Abstract

The objective of this research is to investigate human resource from migration and to develop a management model for small and medium sized enterprises (SME) by using the qualifications of bicultural experts. The aim is to improve the competitive abilities of SMEs on foreign markets. This research concentrates on the example of Spanish SMEs exporting to German markets.

This study uses both, primary and secondary data. In the stage of the literature review, the theoretical perspectives of different human resource strategies in SMEs and topics as competitiveness and culture are examined. The research focuses on qualitative research and concentrates on the qualitative research methods of applying the focus group method, in-depth interviews, and participant observation. According to the results, a bicultural model for internationalising SMEs is developed.

1. Introduction

Spaniards, together with Italians, represent the avant-garde of the history of labour migration in Germany after World War II. Germany and Central Europe were involved in reconstruction, when in the mid 1950’s the interest of German hiring commissions started to focus on foreign labourers of both countries, and the development of the so-called ‘Gastarbeiter’ (English: ‘guest workers’) began. Germany was in need of foreign workers, mostly unskilled or semi-skilled. This rapid industrial and economic expansion is known as German economic miracle. Important segments of the Spanish migrants were ‘controlled or assisted’ migrants, since the flux was organised and directed by the Spanish governmental Instituto Español de Inmigración (Spanish Immigration Institute) and the Bundesanstalt für Arbeit (German Federal Labour Office). During the first period, as a result of the cooperation between both institutions, Spanish migration was generally organised in groups. Once in Germany the workers were given living quarters by the companies themselves, either in houses or barracks provided in industrial areas. According to Castles (1985) and Ciler (2002) Germany had the best-organised national government system in Europe to carry out this recruitment of labour force. The Spanish migrants were generally assisted by the Catholic parishes, by the Spanish people of the catholic ‘Misión Española’, or by the German catholic ‘Caritasverband’. Given the major barrier of an unknown language, social relationships with Germans were strictly on a functional level. At that time, neither Germany was ready for the settling of immigrants, who were not thought of being permanent citizens, nor were the Spanish workers ready for settlement. The 1st generation migrants, who came to Ger-
many, were fixed on returning and could not imagine their stay in Germany. The quantitative level of 1st generation Spanish migration in Germany has always been on a low scale compared to other ethnic migration groups, i.e. the Turks or Italians. Furthermore, the Spanish remigration back to Spain is on a higher level especially since the end of Franco dictatorship in 1975 and the uplift of the Spanish economy starting in 1982 (Statistisches Bundesamt 2004 and 2005). Schmalz-Jacobsen & Hansen (1995) mention, that Spaniards in Germany mutated to immigrants and ethnical minorities within the decades. According to data of the Statistisches Bundesamt (2005), Spanish population was 3.1 per cent or ranked 5 of the over-all foreigners living in Germany in 1972, when by the end of 2004 the population shrank to 1.6 per cent or ranked 14 of all foreigners in Germany. In comparison, the i.e. Turkish population in Germany increased from 469,200 Turks (15.8 per cent) in 1970 to 1,764,318 (26.3 per cent) of the all foreigners in Germany (Stiftung Zentrum für Türkeistudien 2005, Statistisches Bundesamt 2005). The Statistisches Bundesamt (2005) counts a total number of 108,276 Spaniards living in Germany by the end of 2004.

The aim of this research is to develop a management model for SMEs, which improves their international business by using the qualifications of bicultural experts. Due to the lack of available information about 2nd generation Spaniards in Germany, a model focusing on bicultural Greek-Australian managers is used as a role model for this research. This research concentrates on the example of Spanish SMEs exporting to German markets. According to the results, a bicultural model for internationalising SMEs is developed.

2. Literature review

A survey of Deutsche Handelskammer for Spain (2001) shows that among the Spanish companies on German markets the category of small and medium sized enterprises (SMEs) with up to 249 employees (definition according the European Commission 2005) accounts for 90 per cent. This category is defined as the population for this research.

Given the sparse literature on the topic of Spanish-German businesses and the lack of information of the effects of 2nd generation Spaniards in Germany on Spanish companies, this research uses the bicultural management model of Dimitriadis (2003) as a role model for further research on this topic. Dimitriadis introduced a bicultural management model, named Dual Citizen Manager Model (DCM-Model) with the objective to explore how Australian managers of Greek background understand, articu-
late, value, perceive and utilise their biculturalism in their management work in Australia. Furthermore, the work provided cues as to how biculturalism can inform understandings of cultural diversity in management. In this research cultural diversity is defined as the variety of human societies or cultures in a specific region, or in the world as a whole (Wikipedia 2005). The study explored the experiences of Greek-Australian managers in order to develop a description of the impact that ethnocultural identity can have on individual managers. According to Wikipedia (2005), cultural identity is the identity, or feeling of identity, of a group or culture, or of an individual as far as she/he is influenced by her/his belonging to a group or culture. The ultimate aim of the research was to contribute to the emerging body of knowledge that addresses cultural diversity in management and organisations. She draws together various understandings of the presence of cultural diversity in management and how it affects bicultural managers. One of Dimitriadis’ conclusion’s is that bicultural managers are in their organisations what dual citizens are in society.

