Geertz (1973a, b) have stressed the need for a more dynamic anthropological analysis and an approach that accounted for variation as well as conformity of observed behaviour. It is the search for such a dynamic anthropological tool that led me to the use of ethnographic interviews and participation-observation.

Since this research relies largely on semi-structured ethnographic interviews, we also need to explain the reasons behind this choice. First, in this study, knowledge and evidence are contextual and interactional. This required me to treat each interview distinctively (following Mason, 1996). Second, semi-structured interviews allow for free exploration of areas that were important to the interviewee. Third, the topic of our research was rather complex, and sometimes not clearly formulated in the interviewee's mind in a way, which they could simply articulate in response to short standardised questions. We often took cues from the interviewees about what to ask them, rather than go into the interaction pre-scripted, so that we could follow up their specific responses along lines, which are particularly relevant to them and their context and which we could not have anticipated in advance (see also Mason, 1996). Fourth, structured interviews or questionnaires are very often designed to minimise "bias" through the standardisation of the questions which are asked, and of the interviewers asking them. The underlying assumption here is that bias can be eradicated or controlled. Mason (1996), on the other hand, suggests that it is better to try to understand the complexities of the interaction rather than pretend that the key dimensions can be controlled for. This can be achieved only through semi-structured interviews. Finally, using semi-structured ethnographic interviews is the best method to explore social process and change, and to achieve depth and roundedness of understanding in these areas rather than a broad understanding of surface patterns (Mason, 1996), which was essentially the purpose of this study.

Having justified our methodological choice for this study, we now move on to the topic of data collection.

### **Data collection**

The names of Indo-French alliances which were explored in this study were provided by the French Consulate in New Delhi. All the alliances explored in this study were located in India[5]. Employees at different levels in the firm were interviewed. Often one key informant provided names of other potential interviewees within the same company as well as in other Indo-French alliances. We have also used contacts from our professional field to make contacts with some alliances. These are mainly market expansion co-operations between our employer, a French business school and student recruitment agencies in India. All the interviews were conducted in English[6]. Key informants were first contacted over the telephone, the purpose of the research was explained and an appointment was

sought for a face-to-face interview. Three trips were made to seven Indian cities (Mumbai, New Delhi, Bangalore, Chennai, Cochin, Hyderabad and Ahmedabad) and 48 interviews were conducted. While most of the interviews were individual, on five occasions interviews were conducted with two interviewees simultaneously, so as to save time. Out of the 48 interviews, 40 were recorded while notes were taken for the remaining at the request of the interviewees. The recorded interviews were transcribed and complete texts were written for the remaining eight from interview notes. The ethnographic interviews were accompanied with participation-observation and taking of field notes during company visits.

During the course of this study, we found ourselves continuously shifting our position on the participation-observation continuum and having to negotiate our relationship with the respondents. This happened because participation-observation was carried out in the following two scenarios, which were not always under our control:

- (1) Participation-observation was carried out during the researcher's involvement in assisting other departments in her employer establishment to liaise with potential exchange partners (business schools) and other recruitment partners (educational consultants and student recruitment agencies) based in India.
- (2) Participation-observation was carried out in four Indo-French alliances during a week spent interacting with people at different levels in informal ways.

During the course of this research project the researcher's situation concerning scenario (1) changed several times. As this was not her primary function in the organisation, observing the interactions between the French and Indian counterparts was not always possible. The second scenario, however, was much more under the researcher's control, even though it depended on how much the key contacts in these companies wanted to co-operate with her.

The data collection and organisation for this research was carried out in two stages. A total of 18 semi-structured ethnographic interviews were conducted, transcribed and studied during the first stage of the data collection. This gave us an insight into how the interviewees defined the membership of the four solidarities in their contexts. This helped in creating the theoretical framework for data analysis and in operationalising the membership of different solidarities. The initial operational definitions were refined during the second stage of data collection when we conducted 30 ethnographic interviews.

