

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

Volkswagen Group Services – Consulting:

Can job rotation program be a solution to the cross-cultural management issue

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Abstract

The phenomenon of globalisation and the expansion of businesses across borders incited the need for organisations to become more culturally aware and inclusive, continuously adapting to new markets and realities. To remain relevant in ever-changing industries, companies must rethink and readapt their business models and collaboration models, for the smooth cooperation between its international offices. The goal of this master's work project is to propose the job rotation program as a potential solution to tackle the managerial and cross-cultural issues faced by the Volkswagen Group Services (VWGS), namely the Consulting Services, to reach its maximum potential and counteract possible repercussions that could damage the brand's reputation.

Keywords: Cultural Clash; Management; Cross-cultural Management; Volkswagen Group Services - Consulting; Human Resources Management; Job Rotation Program

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List of Abbreviations

AI	Artificial Intelligence
CEO	Chief Executive Officer
DEI	Diversity, Equity, and Inclusion
EU	European Union
EV	Electric Vehicles
GDP	Gross Domestic Product
IDV	Individualism
IT	Information Technology
IVR	Indulgence vs. Restraint Index
LTO	Long Term Orientation
MAS	Masculinity
NATO	North Atlantic Treaty Organisation
MT	Machine Translation
NMT	Neural Machine Translation
OECD	Organisation for Economic Co-operation and Development
TOEIC	Test of English for International Communication
UAI	Uncertainty Avoidance Index
VWGS	Volkswagen Group Services
VWGS – C	Volkswagen Group Services – Consulting

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1. Introduction

In today's fast-paced working environment, the phenomenon of globalisation and the desire of companies to expand across borders has majorly shaped the way business is conducted and has brought to light several new threats, mainly regarding leadership and culture. As organisations recognise the potential of establishing branches in new untapped markets to expand their business and, consequently, increase their brand awareness and reputation, working alongside heterogeneous teams is no longer questionable, but indispensable. Indeed, research indeed shows that the exposure to dissimilar backgrounds and cultures, which often entail distinctive ways of conducting business, perceiving situations, and communicating with peers, is bound to foster more creative thinking and innovation. However, ensuring a seamless cooperation by itself is already a major challenge which, if not successful, can highlight some cross-cultural management issues, which is likely to entail a much more transformative change within the company's premises (Brett, Behfar, and Kern 2012; Dumitrescu, Lie, and Dobrescu 2014).

The objective of this dissertation lies precisely on this topic, the establishment of a collaboration model that would tackle the cross-cultural management issues perceived between the branches of Volkswagen Group Services – Consulting (VWGS – C), primarily Portugal and Germany, followed by Spain, in light of the new international office in Barcelona. Aligned with the already existent Portuguese one, in Lisbon, this partnership would fulfil the Iberian project desired, responsible for serving the markets and clients that do not necessarily conduct their businesses in German.

Considering this work project, a Field Lab team with Management students from Nova School of Business and Economics was created, which accompanied the company for a three-month period of time, to gain a deeper knowledge on the paradigm faced by VWGS – C and be able to propose solutions, accordingly. Some qualitative research, in the form of

anonymous interviews, was conducted, retrieving more intimate and detailed feedback from employees at different levels in the hierarchy, so as to assess the root causes of the problem and discuss the viable solution.

In the present dissertation, the team will start by introducing the company's background and observed problems in its core, followed by a literature review that mainly cover the topic of business culture and related topics. The Hofstede Insights comprehending dimensions such as Power Distance, Individualism, Masculinity, Uncertainty Avoidance, Long Term Orientation, and Indulgence, and the Erin Meyer's cultural maps, containing dimensions such as communication, feedback, thinking, leadership, decision-making, trust, disagreement and time perception will be depicted, comprehending and analysing the main differences between the three national cultures (those that are the topics of this work project), that may be creating these cross-cultural management concerns (Hofstede 2010; Meyer 2014).

Based on these topics, as well as the qualitative research gathered, the team will dive on the topic of the job rotation program, as an attempt at ensuring an upgraded interconnectivity between the international offices, and hopefully create significant opportunities for maximising the candidate pool (American Research 2015; Siocon 2022).

2. Background

Volkswagen Group Services - Consulting (VWGS-C) was founded in 1999 in Wolfsburg, Niedersachsen, Germany, with the purpose of providing in-house consulting services with an emphasis on operationalisation and application of up-to-date approaches and models to the brands the Group comprises, those being Volkswagen, Audi, Bentley, Skoda, Seat, Cupra, Lamborghini, Porsche and more recently Ducati, the famous Italian motorcycle brand acquired in 2012. Previously established exclusively in Germany, in cities such as

Braunschweig, Wolfsburg, Ingolstadt, Berlin, Hamburg, and Munich, VWGS-C pulled the trigger and decided to open a new branch in Lisbon, Portugal, focused on a desire to enlarge its business and improve its brand awareness.

As the business grows, there is a need for continuous improvement, as each year there are a lot more competitors, consulting wise, in the landscape. Truly impacted by the COVID-19 pandemic, the company understood that, in order to reach grow even further and expand, establishing a clear baseline with different cultures, it would have to reach out to other international, non-European markets, which ultimately would raise some disturbance, as these do not speak German and, culture wise, do not hold the same core values and ways of conducting business (Volkswagen Group Services | Consulting n.d.). However, the possibility of missing out on experiencing and understanding the services' customers and the set of people, values, cultures that most often come with diversity, would not be an option for Volkswagen Group Services – Consulting. Indeed, as the organisation desires to be the top consultant for its brands, avoiding outsourcing from other mainstream consulting companies, the need collaborate, come to terms with diversity instead of standardising it, and the elimination of issues that do not affect the cooperation within the same group spoke louder. VWGS-C evaluated the market, and in 2022, opened the Lisbon office in Saldanha, with the ultimate desire of having an established team that would partner up with the German one, promoting a more intrinsic interconnectivity between the different offices and an easier flow of information, ideas, thoughts, business approaches, codes of conduct, for example.

As of 2023, the ultimate desire would then be to develop an Iberian partnership, comprehending Portugal and Spain, to reach mainly the markets in countries in Latin America, and later the United States of America.

It can be stated that the choice to expand firstly to Lisbon stemmed from the easier ability to find individuals that are able to speak more languages, other than German, and the

lower prices of establishing a business, not only in terms of infrastructure, but also remunerations. However, this initial partnership between Germany and Portugal was not as easy to implement as one might think. In fact, the reality is that most of the official documentation is still in German and cannot be automatically translated to the main language of conducting business worldwide, English, and some processes that would normally be implemented by the mother company in its premises do not generally apply to the Portuguese-culture team. For the Portuguese branch, this entails less access to international projects since some people at the office do not speak the German language, which can affect the performance and reputation of the brand in Portugal. Furthermore, each office is likely to conduct business in whichever language is spoken in the country where the office is established, which can cause disturbance to the international personnel that is hired.

At the present moment, with well-defined plans to establish the new office in Barcelona, Spain, it would be of the utmost importance to fix existing problems, endorse a change in the main language of the whole company to English, to promote an easier and seamless collaboration between the different branches, stimulating higher levels of productivity, intensified knowledge sharing and more efficient alliance regardless of one's location. For this there would be a need to start hiring international people with experience on a transnational level, and the recruitment process should also start to be done with the aim of introducing the overall topic of Diversity to the company's core values, which it has not.

Regarding diversity, equity, and inclusion (DEI) principles, there are some initiatives that the company is already carrying out. The program "Diversity Wins," for example, was developed for leaders and involves the exposition to biases and cultural differences within the business environment. Despite happening yearly, the program is still lacking some structure, which is bound to make the program not as useful as it could be. With that information in mind, programs like these should be incentivised and should happen more

times a year, speaking louder than hierarchy. Other important dates such as Racism's Day and Women's Day are also celebrated at the company.