In general, the Dual Citizen Manager Model (DCM-Model) is characterised by managers’ perceptions of themselves and their organisations, and their attributes resulting in the following roles and functions: possessing exclusive knowledge, role modelling, leadership and advocacy, employment opportunities, imparting wider perspectives, integrating diverse cultures, facilitating organisational processes, personal development, management approaches.

2.1. Strengths and limitations of the DCM-Model

Although the DCM-Model is not generalisable, it may be useful for informing and generating further discussion on ethnocultural identity and management as it relates to all managers (Dimitriadis 2003). In her model Dimitriadis makes assumptions that understandings, which might apply to Greek-Australian managers may similarly refer to other culturally similar community groups, i.e. Italians, however, they may not equally apply to more culturally diverse groups, i.e. Cambodian. A further limitation of the DCM-Model is the consideration of persons with dual citizenship. There is no need, and sometimes not even the possibility, for a bicultural person to possess dual citizenship. Depending on the legislation of a country, bicultural persons are not allowed to possess more than one citizenship, i.e. Germany does not allow a double citizenship. Additionally, the DCM-Model does not consider bilateral business relationship between two cultures or countries, i.e. business relations between Spanish and German companies, where i.e. bicultural German-Spaniards in Germany work for a Spanish company on the German market.
Although Dimitriadis’ model describes different positive characteristics of bicultural persons, the factors that are relevant for international businesses and international relationships are not evaluated in her model, i.e. knowledge of languages. In order to elicit the benefits of 2nd generation bicultural experts on international businesses the literature review focuses on language, knowledge transfer, competitive advantage and intercultural human resource management.

2.2. Advantages of being bicultural

A number of research studies and scientific discussions describe the qualities of a multicultural person and the advantages derived from their cultural diversity. For example, Agor (1986) identified that Asian managers had a higher level of intuitive ability than the average manager. Maruyama (1994) identified that individuals who can operate in two mindscape types (bicultural individuals) are biscopal, meaning that they have the scopes of two cultures, and are therefore useful in multicultural management where there are differences in corporate cultures. Muller (1998) argues that the successful manager of the future may be a transcultural leader who effectively manages cultural interfaces with sensitive behaviours and attitudes, often speaking several languages. In this context, Rosen (2000) stated that globally successful companies ‘provide executives with multicultural experience, acknowledge their need to improve their cross-cultural experiences and arrange cross-cultural experiences for employees. In addition, Bertone & Leahy (2003) found that Asian managers consistently won a higher number of internal performance awards than other groups. Other scholars (i.e. Elashmawi & Harris 1998, Scarborough 1998, Wong 2001, Elashmawi 2001, Adler 2002), provided more concrete benefits of bicultural managers with regard to cross-cultural sensitivity and skills. Elashmawi & Harris (1998) describe true trans-cultural managers as more cosmopolitan, meaning that they are innovative leaders with effective intercultural communication and negotiation skills. Furthermore, multicultural managers think beyond local perceptions, and transform stereotypes into positive views of people; they prepare for new mind shifts, while eliminating old mindsets; they recreate cultural assumptions, norms, and practices based on new insights and experiences; they reprogram their mental maps and constructs; they adapt readily to new and unusual circumstances and lifestyles; they create cultural synergy whenever and wherever feasible; they operate effectively in multinational/multicultural environments; they envisage transnational opportunities and enterprises; and they create optimistic and ‘doable’ scenarios for the future (ibid.). Elashmawi & Harris (1998) mention that multicultural managers study and value human relations and values. They are
open and flexible in their transactions with diverse people; they are comfortable with people from different disciplines, fields, backgrounds, races and genders.

2.3. Language – a precondition for knowledge transfer

Transfer of knowledge from one set of individuals to another has been a key area of interest for knowledge management researchers. Alavi (2000) highlights the importance of knowledge transfer by suggesting that for superior performance of a social entity, knowledge generation and its successful transfer needs to take place. Cross et al. (2004:62) also posit the value of knowledge sharing in today’s economy, ‘here collaboration and innovation are increasingly central to organizational effectiveness.’

Geppert et al. (2003) and Marschan / Welch / Welch (1997) have addressed the role of language as an element of international management extensively. Language can function both as a barrier, as a facilitator, and as a source of power (Marschan-Piekkari / Welsh / Welsh 1999) depending on whether the people that are supposed to communicate speak the same language fluently or not.