### **Data analysis**

Treating each interview as a unit of analysis, the 48 interviews were analysed using content analysis. Although content analysis usually refers to quantitative analysis of written text, Hancock's (1998) version of it seems similar to thematic analysis (Lacey and Luff, 2001). Following Hancock's (1998) suggestion we read the interview transcripts carefully, identified interesting themes and noted them in the margin. In order to facilitate the thematic analysis, the following process was followed: each transcribed interview was given a number. The field notes were identified by context, either as field work carried out at the market expansion co-operation between our employer (i.e. the French business school) and the student recruitment agencies based in India or as field work carried out in other Indo-French alliances. Interviewees and

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companies were given pseudonyms. All names and identifiable material was removed from the transcripts. Then a list was prepared by collecting all the themes identified earlier on.

Next thematic analysis was carried out across interviews to identify recurring themes. To do this, data were organised through non-cross-sectional indexing using each interview as the unit of analysis. At this stage textual and colour codes were determined for the four solidarities and for the different themes. Next, interviews were analysed using the pre-established coding system. In order to identify the solidarities, operational definitions provided in Table II were used. The findings from these interviews were counter-checked through the data collected via participation-observation. The patterns that emerged through the data analysis are discussed in the subsequent section on results.

### **Validity, reliability and trustworthiness of the study**

In the previous section, we have described the approach to and the procedure for data analysis so as to ensure its reliability (see Lacey and Luff, 2001). We have also explained the process of generating themes and established the data audit trail. Furthermore, in this study we ensured reliability by re-analysing interviews several times and over a gap of several days. Peer-validation was also carried out. Furthermore, as can be seen in subsequent sections, we use quotes from interviews wherever possible to support our arguments.

Validity was maintained in this study by checking for deviant cases and through interviewee feedback (see Lacey and Luff, 2001). The final results were sent to three interviewees out of 48 to get their feedback. These included one Indian and two French nationals, one female and two male managers. Evaluation of their feedback indicates that all three interviewees agree with most of our findings. The three respondents invited to provide feedback on our results were randomly chosen from the four companies where a majority of the interviews were conducted[7]. Finally, triangulation of methodologies, in this case, participation-observation and ethnographic interviews was used to ensure construct validity and rigour (following Fitz-Gibbon *et al.*, 1987). In a few instances there was a mismatch between the findings of the field study and claims made during interviews. Such contradictions do not necessarily imply weaknesses in the research, as real life situations are inevitably complex (Lacey and Luff, 2001).

In this study credibility was assured through prolonged engagement in the field and peer debriefing. In order to ensure dependability and transferability we have made the research process auditable (see Lincoln and Guba, 1985). In previous sections, the research procedures have been made as explicit as possible so that other researchers can clearly follow the decision trail. Furthermore, the findings were confirmed through a “confirmability audit” in which an independent researcher audited the process and product of analysis (following Lincoln and Guba, 1985, p. 318).

As mentioned earlier, the data analysis led us to identify emerging patterns. We now discuss these patterns and draw out their theoretical and managerial implications.

### **Results and discussions**

Our data indicate that contrary to the impression given by popular literature, many managers consider culture to be a failure factor rather than a success factor in

**Table II.**  
Operational definitions of  
the four solidarities

	Fatalistic solidarity	Hierarchical solidarity	Competitive solidarity	Egalitarian solidarity
Style of organisation	Heavily constrained individuals acting opportunistically, unable to sustain trust save perhaps with close kin, fatalists emerge when people in strongly hierarchical structures have been excluded from decision-making	Centrally ordered community, tight rules and restrictions, element of accountability that goes both ways	Instrumental, entrepreneurial individuals, allow for maximum negotiations of contracts or choosing allies, individual and spatial mobility, few restrictions on behaviour	Internally egalitarian, but sharply marked boundaries with others; held together by shared commitment to moral principle
Basis for power	Domination, coercion	Asymmetric status, rule and role-based authorisation, implies both compulsion and inequality, characterised by unequal roles for unequal members and deference towards one's betters matched by noblesse on the part of the superiors	Personal control of resources	Constant personal and collective reaffirmation
Strategy	Coping or survival-oriented behaviour, individual withdrawal	Regulation, control through systems of status based on role, value security and obtain it by forsaking opportunities for competition and social mobility, process-oriented, more concerned with who does what rather than outcomes	Brokering, negotiating for control of resources	Intense mutual support within, confrontation of those outside
Network	Sparse social ties	Dense social ties at top, mainly vertical ties at the bottom	Sparse social ties, all boundaries are provisional and subject to negotiation	Dense social ties