3. Literature Review

The involvement of an organisation extends beyond its country of origin in a multinational strategy as is the case with VWGS-C. The venture of VWGS-C in the Iberian Peninsula is a bid to globalise its operations. Due to consumer demand and competition being different in every country it needs specific strategies for different markets. As against global or international strategies, the competitive advantage is evaluated for different countries on a case-by-case basis in a multinational strategy.

With globalisation and consequent expansion of organisations in different geographies there are opportunities for organisations to maximise the skill and the labour pool of individuals which has its own challenges. Leading organisations are now building a comprehensive strategy in the talent life cycle to improve employee engagement, improve their brand, and increase performance (Deloitte Australia 2015). We may say that brand, corporate purpose, and performance are impacted by diversity and inclusion. For Millennials inclusion is a mandatory part of corporate culture meaning if and how they are being heard at work. Shareholders, customers, and suppliers are all taking a closer look at this issue. Organisations operate as networks which implies that diversity and inclusion reinforces organisational performance. Diverse and inclusive teams are more innovative, engaged, and creative in their work as per research. The research comparing high-performing teams against lower-performing teams supported the view that people must feel included to speak up and fully contribute. There is trend to eliminate bias from talent processes like hiring, promotion, performance management, leadership development, succession, and compensation.

- There has been an increased focus on bias in recruiting and the usage of new tools to help companies reduce bias.
- There has been a shift in attention towards diversity in succession and leadership (Deloitte Insights 2017).

People from diverse backgrounds lead to improved and more accurate group thinking by altering the behaviour of a group's social majority. Diverse teams are more likely to constantly re-examine facts and stay objective by encouraging greater scrutiny of each member's actions, keeping their joint cognitive resources sharp and vigilant (Rock 2019).

The more diverse the team, the less is the bias to interact with people with shared characteristics to create a unique bond. Employees can be sensitised through the introduction of the topic of cultural diversity. Periodic trainings could be an effective way to create awareness in employees regarding the benefits of culturally diverse teams and for the active integration of intercultural teams in the context of business (Deloitte Australia n.d.).

The social capital can be distinguished between bonding social capital and bridging social capital. Bonding social capital includes society clustering based on religion/language, geography, ethnicity, work-related values, and attitudes. Behaviours reflect certain core beliefs and assumptions of the inhabitants of a country (Richard 2006).

There is a difference between tolerance and respect which has been discussed in the two approaches to cultural diversity. The multiculturalism approach aims towards coexistence between different groups and is based on a traditional concept of tolerance. The second is interculturalism, that transcends from coexistence to positive interaction. It aspires for more positive interactions and creative life together. Respect requires rationality and is a more active as well as an inclusive concept that exceeds the more passive state of tolerance. Here, both recognition of differences and dialogue to understand difference are considered as essential elements (Pinfold 2017).

3.1. Hofstede's definition of culture

Culture, by definition, can be perceived as the attitudes, behaviour, opinions, general beliefs, and customs of a particular group of people within society, however, this word has a wide variety of meanings and connotations associated, and consequently does not have a unique definition to be considered (Cambridge Dictionary n.d.). According to Professor Hofstede, culture is the programming of the human mind by which one group of people distinguishes itself from another group. Culture is learned from your environment and is always a shared, collective phenomenon (Hofstede 2001).

In the context of an international company, there are two different types of culture that are distinctly represented, which are organisational culture and national culture (Hofstede, Hofstede, and Minkov 2010). The main difference is that national culture is based on the values that a group of individuals prefer or expect to be carried out, at a national and societal level. On the other hand, organisational culture is based on the practices that are carried out within the organisation, and on how differentiates from other organisations (Hofstede Insights 2023).

Hofstede (2010) argues that national culture is stable and mainly concerned with basic values whereas organisational culture is related to practices that are shared by members and therefore it is easier to change and manage them.

3.2. The 6-D model of national culture

The Hofstede model consists of 6 dimensions on national culture: Power Distance Index (**PDI**), Individualism vs. Collectivism (**IDV**), Masculinity vs. Femininity (**MAS**), Uncertainty Avoidance Index (**UAI**), Long Term Orientation vs. Short Term Normative Orientation (**LTO**) and Indulgence vs. Restraint Index (**IVR**) (Hofstede, Hofstede and Minkov 2010).

The countries dimensions are scored from 0 to 100, based on the low/high level reflected by each society, positioned relative to the other countries. Although national culture is relevant by comparison, nevertheless humans are individually unique, which makes possible to have a wide variety of different personalities at a national level (Hofstede, Hofstede and Minkov 2010).

3.3. Comparing national cultures: Germany, Portugal, and Spain

Table 1: Hofstede’s model scores comparison

	Germany	Portugal	Spain
Power Distance (PDI)	35	63	57
Individualism (IDV)	67	27	51
Masculinity (MAS)	66	31	42
Uncertainty Avoidance (UAI)	65	99	86
Long Term Orientation (LTO)	83	28	48
Indulgence (IVR)	40	33	44

In Table 1, Germany, Portugal, and Spain are compared in Hofstede’s six-dimension model, through the comparison tool available on Hofstede’s Insights website. Firstly, regarding **PDI**, Portugal (63) and Spain (57) score higher than Germany (35), which means these countries have a higher level of acceptance that organisations are distributed unequally (Hofstede 2001). A society that gives substantial deference to a person’s authority is a high-power distance culture, while a culture that values equal treatment for everyone is a low-power distance culture (Hofstede, Hofstede and Minkov 2010).

Secondly, on **IDV**, Portugal (27) is ranked significantly lower than Germany (67) and Spain (51), which indicates that the Portuguese society is more collectivist, in which there is a

stronger loyalty and cohesion between individuals, in contrast with societies that give higher importance on attaining personal goals and achievements (Hofstede 2016). In this dimension, the interdependence in a society is analysed, whether individuals identify more as “I” or “We” (Goodrich and Mooij 2014).

On **MAS**, Germany (66) has a higher score than Portugal (31) and Spain (42). In masculine societies, social gender roles are clearly distinct: men are supposed to be assertive, tough, and focused on material success; women are supposed to be more modest, tender, and concerned with the quality of life (Hofstede 2001). This dimension focuses on whether a society is expected to value ambition, success, and wealth, or, on the other hand, equality, and environmental awareness.

Taking into account the **UAI**, Portugal (99) and Spain (86) have a high-level score compared with German (65), which indicates a feeling of uncomfortably with uncertainty and ambiguity (Hofstede 2010). Uncertainty avoidance is wrongly assumed as the same as avoiding risk. People in high-scoring countries might even prefer to be involved in risky decisions, because assumed risk is expected, and the ambiguity is consequently lower (Hofstede 2010).

On **LTO** Germany (88) scores significantly higher than Portugal (28) and Spain (48), which explains German society being more oriented to future rewards and goals, decisions are projected in the long run and perseverance is key. Short-term oriented countries stand for fostering virtues in the past and present, which consists of respecting tradition and accomplish present obligations (Hofstede 2001).

Finally, comparing the levels of **IVR** between Germany (40), Portugal (33) and Spain (44), the three countries have similar levels of Indulgence. In restrained societies, positivity is less freely expressed and is not given such importance to happiness and freedom (Maclachlan 2013). Indulgence societies value more the fulfilment of human needs and desires, instead of strictly following societal norms (Hofstede, Hofstede and Minkov 2010).

According to the Hofstede model, we can see significant differences between the three countries. Although Germany's scores differ more from Portugal and Spain, the differences between both countries are still relevant and should not be assumed as culturally similar or as the same culture, as it could lead to undesired cultural clashes.

This model is a useful resource to analyse the impact of culture in a society or an international company, increasing cultural sensitivity and awareness (Fouad and Arredondo 2007). However, these cultural traits should not be generalised and stereotyped, as individual features may differ completely from what is expected from a specific culture.

Concluding, although cultural differences have decreased throughout the last decades, as national boundaries are being replaced by a global culture (Featherstone 1990), these cultural clashes are still impactful and should be dealt by understanding how different cultures can work side by side and not how to change cultures to force them to work together.