According to Gibson (1998) different intercultural communication and language issues arise from internationalisation. He mentions that a key to success in the global market place is effective communication across linguistic and cultural borders. Since in international business there is not a single way of effective communication, he provides insights into the different needs of business, development of communication skills and language and intercultural issues arising from internationalisation.

When discussing different languages the notion of national languages, springs to mind. However, there is also the dimension of professional language within professions, a certain terminology can emerge. Groups of specialists tend to develop a common professional language within the group. According to Wittgenstein / Schulte (2003), an explanation of the meaning of a word must be seen as a preparation for the use of the word. They meant that the activities related to certain words are often disregarded in common conceptions of the relationship between language and reality. A strict interpretation of the Wittgenstein / Schulte view of language would make all knowledge coded into language tacit, because in order to understand a word associated to an object, according to Wittgenstein & Schulte, one has to understand the objects role in the practical circumstances where it serves a function.
The language barrier is potentially high in situations where cultures are widely differing and languages may not even share a common alphabet, making it extremely difficult for expatriates to acquire a high degree of language ability. This will make it almost impossible for one party to understand the position of the other party or for them to reach a mutual agreement. A sustained exchange of ideas to resolve this impasse is not possible because of the poor communication capability. Instead, uncertainty within the relationship will be increased manifesting itself in suspicion, caution, and mistrust (Feely / Harzing 2002). Language barriers are therefore likely to play a key role in any multilingual group relationship. The different factors described by Feely / Harzing, i.e. language competence, communication process, corporate language, etc, contribute to the difficulty of achieving and sustaining effective communications, and a productive, collaborative relationship.

2.4. Competitive advantage

The World Competitiveness Report of the World Economic Forum (1995) suggests eight major factors, which influence the competitiveness of companies and nations: domestic economy, internationalisation, government, finance, infrastructure, management, science and technology, quality of people. The concept of competitiveness is often associated with an individual company and its position in the business environment. For instance, in the strategic management literature, the emphasis is explicitly on a company's pursuit of profit targets since the company's strategy is essentially about how to position and manage a firm so that efficiency rents may be created, protected and possibly increased (Foss 1996). Hence, competitiveness is defined as a company's ability to sustain its profitability. According the Word Competitiveness Report (1995) the following factors point to the benefits of bicultural experts for sustaining the profitability of a company:

- **Internationalisation;** Openness for international economic activities that increases a company's economic performance. Export-led competitiveness is often associated with growth-orientation in the domestic economy. Higher integration with the international economy results in more productive resource allocation and higher living standards.

- **Management;** A competitive product and service reflects managerial abilities, its long-term orientation, ability to adapt to changes in the competitive environment, a level of entrepreneurship and skill for integration and differentiation of business activities.

- **Quality of people;** A skilled labour force with a positive attitude increases a country's productivity and competitive-
ness. Education, the technical ability of labour, the quality of management and efficiency all contribute to competitiveness.

2.5. Theory building for intercultural human resource management

Current theory building related to human resources is based in two clear assumptions. First, there is a widely held assumption that international active enterprises require special theory-building efforts in order for researchers to comprehensively understand this organisation form Sunduram / Black (1992); second, several authors like Jackson / Schuler (1995) have argued that the available theories are inadequate. Research on international business has been dominated by neoclassical [economic] theory of the company with institutional elements (Buckley 1996). In response to this, researchers of human resource management in multinational enterprises have called for theory development that integrates a variety of perspectives.

In the following, a number of theoretical perspectives i.e. that of DeCieri / Dowling (1998) and their relevance for human resource in international active companies are presented. The theoretical perspectives vary as to their philosophical assumptions and their focus: from marked based (exogenous) to intra organisational (endogenous); from macro level to micro level; from strategic to non-strategic. Few of the theories were developed with human resource management perspective in mind. However, literature suggests that their application to human resource in international active companies is valuable.

• **Institutional perspective;** The institutional perspective from Powell / DiMaggio (1991) encompasses a broad range of views. A common assumption from Child (1997) is that the structural forms of relevant external institutions map themselves on to organisations which depend on them for legitimacy, re-sourcing or staffing. Institutional analysis (Powell / DiMaggio 1991) focuses on the manner in which societal bodies accord legitimacy to organisations and thereby contribute to the achievement of organisational success criteria and survival.

• **Resource dependence perspective;** The resource dependence theory from Pfeffer / Salancik (1978) is also focused upon relationships between an organisation and its constituencies. A resource dependence perspective considers that exchanges of resources are central to these relationships, in contrast to institutional theory’s emphasis on concerns about social acceptability and legitimacy (ibid.). The environment is the source of scarce and valued resources, which are essential for organisational survival. If external
parties control vital resources, an organisation is vulnerable and strives to acquire control over resources that will minimise its dependence (Child 1997).