(continued)

	Fatalistic solidarity	Hierarchical solidarity	Competitive solidarity	Egalitarian solidarity
Authority	Weak, if any among dominated fatalists: temporary celebrity; otherwise temporary despotism among dominating fatalists	Status-based, paternalistic, but with rule-bound discretion	Power based: authority defines from ability to define opportunities and bestow rewards	Charismatic, based on personal demonstration of marginally greater commitment to shared principle
Strengths	Enables valuable coping behaviour and survival during adversity, prevents excessive aspiration during periods when this might be destructive	Enables clarity and complex division of labour	Unleashes powerful motivations of aspirant self-interest, enables focused instrumental activity	Empowers passionate principled commitment and supports integrity, unleashes powerful motivations of protection
Weaknesses	Limited ability to sustain collective action or tackle complex problems	Limited availability to generate prosperity, the system of rule and role can become so Byzantine as to be illegible, risks demotivation of the "lowerarchy" through denial of access to superior authority and denial of sufficient validation	Limited ability to define the basic goods and services, rights and duties around which self-interest and instrumental activity are oriented; may eventually undermine the capacity to do so; risks demotivation through insecurity	Focus on distribution can undermine production and prosperity; risk schism; principle of internal equality can undermine level of authority necessary for efficacy; risks demotivation through exhaustion and burn-out, or through schism

**Sources:** Based on the work of 6 (2004); Gross and Rayner (1985); Coyle and Ellis (1994); and Douglas (1996)

Table II.

international alliances. Although managers provide an extensive list of factors that contribute to the success of their alliances, “culture” never appears in this list. The reason behind this is that they usually resort to national cultural comparisons to make sense of the complex reality of international alliances. Such national level comparisons of culture fail to explain the diversity within the same nation and similarities across nations. Respondents often focused too much on emphasising similarities within a cultural group, thereby, underplaying variations within it. Hence, they ended up treating culture as what Thompson and Ellis (1997) would refer to as “uncaused cause”. These authors stress that culture must not be treated as an uncaused cause purportedly explaining why people behave as they do, yet incapable of being explained itself. If people use culture as an uncaused cause, culture must remain a fancy name for what we do not understand. Such explanations are based on national stereotypes and are provided by people when they have no better way of explaining behaviour and action. Our interviews reveal that managers who attempted to explain the differences between their French and Indian colleagues based on national stereotypes often ended up contradicting themselves.

Our data also reveal another group of international managers who are not content with categorising people based on their national origin. These managers cite other factors to explain diversity within the same national group:

- size of the alliance;
- whether the alliance is managed professionally or by a family; and
- whether the parent companies involved in the alliance are private or public firms.

Nonetheless, these respondents also get confused because these transactional variables make cultural sense making very chaotic. We contend that since these three factors could be found in different permutations and combinations in alliance partners, it is difficult to use them to predict behavioural strategies of employees, for example, in a large public company that is professionally managed or in a medium-sized quasi-private company. Nonetheless, what can be safely deduced is that some international managers do resort to the transactional level of culture in order to make sense of their cultural experiences in international alliances.

Addressing culture at the corporate level also does not provide managers with satisfactory tools to understand the complex reality of international alliances. There are two reasons for this. First, managers usually cite corporate cultures of the parent companies rather than that of the alliance itself. Second, they wrongly assume that there is one overarching corporate culture that serves as a guiding principle for all employees. Based on our discussion so far it seems that in the context of our study evoking national and corporate levels of culture does not provide international managers with a satisfactory tool for cross-cultural comparisons. We now explore whether CT can explain variations of behaviours within the same national and corporate group. Take for example the following interview excerpt:

I think that this [behaving as an individual or as a member of a group] is more up to the individuals, there are some people who are very ambitious. For them it is just that this is my interest, I do not care what happens to the other person. But there is another one . . . , I think that you have to look at this in terms of the environment. If my job is secure, I could not care less [about being individualistic]. But if I find that I do not do well, I will not be promoted, I will be sacked, it is my bread and butter, I have to look after my family, not you family. So it is

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a question of the environment, the personality also, but more of the environment. You see, the personality often takes shape depending on the environment. I have to adapt myself to what my circumstances are. If I don't, I am a fool (Interviewee AFMI, interview number 4, January 2002).