3.4. Erin Meyer's Cultural Map

The differences in culture are also highlighted by Erin Meyer based on extensive research on different cultures. The research was conducted using Hofstede's model as the basis and might be considered as an updated contribution in the same field. It creates cultural awareness based on 8 dimensions (Fig i). The results are subjective based on a country's placement on the scale compared to others and there can always be outliers (Fig ii). The Latin European cultures include Portugal, Spain, Italy, and France. The dimensions are as follows:

Dimension 1: Communicating: Low-context vs. High-context

Germany lies on the lower end of the scale whereas Latin European cultures are on the higher end of the scale. In low-context cultures like that of Germany, communication is direct, precise, simple, and clear. Context is not required for communicating as messages are taken at face value. Repetition might be preferred to clarify communication. In high-context cultures

like that of Latin Europe, communication is more nuanced and requires context. Messages are layered and not directly expressed.

Dimension 2: Evaluating- Direct negative feedback vs. Indirect negative feedback

Germany ranks higher on the scale on direct negative as compared to Latin European cultures. In case of cultures following direct negative feedback like that of Germany and Latin Europe, the negative feedback is shared with the colleague in front of a group and is frank, blunt, and honest. In case of cultures following indirect negative feedback, negative feedback is shared in private with the colleague softly, subtly, and diplomatically.

Dimension 3: Persuading: Principles-first vs. Applications-first

Latin Europeans are more principles-first as compared to Germany. In principles-first reasoning (sometimes referred to as deductive reasoning), conclusions are based on general principles or concepts. On the other hand, for cultures like Germany following applications-first reasoning (sometimes called inductive reasoning), conclusions are based on a pattern of factual observations from the real world.

Dimension 4: Leading: Egalitarian vs. Hierarchical

Team members from different cultural backgrounds have different expectations from a leader (Zander and Butler 2010).

Germany has a more leading culture as compared to Latin European Cultures. In hierarchal cultures like that of Germany, status difference exists, and communication follows hierarchy. The ideal distance between the boss and the subordinate is high and the best boss is a leader. On the contrary, in egalitarian cultures the organisational structures are flat with the boss being a facilitator. The distance between the boss and the subordinate is low and communication often skips hierarchal lines.

Dimension 5: Deciding: Consensual vs. Top-down

In consensual decision making, the decisions are made in groups through unanimous agreement whereas in top-down, decisions are made by individuals.

In a more top-down approach to decision making, the decision will be made by the boss with less discussion and at any stage during or outside the meeting depending on the organisational culture and the individual involved.

Dimension 6: Trusting: Task-based vs. Relationship-based

Germany follows a task-based approach whereas Latin European cultures are more relationship-based. In task-based cultures like that of Germany, trust is built while working on business-related activities and these relationships are built and dropped easily. Good and consistent work translates into reliability, thus, translating into trust. In relationship-based cultures like that of Latin Europe, trust is built by knowing the person and work relationships are built slowly over time by knowing people over coffee, meals, drinks.

Dimension 7: Disagreeing: Confrontational vs. Avoids confrontation

Germany is more confrontational as compared to Latin Europe. German culture tends to be more confrontational where open confrontation is expected and does not damage a relationship. On the contrary, in cultures that avoid confrontation, disagreement and debate are negative for the team or organisation. Here open confrontation will break group harmony or negatively impact the relationship as confrontation is not expected. Additionally, Germany is confrontational but emotionally inexpressive whereas Latin Europe is confrontational but emotionally expressive.

Dimension 8: Scheduling: Linear-time vs. Flexible-time.

German schedules are linear time whereas the Latin European schedules are flexible time. In the case of Germany following linear time, no interruptions are expected, and project steps are approached in sequential fashion, completing one task before beginning the next. The focus is on having good organisation, the deadline and sticking to the schedule over flexibility

as against Latin Europe following flexible time, where multitasking is expected which creates interruptions. Project steps are approached in a fluid manner, changing tasks as opportunities arise focusing on flexibility over organisation (Meyer 2014).

3.5. Culture, Communication, and Network

The world can be segregated into three main cultures linear active, multi-active and reactive (Fig iii). The characteristics of the three cultures determines the level of difficulty in communication between any two cultures (Fig iv). Germany falls under linear active cultures with traits like task-oriented, highly organised planners. Latin Europe is categorised as multi-active with traits like people-oriented, loquacious and interrelators. The communication between linear actives and multi-actives is challenging. In case of such interactions between alien cultures with little similarity there is tendency to withdraw and get defensive as they are unable to take a common path to express their values and core beliefs (Fig v) (Richard 2006).

There are various types of knowledge to exist in an organisation which is exchanged via communication. A streamlined tacit knowledge is the basis of building stronger organisational networks. There should be a collective understanding of the established methods and competencies across all the offices. However, it is important to note that successful articulation of these methods and competencies can be lost because of meta-communication. The exchange and perception of knowledge is dependent on the interactions between individuals. How the interactions occur are dependent on an individual's background which makes it context dependent based on local culture. Experiential knowledge is subjective and includes, professional skills, industry norms, and procedural knowledge. This is attained by learning through experience and practice. Decontextualisation and recontextualisation are important in promoting collaboration in multicultural teams. However, it is difficult to practice in the case of existential knowledge acquired by living and feeling. Knowledge creation is dependent on

networks and networks are local. Depending on the complexity of local market knowledge and capability knowledge the knowledge can be codified and moved in both directions or moved to either the local market or the capability node. Successful integration of knowledge means acknowledging the existence of new and different voices and perspectives. New voices should be heard but for bigger and matured offices like VWGS-C Germany, which serves as a knowledge centre or the capability node and already has a set pattern of relationships it is quite easy to side-line newer offices. Reforming the home office can be a humongous task for the top management. They may decide to bypass the home office and give autonomy to newer offices to share competencies and knowledge amongst themselves (Doz, Asakawa, Santos and Williamson 1997).

3.6. Organisational Culture vs. National Culture

National cultural values and practices are deemed to impact the adoption and effectiveness of diversity and inclusion programs. The adoption of such programs is difficult where the aspirational values of the organisational leaders conflict with prevailing values practiced by the employees and managers. The adoption of diversity programs is supported in countries with high individualism, future orientation, gender egalitarianism and performance orientation along with low power distance and uncertainty avoidance. These national practices are also related to absenteeism and employee turnover in an organisation based on how diversity programs are implemented (Deloitte Australia 2015). The difference between multicultural and intercultural arises from how diversity is addressed in an organisation. Multicultural implies the existence of different cultures whereas intercultural implies acknowledging the existence of the same, minimising misunderstanding, and promoting collaboration. National cultures are more difficult to change than organisational cultures as individuals have certain values and expectations on how a task should be accomplished. Organisational cultures are dependent on

the leader and any transformation in the structure or culture starts with the leader. National cultures of two offices may be brought together to have a common organisational culture.

The first step is to determine if there is need for change at all. For that, analyse how the employees relate to the organisational culture and if a gap exists between the actual organisational culture and the desired organisational culture amongst the employees. The next step is to determine the ease of change. Is there trust or anxiety towards change? Organisational culture is determined by the goals of the leaders. There are six autonomous dimensions in Hofstede's Multi-dimension model, namely, organisational effectiveness, customer orientation, level of control, focus, approachability, and management philosophy. Where the goal is to adopt diversity and inclusion, the dimensions involved should be organisational effectiveness, professional focus, and approachability (Hofstede, n.d.).