- **Transaction cost perspective;** Buckley’s (1996) transaction cost theory focuses on Reed’s (1996) adaptive adjustments organisations need to make in the face of pressures for maximising efficiency in their internal and external transactions. Williamson (1981) assumes that companies choose governance structures, which economise transaction costs associated with establishing, monitoring, evaluating, and enforcing agreed upon exchanges. Environmental factors and human factors influence organisational efforts to minimise costs associated with these exchanges. The transaction cost perspective has not received a great deal of attention in the strategic human resource management literature, with the single exception of Festing (1997).

- **Strategic choice perspective;** According to Child (1997), strategic choice perspective focuses on the process where power-holders within organisations decide upon courses of strategic action. From a strategic choice perspective, it is argued that managers create and select environments by choice of domain, representing a view of managers as more proactive than the contingency view. The influence of environmental factors is recognised, but is viewed as mediated by managerial choice. The process of strategic choice from Child (1972) may be viewed as a dynamic social process. A strategic choice perspective contributes of human resource management in international active companies by emphasising the influence of endogenous factors, such as managers’ international orientation and experience, on human resource and international active companies’ concerns and goals.

- **Behavioural perspective;** The behavioural perspective mentioned by Dowling / Schuler (1990) supports the notion of human resource in international active companies as part of an integrative framework, which is in turn part of broader contingency school (Lawrence / Lorsch 1967). Organisations may be viewed as open systems, in that they are responsive to external influences and a response in one part of the organisation will have implications for other parts of the organisation. Wright / Snell’s (1991) perspective of human resource management endeavours to explain relationship between organisational strategy, human resource practices, employee role behaviour and the human resource capital pool. The behavioural perspective focuses on employee role behaviours that mediate the relationship between strategy and company performance. A core assump-
tion is that human resource practices aim to elicit and reinforce employee attitudes and behaviours.

- **Resource-based perspective:** Human resource literature like Barney (1991) has paid attention to the resource-based perspective. From this perspective, human resources are viewed as meeting the criteria for resources, which are capable of providing sustained competitive advantage, as they are valuable, rare, inimitable, and non-sustainable (ibid.). Regarding Wright / McMahan / Mc Williams (1994) this perspective aims to integrate micro-level human resource research with the macro-level resource based view of the company. This perspective has received attention in literature related to human resource in international active companies. For example, a suggestion from Taylor / Beechler / Napier (1996) is that human resource strategy and practices in international active companies should be constructed around specific organisational competences that are critical for securing competitive advantages in a global environment.

2.6. **Relation between culture and human resources**

In the wave of globalisation international active enterprises face increasing challenges through special intercultural relations. Huault (1996) mentions that affected elements of socio-technical systems are especially enterprise members. Those enterprise members finally build the corporate culture together with the corporate guidelines.

Basic problems as stated by Kopper / Kiechl (1991), which are caused by international organisation members refer to conflict situations that appear in a bicultural or multicultural context. Every individual possesses its own mental programming with individual values and behaviour patterns, which determines the behaviour of the individual. However, this is influenced by national culture (ibid.). Conflict situations and in general managing diversity in a bicultural or multicultural context can be separated according to Tung (1993) into two categories: cross-national and intranational.

The demarcation is mainly in the respective focus of the researcher who examines the situations. Therefore, managing intranational diversity focuses on how to integrate cultural subgroups effectively within a given nation. The intranational category concerns all management problems, which are based on ethnic and gender-specific differences of companies inside one country. Compared with this the cross national category refers to all problems which occur in connection with the delegation of staff to subsidiaries abroad.
Appearing conflict situations on a multicultural context basis are multilayered. It is, for example, about communication problems that are based on different values. This also affects the motivation of misunderstood staff members. Further problems appear in leadership or communication situations, when different cultural role expectations and behaviours collide. This is the case, for instance, by management of foreign subsidiaries with managers of the headquarters (von Keller 1995). As mentioned by Laurent (1986) international human resource becomes one of the most challenging corporate tasks for international acting organisations.

According to the findings of the literature review and developed from the role model of Dimitriadis the following initial model is provided. This model will be tested via qualitative research.

Knowledge and contribution
1. Possession of competitive knowledge
2. Integration of diverse cultures
3. Ability of integrating different perspectives
4. Business approaches

Knowledge & expertise gained from professional experience

Corporate culture and behaviour
i.e. in a Spanish company

Knowledge, expertise, and benefits for international businesses

Foreign market culture
i.e. on German markets

fig. 1: Initial Bicultural Model

3. Research Design

The first step to take when conducting research is to evaluate the research strategies. There are five types of research strategies when conducting social science research: experiments, surveys, archival analysis, history, and case study (Yin 1994).
According to Yin (1994), three main conditions must be reviewed:

- The type of research questions/objectives.
- The investigator’s control over actual behavioural events.
- The degree of focus on contemporary events (as opposed to historical events).