Here, the respondent is suggesting that people alter their behaviours with changes in the environment. This can also be seen in the following example of a Paris-based Indian manager (Interviewee A4, interview number 34, April 2003) of Allbright, who was questioned about another dimension offered by the national culture framework: uncertainty avoidance or risk-taking. When asked to explain whether Indians (as a national cultural group) are more prone to risk-taking than the French, he gave the following reply:

I would say false. The question is the relativity between the two cultures. I am not able to again answer true or false between two different cultures, because again the involved context will actually decide the answer, not the nationalities. So to that extent it is false (Interviewee A4, interview number 34, April 2003).

As seen in the excerpt, when asked whether “Indians” as a group were more risk-prone than the “French”, the interviewee replies that it is the context, not the national cultures, that defines behavioural preferences of individuals. While national culture frameworks do not consider the role of the social context in the behaviours of individuals, this is well explained by cultural theorists. CT states that if transactions fall into a number of fairly distinct spheres, the same individual can be a vital part of several different solidarities (Thompson, 1996). As his/her membership changes from one solidarity to another, so the manifested behaviour also changes. Through such examples we demonstrate that an individual (whether Indian or French) would behave differently if his membership in a solidarity changes as he moves from one context to another. This indicates that CT, due to its ability to treat culture as dynamic, is indeed a better theoretical framework for the purpose of our study than the essentialist approach.

The next question we ask is whether CT reveals behavioural patterns that provide us an insight into designing viable international alliances. With this purpose, we now explore the cultural dynamics in viable and failed Indo-French alliances. Our study reveals an interdependence between the hierarchical and competitive solidarities in many Indo-French alliances. We find that the hierarchical solidarity depends on the competitive solidarity in order to avoid becoming too rigid about rules. Also the competitive solidarity helps the hierarchy to understand the needs of the customers and adapt the product/price accordingly. Furthermore, hierarchy needs the competitive solidarity because the latter is quick at grasping opportunities, taking risks and being creative. As 6 (2004) states, if hierarchies with their limited abilities to generate profitability were left to themselves, then their excessive focus on processes, standards and rules would “paralyse” the system. On the other hand, the competitive solidarity requires hierarchy to ensure that standards are respected, quality is maintained and rules and procedures are followed. However, this interdependence between the two active solidarities, although commonly cited in popular literature, does not ensure the viability of international alliances because it is found both in failed (e.g. Allbright Hindustan) as well as viable alliances (e.g. Allbright Lubricants and Mechanics). This is the first recurring pattern that emerges from our data.

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We contend that for any complex system to be viable at least three solidarities are required (see Rayner and Malone, 1999). Our analysis of two failed Indo-French alliances (Allbright Hindustan and St André Ghemawat) suggests that this missing link is not fatalism, because both the failed alliances have the fatalistic solidarity in addition to the two active solidarities. The presence of these three solidarities does not guarantee the viability of the alliance. This is the second pattern that emerges from our data. Furthermore, our analysis suggests the following reasons for erosion of viability:

- Hierarchy's inability to adapt to the demands of the competitive solidarity.
- The preoccupation of the competitive solidarity with self-interest, thereby undermining "rights and wrongs".
- The presence of fatalism and the absence of the egalitarian solidarity.