3.7. Cultural Barriers

There are four cultural barriers in multicultural teams: conflicting decision-making norms, conflicting attitudes towards hierarchy, direct versus indirect communication, trouble with language fluency and accents (H Factor 2019). 'Faultlines' and 'Status characteristics' are two useful complementary theoretical approaches for examining multi-cultural team composition (Fig vi). The strength of 'fault lines' depends on the diversity in terms age, ethnicity, and gender. The group may thus be more homogenous or heterogenous. Status characteristics are determined by cues. Indicative cues are generally spoken and explicitly label a person very well under the actor's control like explicitly stating a person's education whereas expressive cues are exhibited during interaction and are assumed not to be under the actor's control like a person's accent, skin colour, gender. Task cues provide information about performance in the immediate interaction situation and would include statements about direct experience with similar task whereas categorical cues give information about who this person is and would include aspects of the person such as accents and gender. Consistent expectations

occur where cues are paired as task and indicative or categorical and expressive. Inconsistent expectations occur where cues are paired as indicative and categorical or task and expressive (Zander and Butler 2010). The scope of activities and the leadership structure also play a role in the organisation of multicultural teams (Figure vii).

3.8. Multicultural Leadership Practices

Leadership is the ability to influence the actions of other to achieve a goal. It involves motivating and enabling the followers leading them towards the creation a successful organisation.

3.8.1. Skill Set

Based on literature the following traits in leaders help in the creation of a successful multicultural team evaluated in the context of VWGS-C:

- **Functional skills:** The leader must possess project management skills and functional knowledge of the consulting teams inside the group along with client expectations to determine the resources needed. The leader should also be clear about the strategy and objective of having the Iberian team for clear communication and to build a strong image with the team in Germany.
- **Boundary spanning leadership and solid relationships:** Having worked with the clients and teams offers credibility to the leader because of their knowledge of how others operate and what is important to them which makes others willing to collaborate with them. They can also share this existing knowledge with the new team that is being established in Iberia.

- **Negotiation, motivation, and transformational leadership:** The Iberian team is in a start-up like phase looking to expand and building knowledge base in Iberia. The leaders in Iberia will have access to limited resources and support. They will also have the dual responsibility of establishing and expanding the Iberian team while providing them with the knowledge and data from the German office. They need to be motivated and be able to motivate the team members to negotiate for these resources and opportunities.
- **Multilingual:** Consulting involves intensive communication with the clients and amongst team members. Even though the teams in both offices communicate in English, the level of proficiency is not the same. Multilingualism could improve efficiency and effectiveness of communication.
- **Exhibits empathy, humility, and open-mindedness:** People from divergent backgrounds will offer different perspectives. Empathy, humility, and open-mindedness helps in acknowledging and addressing these different perspectives while balancing the team.
- **International experience:** International experience offers the ability to identify tensions and address them before they aggravate which comes from cultural intelligence and openness. International experience may also lead to individuals communicating more openly to get the message clear across the table.
- **Shared team entity and facilitates communication:** The team leader will be experiencing challenges in both geographies. A people-oriented leadership style facilitates communication within the team and resolves the conflicts by bridging the cultural and linguistic boundaries to create a shared team entity (Schweiger, Atamer and Calori 2003).

However, the success of multicultural teams can be increased if these traits are present in employees across VWGS-C.

3.8.2 Emotion Management

Furthermore, the following techniques are recommended for multicultural team leaders to address negative emotions induced in multicultural teams based on research (Fig viii) and can be adapted to the case of VWGS-C:

a. Reduce the impact of language barriers to prevent negative emotions on account of language:

- The team leader can encourage the less fluent team members to contribute to the discussion and be a good listener. This will eventually lead to these team members feeling comfortable speaking in the group.
- It is normal for team members to have short side conversations in their own language to understand better. These conversations should be then translated for the non-native speakers. This could be prompted both by the team and the non-native speaker.
- It is important to clarify different points and eliminate redundant communication before concluding the meeting as participants may possess different fluency levels in English.

b. Redirect members attention away from negative emotions arising on account of language barriers to eliminate negative emotions caused by language:

- The team should focus on achieving the common goal to promote coordination.
- Humour can lighten the situation but should be used with caution. An international experience enables you to have casual conversations in this context.

c. Reduce negative appraisal of language barriers by members to eliminate negative emotions caused by language:

- Team members should be heard, given responsibilities, and be encouraged to speak by practising integrative leadership style
- Joint training sessions are recommended for stakeholders to make them aware of the communication problems. This can be included during the annual summit held in June. It is important to measure success of these training sessions in terms of feedback on collaboration in eventual project collaborations and meetings.

d. The positive outcomes from emotion management related to language by the multinational team leader:

- The leader and other team members can be mediators and motivate other team members to address the foreigner directly to clarify miscommunications by asking questions like “Wait, what exactly did you just say?”
- The leader should communicate with the team in a transparent manner and set expectations
- Involve the team in these decisions: How do we organise ourselves? How do we communicate? Who calls whom?

e. Eliminate stereotypes by being aware of negative emotions in cross-linguistic teams:

- Team member who are not fluent in the working language of the group fear missing crucial information. Contribution is difficult for team members with extensive knowledge if they are not fluent in the language.
- People who have low fluency in the working language may dislike native speakers' ability to dominate meetings whereas native speakers dislike conducting meetings in a foreign language.
- Anger and rejection might arise in people who are excluded linguistically due to language switching (Tenzer and Pudelko 2015).

3.8.3 In-group vs. Out-group

When different groups come together, the teams can see each other as in-group and out-group. In-group refers to those belonging to the group and out-group belong to the group that will be merged into the in-group. The following practices may help in bridging such perspective where the groups think of themselves as we and others as them:

- i. Decategorise: work in shared tasks and get to know each other

- ii. Recategorise: A subordinate category that brings both the groups together can help in creating a larger group with associated attributes. It will also help in preserving the cultural identities.
- iii. Mutual differentiation: Shared entity created by identifying complementary relationships, processes and goals can reduce these differences. Example division of labour between the two groups.
- iv. Healthy debate: In case of conflict arising from different cultural backgrounds, the stakeholders should voice the differences instead of following consensus. If this practice is not followed it may cause silent frustration between both the in-groups and out-groups (Bird 2015).

4. Theoretical Frameworks

4.1. PESTLE analysis

To navigate the complex world of business, it is crucial to understand the external forces that shape the landscape. The PESTLE analysis offers a comprehensive view of the macro-environmental factors that can influence VWGS-C's operations in Portugal. By exploring both the Political, Economic, Social, Technological, Environmental, and Legal forces, we can better anticipate challenges and identify opportunities to position VWGS-C for success in a dynamic and competitive market.

4.1.1. Political factors

- Overall, Portugal has a stable political system, which offers a predictable environment for VWGS-C to invest and operate. However, there are concerns in several areas such as corruption, racial discrimination, and certain legal constraints (Freedom house 2022).

- Portugal has been a member of the European Union since 01 January 1986 (EU n.d.), thus is subjecting to EU regulations and policies. It is also a founding member of NATO and OECD, which brings a deep bilateral relationship with Germany.
- While the UK's departure from the EU (Brexit) may not directly affect VWGS-C's operations in Portugal, it could impact the group's trade relations with the UK, which mainly involves potential supply chain disruptions, regulatory divergence, currency fluctuations and overall market dynamics.

4.1.2. Economic factors

- In 2021 the Gross Domestic Product (GDP) in Portugal was worth 253.66 billion US dollars, whereas the GDP per capital was 24,567.5 US dollars, making it still one of the high-income countries in the world. (World Bank n.d.).
- As in most OECD countries, the pandemic and the global lockdowns has put huge pressure on its economy and healthcare system. And the consequences might be a further increase with inequality and poverty (OECD 2022).
- In general, the total imports (Crude Petroleum, Automobiles and raw materials, Packaged Medicaments) of Portugal have outpaced the total exports (Automobiles, Footwear and clothing, wine, corks). The EU countries are Portugal's principal trading partners, and Germany is one of the most important one, accounting for 10.8% of the country's export and 11.9% of its import (Observatory of Economic Complexity 2023).
- The Automotive industry is a key performer in Portugal, which includes around 32,200 manufacturing companies, creating 152,000 direct jobs, and has a business volume around 33.7 billion euros, corresponding to 21% of the total fiscal revenues of the country (International Trade Administration 2023).