The following table shows a matrix with relevant situations.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Form of research question</th>
<th>Requires control over behavioural events?</th>
<th>Focuses on contemporary events?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiment</td>
<td>How, why</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Survey</td>
<td>Who, what, where, how many, how much</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Archival analysis</td>
<td>Who, what, where, How many, how much</td>
<td>No</td>
<td>Yes/no</td>
</tr>
<tr>
<td>History</td>
<td>How, why</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case study</td>
<td>How, why</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Depending on the type of research, there are advantages and disadvantages to all the research strategies. The most important criterion for deciding what strategy to use is to look at the research questions/objectives (Davey 1991, Yin 1981).

The method for this research, examining Spanish SMEs is a case study; the main goal of this research is to develop a management model for SMEs to improve their competitive abilities on foreign markets by using the qualifications of bicultural experts from migration.

Case studies are in general used when the questions of “how” and “why” needs to be answered (Ragin & Becker 1992). Even though the experiment and history strategies also answer these questions, there are benefits with using a case study research strategy. Firstly, a case study does not oblige control over the behavioural events that are required in experiment strategy. Secondly, the case study focuses on contemporary events, which the history strategy does not require (Tellis 1997).

One of the strengths of the case study is its unique ability to use many different pieces of empirical evidence. In addition,
case studies are suitable for practical problems and are problem-centred, small scaled and entrepreneurial (Feagin et al. 1991, McCutcheon / Meredith 1993). When conducting case study research, problems can occur when the researcher is uncertain as to which type of information to collect and how to use this information when it is later analysed or presented (Hamel et al. 1993).

3.1. Objectives

The objectives of this research are as follows:

1. To identify business requirements that Spanish small and medium-sized enterprises need to improve their businesses on German markets.
2. To develop a human resource profile of 2nd generation Spanish immigrants in Germany.
3. Classify and examine the intercultural and educational expertise of Spanish immigrants in Germany. Intercultural expertise, in this context, means the understanding of different cultures as well as the knowledge of culture specific habits of more than one culture. Educational competence, in this context, means school as well as professional education.
4. Based on the findings of the research to develop a management model for SMEs to improve the competitive abilities by using bicultural expertise.

3.2. Hypothesis

Starting from the above mentioned objectives the following research questions arise:

Hypothesis 1: There are specific business requirements for small and medium sized enterprises to be improved when doing business on foreign markets.

Hypothesis 2: There is a possibility to develop a profile of 2nd generation Spaniards in Germany.

Hypothesis 3: There is intercultural and educational expertise of 2nd generation Spanish immigrants in Germany which is significant to an enterprises’ success.

Hypothesis 4: Selected factors can be investigated to develop a business model for SMEs to improve the competitive abilities by using bicultural expertise?

3.3. Introducing an initial bicultural model

The results of the literature review show that the most frequently mentioned problems of Spanish SMEs are how to enter
the sales channels and the expenses connected. In addition, a
bad image of Spanish products in Germany and a clear deficit
of market information are mentioned as well. Techno norma-
tive questions, quality demands, as well as competitive prices
are mentioned by far. On the other side, neither logistics, nor
overdue payments are a specific topic.

Further, Spanish enterprises prefer marketing instruments
which admit a direct and personal contact with potential buy-
ers. This is in accordance with advice from OSEC (2005) that
there is no substitute for face-to-face meetings with Spanish
business representatives to break into this market. Spaniards
expect a personal relationship with suppliers. Initial communica-
tion by phone or fax is far less effective than a personal meet-
ing. Mail campaigns generally yield meagre results. Particularly
fairs and prospect travelling for demonstration purposes are
very popular. In general, information about German markets
are collected from Chambers of Commerce and/or different
German and Spanish associations.

About 40 per cent of the enterprises deliver German markets
via independent sales partners and approximately 25 per cent
deliver with representatives or trade agencies. Another quarter
sells directly and only 4 per cent of the enterprises are present
with a branch office or an establishment on German markets.
Reasons for trade-fair participation are search for new custom-
ers, improvement of product image, and public relations. In
general, Spanish enterprises are satisfied with their success at
fairs. The majority of the enterprises installed different forms of
e-commerce and use them mainly for information purposes.
Still a main subject for Spanish enterprises is the language bar-
rier, because English language does not appear to be suitable
for them, to replace German as a language. A clear connection
between domination of German language and success of Span-
ish enterprises on German market appears in the statements of
the target group. This also explains the unsatisfactory situation
of the Spanish SMEs at German markets. Advice from OSEC
(2005:8) stresses that ‘the ability to carry out business in the
language of the country -both spoken and written- is of utmost
importance together with the necessity to produce any propa-
ganda literature or leaflet in Spanish.’