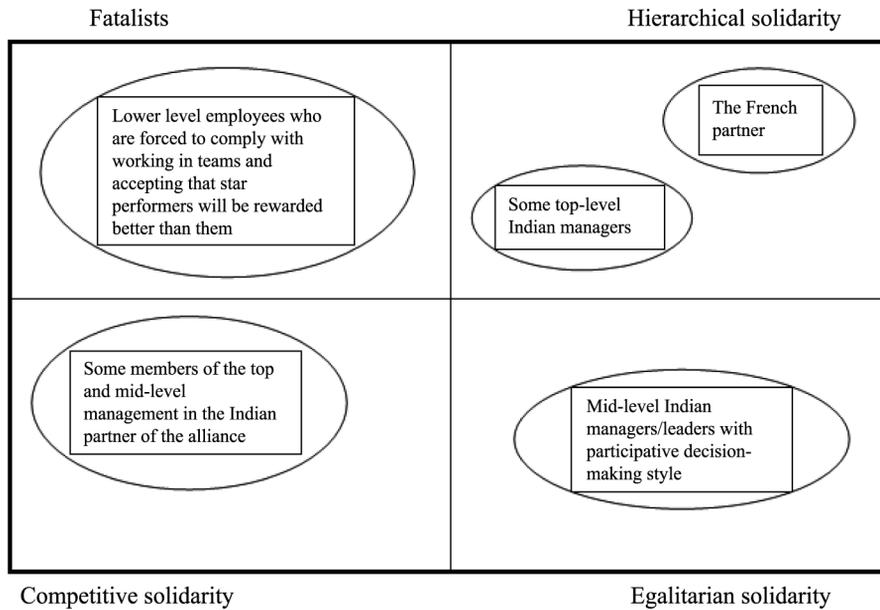
This last point hints that, unlike fatalists, who do not have any coercive power, the egalitarian solidarity might exercise an influence on the viability of the alliance. This is the third pattern that emerges from this paper. In attempting to understand the role of the egalitarian solidarity in the viability of an alliance, we speculate that:

- It maintains the dynamic disequilibrium between the four solidarities[8].
- It allows for both low grid behavioural strategies like the competitive solidarity and high group strategies like the hierarchical solidarity.
- It allows for accomplishment of complex tasks (Thompson, 1996) due to high organisation, but without the high grid character of the hierarchical solidarity.
- Without the egalitarian, one of the two active solidarities would dominate leading to a "gridlock". The egalitarian prevents this by acting as a buffer.

We must now check whether our data support these speculations. For this we analyse data from three viable Indo-French alliances. Our analysis reveals that in viable Indo-French alliances, all the four solidarities can be observed in constant rivalry with one another. A diagrammatic representation of one such viable alliance is provided in Figure 1.

While our earlier analysis of failed alliances reveals the presence of three solidarities: hierarchy, fatalism and the competitive solidarity, Figure 1 shows the presence of all the four solidarities in a viable Indo-French alliance. This suggests that one difference between failed and viable alliances is the absence of the egalitarian solidarity in failed alliances. Similar observations in other viable alliances confirm our earlier proposition that the egalitarian solidarity has a role to play in the viability of international alliances. Based on this, one might suggest that the participation of the three active voices (excluding fatalism) is required for viability. This is the fourth pattern that emerges from our data.

As the last step of our data analysis, we compare cultural coalitions in viable and failed alliances. Our data reveal that in the three viable alliances, cultural coalitions are found to exist only between the two dominant solidarities (i.e. hierarchy and competitive solidarity) rather than between three or all four solidarities. This is in agreement with the suggestions of Thompson *et al.* (1990). On the other hand, failed alliances do not exhibit any cultural coalitions. Also, as mentioned earlier, while viable alliances exhibit the presence of all four solidarities, failed alliances do not have the



**Figure 1.**  
The dynamic co-existence  
of the four solidarities in  
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egalitarian solidarity. This leads us to speculate whether the absence of cultural coalitions in failed alliances is linked to the absence of the egalitarian solidarity.

Hence, our final step is to explore the role of the egalitarian solidarity in the creation of cultural coalitions. We contend that the egalitarian solidarity being high on the group score and low on the grid score has something in common with the two opposite solidarities, namely the competitive solidarity and the hierarchical solidarity. These two solidarities, on their own, might find it difficult to reach out to one another because of their inherent differences. The egalitarian solidarity on the other hand can reach out to them both and can “bridge the gap” between them, thereby creating an interface for discussion. Furthermore, the egalitarians provide early warning systems of external danger as well as of internal corruption (Rayner and Malone, 1999). In so doing they stimulate conflicts. Egalitarians are also known for their critical capacity. By virtue of these qualities the egalitarian solidarity stimulates discussions on issues, thereby preventing the two dominant solidarities from ending up in a gridlock, which leads to failure, as seen in the case of the two failed alliances. That the egalitarian solidarity has a role to play in the creation of cultural coalitions and hence, should be encouraged is the fifth pattern that we offer to our readers.