- The Portuguese government offers incentives to promote the adoption of electric vehicles (EVs). For instance, there are financial incentives for purchasing electric cars, reduced taxes on EV ownership, and tax exemptions on company car taxes for electric vehicles (Eurofound 2021).
- The service sector also holds an important position in Portuguese economy, with the tourism becoming the major industry. The country is considered as a popular destination for Germans, featuring with its long coastline, outstanding climate, and excellent hospitality.

4.1.3. Social factors

- More than 90% of the country's population are ethnic Portuguese, while there are also a number of migrants from its former colonial possessions, like Brazil, Asia, and Africa. In September 2013, there were about 25,000 German residents in Portugal, concentrating themselves in the southern part of the country (Agência Lusa 2013).
- Although Portuguese is the official language in Portugal, English is also widely used, especially among big cities and in the Algarve. According to the EF English Proficiency Index, Portugal is the 9th most proficient country in the world when it comes to speaking English as a second language (EF EPI 2022).
- Education in Portugal is free and mandatory until the age of 18, when students usually complete their 12th year. It is also considered to be an effective Education system, ranking in 24th position, according to the 2022 Best Countries for Education Report (US news and World Report 2022).
- Portugal's labour market is characterised by a relatively skilled workforce. However, the country still faces challenges such as an aging population, and a high youth unemployment. Despite these challenges, labour costs in Portugal

remain lower compared to other Western European countries, in 2022 the average hourly labour cost in Portugal was €16.1, compared to the EU average of €30.5 (Eurostat 2022).

- From the 2021-2022 EIB Climate Survey, 84% of Portuguese car buyers say they will either pick a hybrid or electric car the next time they purchase a vehicle (17 points above the European average), making Portugal the number one country in EU in term of intentions in buying electric cars (European Investment Bank 2022).

4.1.4. Technological Factors

- The Portuguese ICT (Information and Communications Technology) (Information and Communications Technology) sector is highly innovative and dynamic, which contributes around 10% of the country's GDP. According to Eurostat, the country has the third highest rate of Engineering graduates in the European Union, counting around 90,000 graduate students each year (International Trade Administration 2023).
- Lisbon as the capital of the country, has one of Europe's fastest-growing tech ecosystems, is also home to hundreds of tech events, earning itself a name as the "Silicon Valley" in Europe (International Trade Administration 2023).
- Investments in technologies for the "Indústria 4.0" that contribute to the digital transformation of companies, as well as the improvement of their environmental sustainability, will benefit from a funding of 60 million euros from the Recovery and Resilience Programme (República Portuguesa 2023).

4.1.5. Environmental Factors

- Over the last couple of decades, Portugal has made significant developments in environmental protection and quality of life improvement, yet it is still facing

challenges of achieving balances between economic, environmental, and social goals and meet the high standards set by EU environmental policies (European Environmental Agency 2020).

- The automotive sector is pressed to change as Portugal is in line with the new regulation approved by the EU, which is aiming to sell only new passenger cars and light commercial vehicles with zero CO2 emission by 2035. The industry will have to modernise and adapt for the new market requirement (European Parliament 2023).

4.1.6. Legal Factors

- Like other European countries, the legal system in Portugal is a civil law system based on Roman law tradition and written law. While there are no specific authorisation requirements for foreign investment, nor restrictions on foreign shareholders.
- The Portuguese employment law is famous for its protection on workers, and the dismissal at will is also forbidden. Furthermore, the Portuguese legislation applies to all employees regardless of their nationality.
- While employees habitually working in Portugal who are sent temporarily to another EU member state are still subject to Portuguese law, they are entitled to a set of rights in force in the host country.

In summary, VWGS-C should consider the stable political environment, potential growth in the automotive industry, increasing demand for electric vehicles, and the flourishing ICT sector as potential opportunities for their operations in Portugal. However, the company must also address the challenges posed by corruption, racial discrimination, legal constraints, environmental policies, and the employment law.

4.2. McKinsey 7S Framework

The heart of any organisation lies in its internal workings, where the key to success often hides in plain sight. The McKinsey 7S Framework allows us to take a deep dive into VWGS-C's core, examining the interconnected elements that drive its performance. By carefully reviewing all seven factors obtained through the interviews and meetings with the employees from different levels, we can uncover the strengths that shape the VWGS-C's identity. This insight will empower us to make targeted improvements and ensure that the company remains agile and adaptive in the face of change.

4.2.1. Strategy

- VWGS-C focus on providing high-quality, tailored consulting services to clients within the Volkswagen group at competitive prices, ensuring that the group's confidential information remains in-house.
- The company aims to achieve this by leveraging expertise in the local business environment, fostering close relationships with clients, and prioritising result-driven solutions.
- Geographically, the strategy targets maintaining a strong market presence in Europe and expanding the company's reach into Latin America and beyond.

4.2.2. Structure

- VWGS-C's organisational structure is designed to facilitate efficient communication and collaboration among team members.
- The company has a somewhat flat organisational hierarchy, composed of five different teams, each with its own leadership and reporting structure. There are fewer managerial levels and clear roles and responsibilities for each team member, permitting employees to confidently share their thoughts.

- The overall flat hierarchy also allows for a quicker decision-making process.

4.2.3. Systems

- VWGS-C has robust systems in place to support its operations. This includes IT infrastructure, project management tools, and communication systems that enable the organisation to provide high-quality consulting services to clients.
- Additionally, the company is keen on adopting modern technologies and methodologies such as data analytics, AI, and agile project management to stay competitive.

4.2.4. Shared Values

- VWGS-C's shared values include a commitment to providing high-quality in-house consulting services, focusing on building strong relationships with clients, and dedicating themselves to continuous learning and improvement.
- The company also fosters a culture of trust, transparency, and open communication, ensuring that all employees are in line with their shared values.

4.2.5. Style

- The leadership style at VWGS-C is collaborative and open, emphasising empowering team members to take responsibility of their own work, and contribute to the company's overall success.
- This participative leadership style enhances employee motivation and increases organisational commitment.

4.2.6. Staff

- The company places a strong emphasis on hiring, developing, and retaining top talent to maintain its competitive edge in the automotive consulting industry.

- The staff at VWGS-C Portugal consists of experienced or potential consultants with diverse backgrounds and skillsets. A diverse and inclusive workforce ensures that employees bring different perspectives on the table.

4.2.7. Skills

- The skills required for success at VWGS Portugal include expertise in the local business environment, excellent problem-solving capacity, as well as strong communication skills.
- The company pays special attention to enhancing its employees' capacities, arranging regular training and workshops to provide growth and development opportunities.

By aligning all these seven elements, VWGS-C can certainly optimise its performance and achieve its strategic goals.

4.3. SWOT analysis

Building on the insights gained from our PESTLE and McKinsey 7S evaluations, the SWOT analysis brings together a comprehensive view of VWGS-C's internal and external factors. By identifying the company's Strengths and Weaknesses, informed by the 7S framework, and exploring the Opportunities and Threats arising from the macro-environment, as revealed by the PESTLE analysis, we can create a cohesive understanding of VWGS-C's position. This integrated approach will enable us to develop well-rounded strategies that leverage the company's assets, address its limitations, and capitalise on the dynamic market conditions, guiding VWGS-C towards growth and success.

4.3.1. Strengths

- Strong brand association between VWGS-C and the Volkswagen Group, one of the most well-known and respected automotive companies, which brings a robust network of industry contacts and partnerships.
- Team of experienced consultants with diverse skills and expertise, providing a wide range of consulting services like project management, engineering, quality management, and logistics.
- Strategically located in Portugal, which provides easy access to both European and international markets. The Portuguese mother language and a proficient level in English let the company expand both in the Portuguese and English-speaking countries.
- The country also possesses a skilled workforce at competitive labour costs, and a growing commitment to sustainable and green technologies, which aligns with the group's broader goals.
- Solid relationship with the Volkswagen Auto Europa plant, one of the largest employers in the region.