3.4. Methodology

According to Hofstede (1980), culture-bound research is char-
acterised by the researcher choosing to use research methods
that are consistent with the behaviours of the group or indi-
vidual that is being researched. The research design for this
study includes literature review and the research techniques of
focus groups, individual in-depth interviews, and participant
observation. Verbal communication was the central mechanism for gathering the qualitative data.

Literature review

Given the sparse literature on the topic of Spanish-German businesses the research uses public statistical data and case-study findings (Statistisches Bundesamt 2004, Impulso 2001, Deutsche Industrie und Handelskammer für Spanien 2002, Eurostat 2003) referring to Spanish small and medium sized companies and 2nd generation Spaniards living in Germany. Further, studies of the German Federal Ministry for Education and Research (2004), OECD studies (1999), results from PISA2000 studies, and investigations of UNICEF (2002) and investigation projects conducted by the European Union (Impulso 2001), international studies and national and international publications as well as different topic related publications on the Internet have been used. When reviewing the literature a crucial gap was identified referring to a lack of existing information on Spanish population in Germany. According to Eurostat (2003), only about two million European Union (EU) nationals are employed in member states other than that of their nationality, accounting for approximately 40 per cent of all foreign workers in the European Union. Information on EU migrants’ lived experiences is, however, limited (i.e. Hurwitz 1990, Ness et al. 1993).

The literature review further identified that specific, in-depth, research on the experiences of 2nd generation Spaniards and experiences of Spanish small and medium sized companies on German markets are limited.

The qualitative-quantitative research divide

When carrying out research and using a case study, the study can be qualitative or quantitative (Creswell 1994). The motivation for doing qualitative research, as opposed to quantitative research, comes from the observation that, if there is one thing that distinguishes humans from the natural world, it is our ability to talk (Myers 1997).

Qualitative research methods are designed to help researchers understand people and the social and cultural contexts within which they live (Marshall / Rossman 1989). Maxwell (1998) argues that the goal of understanding a phenomenon from the point of view of the participants and its particular social and institutional context is largely lost when textual data are quantified.

So far, much of the research is based on observation and anec- dote (Shaw 1995) and its themes are not well integrated into current frameworks of management thought. Research such
that of Hofstede (1980 and 1991) and Joiner (2001) highlights the need for management and organisation theorists to consider the cultural diversity dimension. Li / Krakowsky (2001) identify that differences in culture and corresponding behavioural preferences present a challenge to both researchers in academic contexts and managers in demographically diverse contexts. Joiner (2001) for example, argues that in particular Hofstede's broad quantitative national cultural dimensions cannot adequately capture the depth and diversity of culture. The need for qualitative research in the field is sorely needed. Li / Krakowsky (2001) suggest that failure to acknowledge culture-based behavioural preferences can create barriers to understanding among people from different cultures. Moreover, their study suggests that differences in culture can impede effective interaction among managers from different cultures. This is important for practitioners working in an international management context, as well as within culturally diverse organisations.

In summary, discussions about generalising research across cultures and nations indicate that the depth and diversity of culture cannot be adequately captured through comparative studies of nations; instead qualitative research in the field is needed. According to Yin (1994), the research strategy should be selected as a function of the research situation. Thus in the case of qualitative research the methods of focus group questioning, in-depth interviews and participant observations apply. Puchta / Potter (2004) and Morgan / Krueger (1998) state that this method allows exploring unforeseen issues, which could probably arise in the discussion.

The focus group method is perceived to provide useful information on the interrelation between strategic and operational human resource decision makers within Spanish companies. Individual in-depth interviews on a random sample as described by Mayer (2004) will be carried out in order to analyse their perceptions of current tactical models leading finally to possible further adaptations. Finally participant observation will enable the researcher to describe existing situations using the five senses, providing a 'written photograph' of the situation under study (Erlandson et al. 1993). Fieldwork on existing situations involves active looking, improving memory, informal interviewing, writing detailed field notes, and patience (DeWald / DeWald 2002). Participant observation is the process enabling researchers to learn about the activities of the people under study in the natural setting through observing and participating in those activities.

The process of analysing the data involves thematic analysis to find core meanings or themes (Patton 2002, Coffey / Atkinson
1996). This is consistent with inductive analysis, which involves discovering patterns, themes and categories in one’s data through the analyst’s interactions with the data, in contrast to deductive analysis where the data are analysed according to an existing framework (Patton 2002). The data analysis process includes reading, rereading the transcripts, listening to the taped focus group discussions and in-depth interviews, coding the data, developing concepts and categories, and theorising.

4. **Empirical results**

*Focus groups*

As a result of 3 focus groups, also confirmed by results of Impulso (2001), two best practice models arose, used by Spanish small and medium sized companies, to hire experts for their international businesses. The first alternative (see Figure 3) is to search for native graduates or experts from universities or business schools within the own country and sent them abroad. The second alternative is to search for graduates or experts in the target country, maybe by using the native language, the language of the target country or a third language, i.e. English as a common communication language (see Figure 4).