Having summarised the findings of our study, we now discuss some of its limitations.

### Limitations of the study

One of the methodological limitations that quantitative researchers might highlight in this study is that it is based purely on ethnographic interviews and field study, making it prone to subjectivity. We have tried to minimise subjectivity through the

triangulation of methods, peer review and respondent feedback. Second, our data analysis relies heavily on interview excerpts. The reason behind this is that participation-observation, although used whenever possible, was easier to access in some cases than others. Also, we found that field studies can be very time consuming and expensive. Third, we use unsystematic criteria in order to allocate people or groups of people to different solidarities. This limitation becomes more conspicuous in light of a recent publication by Mars (2005), in which he offers an instrument, called LISTORG[9] to order the social dimensions involved in a field study. Finally, as this study focuses on the viability of Indo-French alliances, we were required to explore both failed and viable alliances. However, it was difficult to find people willing to talk about their failed ventures. Hence our exploration of failed alliances is fairly limited.

### **Suggestions for future research**

One of the obvious suggestions for future research would be to replicate this study in other international alliances. It would be worthwhile exploring whether such replication studies uncover the same importance of the egalitarian solidarity as our study. Second, since our exploration of cultural coalitions remains speculative at best, empirical studies on this topic are desirable. Third, future researchers could carry out studies in India and France to expose the evolution of solidarities over time in these countries. Additionally, some of our respondents have suggested that a cultural evolution has occurred in their alliance over time. Documenting how exactly this transition occurs might be another interesting avenue for future researchers. Fourth, replication studies could also be carried out using different methodologies and tools such as LISTORG (see Mars, 2005) and EXACT (see Gross and Rayner, 1985). Finally, studies could also be carried out to explore the viability of other social collaborations such as SAARC, the Non-Aligned Movement, etc.

### **Theoretical implications of the study**

Our first theoretical contribution is that by addressing the transactional level of culture, albeit with constrained relativism, we have created the framework for a systematic discussion of viability that did not previously exist. Our framework is custom-designed for managers of international alliances. Second, past researchers (e.g. Barkema and Vermeulen, 1997) have suggested that the extent of cultural differences between collaborating nations has a negative impact on alliance success. These researchers conclude that cultural similarity is a precondition to success. In contrast, we suggest that encouraging and listening to different points of view improves the chances of viability in an international alliance. We suggest that “cultural plurality” is the essence of viability for any social system (see also Rayner and Malone, 1999). Third, we suggest that the participation of the three active solidarities is required for viability. Although this might be far more messy and chaotic as compared to the elegance of single-voiced solutions, it is valuable because it curtails the tendency to shut out the inherent wisdom of each solidarity (see also Thompson *et al.*, 1999). Finally, this study is probably one of the few applications of CT to the domain of international business. Its speciality lies in the fact that it gives suggestions to managers in order to help them design viable international alliances. These suggestions are discussed in the section on managerial implications.

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Other than those cited above, this study also has other theoretical contributions. Thompson and Ellis (1997) had stated that those who seek to understand culture cannot rest satisfied with placing people into categories, they must also ask how these classifications aid the explanation of some phenomenon. In this paper, we have shown how CT not only explains human behaviour in terms of the four solidarities, but also how an understanding of the dynamic interaction between these four solidarities aids in the design of viable strategic alliances.

Our paper also contributes to the mass of literature from the school of transactional analysts. Unlike them, we can account for variations as well as conformity of observed behaviour. Also our use of CT can explain social change and provide a feedback mechanism into the system that explains how cultures are created, countered or recreated. This, as mentioned before is an important characteristic for any credible theory of culture.

Finally, we also contribute to the literature on CT itself. While most of the studies carried out by cultural theorists such as Thompson, Wildavsky, Rayner, Malone, Mamadouh, 6 and many others, focus on studying processes such as risk perception, emotions, data sharing and so on among the four solidarities within an organisation or more recently between two or more organisations (6, 2004), this research focuses on the overall viability of Indo-French alliances through its focus on organisational design.