4.3.2. Weaknesses

- Close association with the Volkswagen Group also brings a large dependence on most of its business. The company has limited visibility and recognition outside of the companies within the same group.
- Limited diversification of services and clientele. And the reliance on a small number of key clients may leave the company vulnerable to changes in the automotive industry.
- Potential challenges in attracting top talents due to competition with larger multinational consulting company operating in the region.

4.3.3. Opportunities

- There might be an increasing demand for consulting services in Portugal due to economic growth.
- Potential expansion of its services to other automotive companies or industries, leveraging the company's expertise and experience.
- Growing demand for electric and autonomous vehicles may create new opportunities for VWGS-C to provide technical and engineering services.
- Possibility to expand the company's geographic reach through strategic partnerships or acquisitions.
- Collaboration with the Portuguese government, European Union, and local universities on projects promoting green technology and sustainability.

4.3.4. Threats

- Intense competition from established consulting firms with strong brand recognition and a larger global presence.
- Potential economic downturns and global uncertainties, such as the impact of Brexit and the war in Ukraine, which could affect the automotive industry and demand for consulting services.
- The technological disruptions and changes in the automotive industry may require the company to quickly adapt to new market requirements.
- Changes in government policies and regulations, particularly in areas such as environmental protection and automotive emissions standards, which may require the company to adapt its strategies and services.

The SWOT analysis highlights the company's strong ties to the Volkswagen Group, skilled workforce, and growth opportunities in Portugal's automotive consulting market. To succeed, the company must also address challenges such as competition from larger firms

while capitalising on market opportunities and adapting to external threats like global uncertainties and technological disruptions.

5. Qualitative Research

5.1. Objectives

This research was conducted with the expectation to have a better knowledge of VWGS-C and its organisational culture, its employee's background, and views regarding the company's future. Secondly, to understand their opinion and experience on working with people from different backgrounds and the benefits of working in multicultural teams.

Finally, it was expected to understand the limitations of having German as an official language, cultural clashes felt within VWGS-C, and the potential impact of not approaching these delicate topics.

5.2. Data collection

The qualitative research was conducted on a one-to-one basis direct approach to twelve VWGS-C staff members, from various positions, and backgrounds.

These online semi-structured interviews lasted about thirty minutes each, following an interview script composed of nine questions (attached in Appendix 1), which was adapted according to the flow of the interview, the openness and availability of the participants, and the need of clarifying additional information beyond what was initially expected, in case it was considered that it could beneficially impact the analysis.

Two different scripts were structured for two of the twelve interviewees, since some of the questions from the general interview guide would not apply and other types of questions were prioritised, based on their top-level management position in VWGS-C

(Director and CEO Iberia), and consequently higher organisational awareness and knowledge.

The data collection was not recorded nor transcribed, in accordance with the company's confidentiality policy, it was instead interpreted as a whole to observe tendencies by saturation in the participants' answers.

This analysis was done anonymously with the intention of gathering honest feedback on sensitive issues within the company without any potential backlash associated.

5.3. Results

Based on the research results we were able to conclude that most of the participants have around six months of experience in VWGS-C, so they could not yet attest significant cultural clashes within the company, since they were not employed for enough time.

However, working in a diverse team has been a reality for most of them in previous firms, and it is a universal opinion that diverse teams tend to outperform homogeneous teams when working together, based on increased problem-solving, decision-making, and innovation skills.

Furthermore, although most of the participants had an intermediate to high proficiency level in German, it was a general belief that not dominating the German language was a constraint on being promoted and achieving top-management positions in VWGS-C, which could change with the implementation of English as the common language in the organisation.

Although it was not highlighted any cultural clashes in particular, since employees considered that they were sensitised and familiarised with those differences, nevertheless some stereotypes were brought up when comparing German and Portuguese people: Portugueses were considered more welcoming, while Germans are more direct and strictly

professional; Portuguese people are viewed as less hard-working comparing with the high demanding German culture. Regarding problem-solving, Portuguese tend to be adaptable and solution-oriented, which may be seen as a lack of reliability and planning, while Germans are more problem-oriented, sticking to the process and more hesitant when dealing with unforeseen situations.

On a company level, the Portuguese consulting team is seen by some employees as a support for the German consulting team instead of a partnership, based on the number of international projects, the salary levels, and the working productivity.

Although the cultural clashes and stereotypes were not consensual, this does not mean that factual differences are not significant, especially in the working style and accountability. The Lisbon office work more as a team, the successes and failures have a distributed responsibility, whereas in German they are more individual-oriented, creating sometimes a culture of fear of failing.

Regarding diversity programs and initiatives, it was a general perspective that they are not well implemented in the company and there is an urgent need for improvement, although the VWGS-C management team is aware of it.

Finally, VWGS-C was seen as hierarchy-oriented and a bureaucratic consulting enterprise, which could be one of the reasons for the delay in the internationalisation process.

5.4. Conclusions

After the interviews results and research conducted, the main challenges VWGS-C is facing were narrowed down to the topic of Job rotation:

Job Rotation between offices, so that employees feel and attest in practice the different working styles and cultures inside the company, adapting and learning from it, decreasing cultural clashes and unfounded stereotype.

6. Job Rotation Program

6.1. Overview of the Program

The job rotation program is an organised approach for employee development where individuals are temporarily reassigned to different functions, departments, or units within an organisation for a specified period of time (Dinis and Fronteira 2015).

6.1.1 Objectives and expected outcomes

Here in the context of VWGS, the job rotation program's primary goals are to increase cultural diversity within the team and strengthen collaboration between different locations. By rotating employees between Germany, Portugal, and Spain, VWGS encourages exposure to different working cultures and styles within the company. This experience helps employees appreciate the value of diversity and further creates a more inclusive and collaborative environment across the organisation. While in the case between Portugal and the new consulting team in Spain, we wish the job rotation program could also help building a strong “Iberia culture.”

It is also expected that a job rotation program in VWGS-C would bring secondary benefits like, knowledge transfer, professional development opportunities, and innovation:

Knowledge transfer: As employees participate in the job rotation program, they will share expertise, insights, and best practices across the subsidiaries, leading to improved processes and overall performance.

Professional development: The job rotation program offers high-potential employees and senior managers opportunities to gain experience in different roles and projects, enhancing their professional growth and increasing job satisfaction.

Adaptability and innovation: By developing versatile employees who can thrive in various environments, the job rotation program encourages innovations through different perspectives.

6.1.2 Target participants

The job rotation program should target employees from diverse roles and seniority levels, with a particular focus on the high-potential employees and senior team leaders who can contribute and benefit the most from the program. These participants should be open to learning, adaptable, and possess strong communication skills. Language proficiency is an essential component of the communication skills, as it will ensure an effective cross-cultural collaboration. For instance, employees sent from Germany to other subsidiaries should have proficiency on the English language, while those who go to Germany from Portugal and Spain should at least possess conversational German language skills.

By targeting employees with these characteristics, we can ensure that the program effectively addresses the cultural clash issue and promotes learning, diversity, and collaboration within the VWGS group.

6.1.3 Duration of the program

Each rotation cycle in the job rotation program should normally last between 60 (sixty) to 90 (ninety) days, depending on the specific role and project requirements. A shorter duration has been chosen to ensure a balance between achieving the goals of the program and minimise administration challenges and reduce costs. However, an extension can be considered if there is a good fit between the participant and the hosting organisation.

6.2. Benefits of a job rotation program

A well-planned job rotation program could bring several benefits which can help VWGS-C to achieve its strategic goals.

6.2.1. Increased skills and productivity

As employees develop a broader skill set and understanding of the organisation, they can contribute more effectively to their teams, leading to a higher productivity.

6.2.2. Enhanced teamwork and collaboration

By exposing employees to different teams, departments, and locations, they develop a better understanding of the challenges and goals of their colleagues among different locations. This experience leads to improved teamwork and a better collaboration across the organisation.