**fig. 3:** Native Experts

**fig. 4:** Expert from target country
Further results of the focus groups show that all of the interviewed responsible Spanish company managers, the managing director and in most of the cases even the owner of the company decide personnel decisions on their own. Even if the manager delegates the staffing issues, he/she at least wants to be informed and held the right to deny or to object to the staffing questions. The recruitment process is reflected in the following statement: ‘No, no, if I cannot find someone within my family, I’ll ask some of my friends. If they do not know anyone either, I will make an announcement in the newspaper.’

Only if this kind of ‘recruitment’ fails, a recruitment process in form of advertisements and personnel selection is taken into consideration. This is in accordance to the Oversea Digest (2005), mentioning that in Spain only a very small portion of the jobs available are publicized through newspaper advertisements, specialised press advertisement, government sponsored employment agencies, staffing agencies, or temporary help firms. In fact, advertised job vacancies represent only about 15 percent of the actual employment possibilities (ibid.). Instead of publicly broadcasting their staffing needs, most Spanish companies first try to fill vacancies through direct personal references or internal promotion. This ‘hidden market’, making up 85 percent of the actual employment positions, can be very difficult for foreigners to access (Oversea Digest 2005). Breaking into the hidden labour market requires strong networking skills, personal contacts, and persistence.

Additionally, the marketing instruments preferably used for market activities in Germany are ‘direct’ instruments. ‘Direct’ in this context means, either face-to-face to a person, or knowing a person at least personally. As a further result, Spanish manager believe direct selling methods, especially personal contacts, to be highly efficient. They also believe that ‘direct’ contacts improve the output of the company. Direct selling methods refer to face-to-face selling, selling on fairs, selling by visiting customers, etc.

In-depth interviews

According to Flick (1999), the main objective of in-depth interviews is to limit the persons interviewed to their knowledge as professional experts. The interviewees have been asked in their function as an expert for certain business fields. A guided questionnaire is used since the comparability of the data is increased and the collected data sustain a structure. As a summary, the in-depth interviews confirmed the theoretical assumptions and the results of the focus group interviews within this research.
The following results of the in-depth interview are to be highlighted. Especially the knowledge of the language of the target country, in this case German is of high importance as one manager states: ‘The knowledge of the other [German] language is essential’. Other statements are: ‘Of course, having a bicultural person, speaking languages, knowing different mentalities and able to negotiate with various clients from different countries, is a great advantage for every company’. Or: ‘The most important factors of success in the German markets are as follows. First [the person] has to know at least both languages, Spanish and German...’

However, not only to know both cultures is important, but also the ability to change the own habits depending on the culture in which the person stays, as a manager states: ‘..., they [the bicultural experts] have to be bilingual. That is very important, and further they must be able to switch between the cultures’.

Furthermore, knowledge of the market specific issues and sector of the companies’ activities are important to the target group. As summary a further statement of a Spanish SME manager, who stresses, that ‘..., such a migrant needs to have certain knowledge about the German markets. Yes, these are the requirements; knowledge about the German markets, knowledge about the Spanish temperament and style and able to speak the two languages, yes bilingual. And, yes, they must also be able to see things from different perspectives’.

Participant observation

Intercultural seminars and workshops among 2nd generation Spaniards in Germany have been developed to present the existing potential of bilingual and bicultural Spanish experts on the labour market to the 2nd generation Spaniards themselves and to further show the participants the possibilities of active incorporation of their own bicultural competences to Spanish enterprises and/or markets. The results of the participant observations confirm not only the results of the literature review but also the results of the focus group and in-depth interviews. For instance, one manager expressed the importance of the factors for success as follows:

‘The knowledge of the other language is essential. Furthermore, it is very important to know the two cultures, the habits of the employees as well as the habits of the clients in the foreign markets. To answer your question, yes it would definitely be a great advantage for us, having a bicultural and bilingual person as representative in the German market.’

From extensive seminars and intense discussions at intercultural seminars and participation events between 2000 and 2003 the most important results, also confirmed by Impulso (2001) are as follows:
• From a point of view of a typical Spanish SME, the possibilities and needs are as follows; Germany is seen as a potential market for Spanish enterprises. Competition is not evaded. Previous expansion attempts very often failed at the very beginning because of linguistic problems. Especially older Spanish managers do not speak any foreign language. Only a few SMEs are able to afford consultancy and, therefore, those managers who are not able to consult specialists are on search of contacts with Spanish speaking persons from the same branch to negotiate in Spanish (ibid.).

• An internet contact-side was installed as communication and contact instrument. It was valued as having been unsuccessful because the Spanish SME representatives prefer direct contacts. Therefore, any experiences with internet data banks appeared to be negative for Spanish managers (ibid.).