### **Managerial implications and conclusions**

Understanding the viability of international strategic alliances is made possible by addressing the transactional rather than national or corporate levels of culture. Addressing the transactional level of culture does not necessarily mean unlimited ways of being. There are only four ways in which individuals organise themselves in any social system including international alliances. Allowing for the rivalrous co-existence of the four ways of organising ensures the viability of international alliances because this allows for complex strategy switches. In pursuing their goals, managers often promote their own set of behavioural strategies, thereby emphasising their own viewpoint and precluding others. However, doing so might only lead to gridlocks between the dominant ways of organising. What ensures the viability of international alliances is just the opposite. Encouraging different ways of organising to co-exist in the same alliance, although chaotic and messy prevents any solidarity from becoming dominant, thereby ensuring viability. Hence, in designing international alliances, managers should focus on involving people from different ways of organising rather than attempting to create a homogenous group. Additionally, having an egalitarian group that serves as the bridge between the other ways of organising is especially important for the viability of international alliances. This not only prevents any one way of organising from becoming overly dominant, but it also helps them to arrive at a mutual consensus. International alliances need to follow the example of companies such as Unilever who have understood the role played by egalitarians in their viability and therefore, encourage regular role-plays to allow for the expression of egalitarian behavioural strategies. We conclude that diversity, without duality, is what viability is about. International managers should understand this and ensure this through appropriate organisational design in their alliances.

## Notes

1. Source: France, EIU Country profile 2002.
2. Furthermore, as Usunier (1998) explains, an attempt to equate culture directly with the nation-state or country would be misguided for a number of convergent reasons:
  - Some countries are deeply multicultural, for example, India which is made up of highly diversified ethnic, religious and linguistic groups.
  - Some nation-states are explicitly multicultural – Switzerland, for example, with a strong emphasis on the defence of local particularism in the political system.
  - Colonisation and decolonisation have resulted in borders which are sometimes straight lines on a map, with little respect for cultural realities; for African countries, “ethnic culture” matters, whereas “national culture” is in many cases meaningless.
3. Examples: from mechanical to organic solidarity (Durkheim, 1984); from community to society (Tönnies, 1887), from traditional to modern (Weber, 1930), from status to contract (Maine, 1861), from capitalism to communism (Marx, 1967) or from markets to hierarchies (Williamson, 1975).
4. It has been used to study technical and environmental issues (Douglas and Wildavsky, 1983), to explore human dimensions in climate change (Pendergraft, 1998), to study national political cultures in the European Union (Mamadouh, 1999) and to probe the issue of work-place crime (Mars, 1982). Furthermore, CT has also been successfully used across different disciplines. As 6 and Peck (2004) point out, although CT was originally developed in anthropology (Douglas, 1982; Thompson and Ellis, 1997), it has recently been used in political science (Thompson *et al.*, 1990, 1999; Coyle and Ellis, 1994) and in public administration research (Wildavsky, 1987, 6 and Peck, 2004).
5. Most of the Indian companies based in France exist in the form of branches (mostly as permanent establishments or offices) or as subsidiaries, not in the form of alliances. On the other hand, Indo-French alliances are mostly based in India and exist in the form of joint ventures, representation offices, market expansion co-operations, etc.
6. In cosmopolitan cities in India (such as Mumbai, New Delhi, Bangalore and Chennai), it was normal to find managers who communicate fluently in English. Also, most French managers sent to India on expatriate missions were fairly fluent in English.
7. Ideally, we would have wanted four respondents from the four companies where we had conducted majority of our interviews to check our results for validity. However, our key contact in one of the four companies had quit his job and hence we could not get him to randomly pass our results to one of our respondents from that company.
8. As Thompson (1996) (following Ashby, 1947) has aptly stated all four solidarities are required in order to maintain the dynamic disequilibrium (requisite variety condition).
9. LISTORG is an acronym for the different social dimensions that can be used to identify different solidarities: labour, information, space, time, objects, resources, group incorporation.

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**Plate A1.**  
Taranjeet Patel (right) is pictured receiving her Award at the British Academy of Management Conference 2006, from Rebecca Marsh (left), Emerald's Editorial and Production Director, and Dr Brad MacKay (centre), University of St Andrews and Chair of the "Foresight and Organizational Becoming" track at the British Academy of Management

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