6.2.3. Talent retention

Implementing a job rotation program helps to retain top talents within the company by providing employees with opportunities for growth and personal development. It makes them feel more valued and invested in the company.

6.2.4. Leadership planning

The job rotation program can serve as an effective tool for identifying and preparing employees for future leadership roles. Rotating employees through distinct positions allows the organisation to assess their potential and develop their skills for future leadership positions.

6.2.5. Risk management and adaptability

It also helps the organisation maintain business continuity and manage risks more effectively. In case of sudden departures of the employees or other unforeseen circumstances, the organisation will have a pool of adaptable employees who can step in and cover the essential tasks.

6.3. Drawbacks of a Job Rotation program

While a job rotation system has several benefits, it can also bring some challenges that the company should consider carefully.

6.3.1. Disruption of workflows

A job rotation system can disrupt workflows as employees need more time to adapt to new roles and responsibilities under a new environment. This disruption may result in decreased productivity, errors, and delays. Furthermore, employees who are not interested in job rotation could feel frustrated or stressed by the change.

6.3.2. Cost of implementation

Implementing a job rotation system can be costly, especially if it needs extensive training or the development of new processes. Additionally, the time and resources required to manage the system could be substantial.

6.3.3 Loss of expertise

A job rotation system may lead to a loss of expertise in certain areas of the organisation. When employees rotate out of a specific area, they might take their knowledge and skills with them. Moreover, newly rotated employees may take time to become fully integrated, resulting in a potential decreased productivity.

6.3.4. Resistance to change

Some employees might resist job rotation due to a fear of the uncertainty or a preference for stability. This resistance can pose a significant barrier to the success of the job rotation program.

6.3.5. Difficulties in performance evaluation

Job rotation programs can complicate performance evaluations, as employees might be working in multiple roles throughout the evaluation period. It may be challenging to assess an individual's performance accurately and fairly when they have been exposed to different roles, teams, and locations.

6.4. Program Design

The success of the job rotation program will heavily depend on its design, which should be carefully planned to make sure that it meets the objectives and expectations of the program.

The benefits and drawbacks that it naturally brings should also be taken into consideration, so that we can create an effective program, where the advantages are strengthened, and negative impacts are mitigated.

Following are the key elements to be considered during the program design process.

6.4.1. Selection criteria

The first step in designing the job rotation program would be to select the most suitable employees for this task.

Here we would need support from the HR departments to assess the participant's professional skill set, adaptability in a new environment, as well as their communications skills, including language proficiency as mentioned before.

In terms of the current occupation and seniority levels, it is expected that both the team leaders and the young consultant with high potential to grow would get a chance participating the program. So that the company benefits from positive results among different roles, and it can also contribute to the diversification within the team.

In the end, besides the organisational goals, the individual interest of the participants also needs to be considered. We must make sure that the selected employees feel engaged in the program and has the willingness to learn and grow with the job rotation program.

6.4.2. Paring of roles and locations

Based on the goals of VWGS-C with the job rotation program, we need to identify the critical roles and positions that could benefits the most from the cross-cultural collaboration.

The current development stage of each subsidiary should also be taken into account. For the new consulting team in Barcelona, as it is still under the establishment phase, we might

prefer to have experienced team leaders there to booster the development. As for Portugal, given the business is stabilised and looks for expansion, maybe we should have project managers and technical leaders in rotation, bringing more expertise to the team. While in Germany, since it is in a mature state already, we can expect more rotation positions there for top talents with immense potential to learn and grow.

Once the roles and locations are defined, we should match the participants with those positions, according to their professional skills, personal goals, and the objective of the company.

6.4.3. Required documentation

Once the candidate is selected and the position is defined, it is important to ensure that the employee possesses all the documentation to travel and work in another country, like the work permit and the insurances. This may involve working with the immigration offices and other agencies before departure.

6.4.4. Training and support

Participants in the job rotation program would also need to receive a dedicate training program. This should include specific skills training targeting the new position, intensive language training, and sessions targeting the cultural awareness for the new environment. The goal is let the participants feel confident and well prepared for their new roles before the departure.

The receiving organisation should also develop an onboarding plan for the employee to quickly adapt the new environment, a buddy program that the company already familiarised with the new employees could also be applied here in this case.

Furthermore, the consistent ongoing support is also a critical component of a successful job rotation program. A regular check-ins and feedback system will keep the employees

engaged throughout the rotation, while also letting the managers to monitor their progress and give support and guidance once needed.

6.4.5. Compensation management

Another important consideration in designing an effective job rotation system is about the compensation management.

First, we need to make sure that the compensation structure for the participants is fair and consistent, considering their skills, experience, and the complexity of their new role. Since the job rotation program in VWGS may involve in different locations, it is also necessary to check whether adjustments are needed for different living expenses, so that the employees can maintain their life quality in the new place. Furthermore, the job-related relocation expenses like necessary travels and temporary housing should also be covered by the company.

Once the job rotation process is completed, VWGS should also consider offering special rewards to whom have achieved exceptional performance during their rotations and brought great contributions to the program.

The company can also provide incentives like career development opportunities, bonuses to motivate more employees to join the program and give their best.

6.4.6. Performance evaluations

Finally, it is important to establish a well-designed performance evaluation system for the participants of this job rotation program.

It involves setting clear goals and objectives for the participants, so that they can understand well what is expected during the rotation. Then a specific key performance indicator should be developed, considering the unique challenges they are facing with different working environments and roles. The company should also use multiple evaluation methods such as self-assessment, peer review and project-based evaluation to get a more comprehensive understanding of the participants' performance.

6.5. Implementation

After finishing the design of the job rotation program, we should go ahead with the actual execution. In this final part, five key steps have been outlined for the successful implementation of the Job rotation program in VWGS-C. A suggested timeline has been attached as well, assuming a preparation period around 12 (twelve) months before the full-scale implementation.

6.5.1. Program initiation (1-3 months)

Firstly, the change management department need to identify the key figures to be responsible for overseeing the entire implementation process for the job rotation program. Then a detailed project plan should be developed by this team, including the key milestones and timelines.

Secondly, the key roles and responsibilities should be defined within the project team, so that they can start engaging with the key stakeholders of the program, such as managers, HR, and potential candidates, preparing for the pilot phase.

6.5.2. Pilot phase (4-6 months)

To test the feasibility of the job rotation program, a pilot phase should be conducted. Only a small group of experienced team leaders would be selected in this stage, focusing also on a limited roles and projects which can boost the cross-cultural collaboration, as the main goal of the program. On the other hand, we should test the model only within the mature projects between Germany and Portugal, avoiding brining disruptions to a recently established market like in Spain.

At the end of the pilot phase, different kinds of feedbacks should be gathered from the participants to measure the effectiveness of the project. Then the project team need to adjust accordingly to improve the program before a full-scale implementation.

6.5.3. Development of the job rotation policy (1-3 months)

Based on the feedbacks and learnings from the pilot phase, the project team needs to develop the final job rotation policy. It should clearly define the goals and duration of the program, as well as all the key elements from the program design process, namely the selection criteria, roles and locations, training and support processes, and the compensation and performance evaluation systems.

Once the job rotation policy is defined, it is necessary for the project team to request and allocate all the necessary resources and budget to support the program.

6.5.4. Communication of the program (1-3 months)

In order to ensure a comprehensive understanding to all the related stakeholders about the program's objectives and benefits, an effective communication strategy needs to be developed by the change management department. A variety of communication channels should be used to reach a broader audience within VWGS-C, like the MS teams, the newsletters, and the newly invented apps mentioned before.

The project team also needs to secure the endorsement and support from the top management to show the organisational commitment to the job rotation program.