This is also confirmed by a statement of a Spanish SME representative who mentioned during a seminar, that ‘the only way for me to hire someone is to know this person personally’.

5. Introduction of an eclectic bicultural expert model

Drawing together various understandings of the presence of cultural issues in businesses and how it affects companies, this section explores the idea that bicultural experts are a benefit for companies acting in an international environment. The Bicultural Expert Model is proposed to show how the specific knowledge and experiences of bicultural experts support the competitive abilities of small and medium sized companies. Traditional discussions have analysed business practice in the context of managers identified roles, functions and tasks and management competencies and skills (i.e. Maruyama 1994, Bartol 1995, Commonwealth of Australia 1995, Elashmawi & Harris 1998). Organisational and sociological analyses of culturally and gender diverse workforces have also been made (Shaw 1995, Muller 1998, Parker 1998, Joiner 2001, Bertone & Leahy 2000, Terry 2003). Within this background of knowledge, the Bicultural Expert Model provides the opportunity to consider best practice from a bicultural perspective, combining market specific knowledge and behaviour with socio-cultural competency and skill issues. It offers the opportunity to comprehend the existing and complimentary dimensions of bicultural identities present in 2nd generation migrants and to further the understandings of bicultural experts’ experiences and impact on corporate organisations. It provides a framework for theoretical development that can inform business approaches and practice in general. Discussions on cultural diversity have tended to po-
larise the strength/advantages and weaknesses/disadvantages of cultural diversity to demonstrate organisational or management deficits, or competitive advantages. The eclectic Bicultural Expert Model proposes an integration of dualities representing a competitive advantage for SMEs for internationalisation. Inherent in the model is the deviation from previous research, which focuses on the disadvantages confronting bicultural persons to a position, which hopefully further legitimises the strengths and weakness of the bicultural expert. This is consistent with Kalantzis’s (1995) proposition of the bicultural that is characterised by their multiple identities, and has a new form of civic competence that enables them to engage in dialogues involved in negotiating diversity, the morality of compromise, multi layered identities, collaborative politics, cultural repertoires, subsidiary and federalism, and negotiating cultural differences and cultural understandings. Thus, unlike previous discussions, the model focuses on the strengths of experts from culturally diverse backgrounds, and possibly provides opportunity for small and medium sized companies to utilise the model as a point of reference for discussing competitive advantages from a cultural perspective within mainstream discussions. Further, in such a process, there may be opportunity for companies to explore culture and identity issues that affect the whole company and therefore contribute to business development initiatives. The model is illustrated as follows (see Figure 5).
6. Conclusion

The development of the Bicultural Expert Model includes the application of the dimensions of biculturalism described as advantages to the management experience. In general, the Bicultural Expert Model is characterised by the bicultural experts' educational and professional expertise and skills gained from experiences of biculturalism together with the demands of small and medium sized companies for successful businesses abroad. The Bicultural Expert Model results in the following knowledge and contribution:

The possession of competitive knowledge and integration of diverse cultures of bicultural experts contains specific knowledge about the different markets, cultures and habits of the companies’ target groups. Thus an advantage arises from the possibility of connecting different markets. Further, bicultural experts are able to change attitudes and behaviours at the same time, when i.e. negotiating between parties of different cultures. Bicultural experts are able to interpret mimic and gesticulation at negotiations and further, to understand in-between-the-line meanings at negotiations for different cultures.
and languages. This ability is only available to expatriates who lived for a long period in the target country and gained these abilities by long-term experiences, too. This specific competitive knowledge allows a bicultural expert to exactly demonstrate the adequate behaviour needed at intercultural negotiations. Further, the specific knowledge about soft skills, i.e. specific habits and customs, the behaviour in different environments, business customs, or specific knowledge about branches, markets, or even companies are clear competitive abilities for each company on foreign markets. Thus, they understand the corporate culture and are able to transfer this specific corporate culture into the culture of the target market. These insights of different cultures together with the ability to connect both cultures are further specific abilities of bicultural experts.

Regarding soft skills another advantage appears. The construction of networks is easier for bicultural persons, as they have experienced in different environments and the ability to integrate different perspectives and business approaches. Bicultural experts epitomize the benefits of their bi-cultural education and professional education and experience in both, the target and home country. They are able to change their view from an inside to an outside perspective at the same time, on the same thing, and within the same culture, or vice versa. In other words, the advantage of bicultural experts is the view of differentiated product invention, because they are able to consider the society and company where they live, and at the same time they are able to see the same society and company with the eyes of a foreigner. Therefore, they are able to compare and discover commercial possibilities from a more open point of view. Another advantage is given by socialisation of two cultures with their specific standards and values, which allows the development of flexible strategies and organisation forms. Thus a bicultural expert improves the competitiveness of a company by the ability of problem solving by the ability to integrate different perspectives and by the skills gained from experiences of biculturalism.

7. References