6.5.5. Full-scale implementation and evaluation (continuously)

Once the job rotation policy is defined and well-communicated within the group, a full-scale implementation of the program should be rolled out. While the project team needs to keep monitoring and conducting evaluations of the program's effectiveness on a frequent basis to ensure that the program is achieving its goals. This should be done through the ongoing support system to obtain regular feedbacks from the participants, as well as the analysis of the specific key performance indicators. Any issues and challenges emerged from the evaluation process should be addressed promptly, and continuous improvements need to be incorporated into the program design, so that the long-term success of the job rotation system could be reached.

6.6. Contingency plan

As a program which involves many people and resources among different locations, it could be normal that the implementation of job rotation in VWGS-C doesn't go as planned, nor match the objectives. Thus, a contingency plan needs to be developed, addressing all the potential problems that might arise.

6.6.1 Back-up personnel

As the participants of the program would be exposed in a different environment, facing new challenges and opportunities, they may have a higher possibility of turnover. So, it is important to have backup employees who can step in this case, avoiding disruptions in the day-to-day businesses.

6.6.2. Reversion plan

In case of a bad fit between the participant and the target position, which proves the job rotation program to be more detrimental than beneficial, it might be necessary to resend the employee back to their original location. This plan should include clear procedures for how this reversion would be handled.

6.6.3. Periodic review and adaption

It may also be the outdated program design or the new tendency in the job market that keep us away from achieving intended results. So, it is also important to periodically review the structure and adapt the program to the new changes. This could include changing the selection criteria, the roles involved in the program, the duration, and updating the training and support system.

6.6.4. Alternative development program

If the job rotation program keeps bringing negative results regardless the adjustments incorporated, the change management team should then consider whether it would be better off

to shut down the program and concentrating on other proposed solution for the cross-culture management. Or invest the time and resources in alternative employee development processes, like the mentorship program, or e-learning modules.

7. Change and its measurement

After one year of the adoption of the job rotation program, VWGS-C should start implementing mechanisms to measure transformation and make adaptations where they might be needed. These are likely to occur depending on the degree and speed of alterations, and/or any breakthroughs that are bound to happen with a delicate and complicated process. For this, constant assessment should be performed, as mentioned before. We suggest having employees answer surveys every trimester to evaluate existing teams upon collaboration programs, engagement between employees and between employees and employers, possible management misunderstandings, and much more. Additionally, for example, in the case of the soft skills training, it would be vital to get the input from every employee that is taking part in it, and from a scale from 1 to 10, questions like such should be present:

- How often did you feel heard?
- How is the team coordination?
- Do team members take the initiative to include diverse team members?
- Does the leader promote inclusivity?
- As a non-native speaker, are you given equal opportunity to participate in projects?

On the matter of the cultural assessments, and still using a scale from 1 (one) to 10 (ten), pertinent questions would be:

- How open are your peers to diversity?
- Do you think the manager is open to different perspectives on a daily basis?
- Do you feel differences between communication and working styles?
- How easily does the team adapt to difference?

Afterwards, it would be necessary to designate what an average of the answers would be. The teams agree that average answers could fall between 7 (seven) to 8 (eight), which means that if the initiatives score above 8, they are in line with the transformation, and should continue to run smoothly, looking for continuous improvement, nevertheless.

Some Key Performance Indicators (KPIs) should also be prepared and divided into dissimilar categories. It would be important to assess the number of proposed changes that were successfully implemented within the company, and the number of specific goals that were reached on time. In parallel, the number of employees who have engaged and are satisfied with the changes adopted in the business environment is relevant. On the matters of DEI initiatives, since it is a condition that should be entrenched in the company's core values, relevant metrics such as the number of projects having diverse teams, the number of activities that were conducted to raise awareness on these matters, are to be measured. After all these initiatives are implemented that, as stated before, not only aim for expansion of business, but also for employee satisfaction, employee retention, as well as the employee churn rate numbers should be evaluated. Indeed, some of these practices, namely the soft skills training, and the job rotation would be ideas that would stimulate retention within the company's premises. Consequently, it is mandatory to observe if the employees feel the same way about those. Last but not least and considering the international summit that takes place every year in Germany, an anonymous link shall be shared touching upon key takeaways and feedback for improvement.

8. Conclusion

Based on the experience gained at Volkswagen Group Services – Consulting and the conversations had, it is relevant to summarise the key takeaways. First and foremost, it is mandatory to recognise the relevance and the power of culture in today's world. Respecting

culture is the foundation for cementing of a harmonious collaboration, boosting open-mindedness, and understanding. Business wise, upholding culture and cultural diversity allows a deeper understanding of processes, taking advantage of distinct perspectives that stem from different people, backgrounds, and academic and professional experiences. Needless to say, exponential growth and brand identity development is no longer possible without acknowledging and understanding this matter.

Secondly, for VWGS-C, and considering the opening of the new office in Barcelona, Spain, the proposed solution by the team not only intend on establishing an action plan for the eradication of prevalent cross-cultural management issues perceived between Portugal and Germany, promoting openness and a closer collaboration, but also devising an action plan that aims at unifying the offices of Portugal and Spain, ensuring an Iberian Culture, that will be responsible for reaching new untapped markets, firstly in Latin America, followed by the United States of America. For this, the Hofstede insights and Erin Meyer's culture maps will allow to analyse several dimensions of the business, assessing similarities and differences, that will be considered upon devising the strategies.

Thirdly, the proposed initiative has been designed considering the more detailed qualitative research gathered and conducted via anonymous interviews, and fall on the topic of change management, an approach that has been driving transformational adjustments in organisation's goals, mission, core values, processes, to name a few examples. By proposing a job rotation system, the team is likely to promote a revolutionary modification to the business model. These will hopefully lay the foundation for the eradication of concerns that are posing constraints to the interconnectivity between offices, and ultimately, to the business model of the consulting services and its expansion and allow the fulfilment of the ultimate desire of the consulting services, expanding worldwide, having an office in every country or region where the manufacturing services are also present.

Upon the application of the job rotation program, it is imperative that Volkswagen Group Services – Consulting checks results on a trimester basis, devising online anonymous surveys and Key Performance Indicators that will be useful for readjusting each initiative's steps and the depth of transformation, in accordance with the goals established.

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Appendix

A) Interview Script for Employees in Lisbon

1. What is your nationality and position/stream in the company? How many years of experience do you have in VWGS?
2. What led you to stay/come to Portugal and work at VWGS?
3. How do you perceive your future in this company? Do you see any constraints on being promoted, taking into consideration the language barrier for non-German speakers? Do you believe having English as main language could be a solution in the name of globalisation?
4. How often do you feel like you can attest the cultural clash in the group? Between offices in different countries, between departments, between teams? How sensitised are employees to cultural diversity in the company?
5. Do you think the managerial practices and organisational structure favours diversity programs? (Or is more focused on the hierarchy in the company?)
6. From your perspective, have you witness culturally diverse teams outperforming homogeneous teams? Are there any upsides from working in a diverse team (employee's engagement, higher innovation and expertise and problem-solving skills)?
7. Which difficulties do you face when working directly with the consulting team in Germany? Describe the main differences comparing with the Portuguese Consulting team working style.
8. What do you think is the future of Volkswagen Group if these issues are not tackled in the medium to long run? How do you think this step to diversity is going to impact the brand, corporate purpose, and performance?

9. What would you recommend as best practices from your personal experience in the company?

B) Interview Script for the CEO of the Volkswagen Group in Portugal

1. As CEO of VWGS Iberia, would you say that this project starting in Portugal and soon moving on to Spain is a direct consequence of globalisation and the willingness to enter new markets? Or is there a clear strategy behind regarding this specific timing and regions chosen?

2. Has VW ever had any sort of plan in action to combat these cultural clashes that perhaps failed, or is this a new reality to the management team also and are still figuring out the best solution to the company in the long run?

3. Although Portugal and Spain have undeniable similarities, assumptions like this lead sometimes to cultural clashes. Do you believe that having English as the main language in Iberia, and in the long run in the company could be a solution to avoid it? Or that could be a constrain to create a strong Iberia culture and impact negatively the German consulting team performance?

4. From your position, how often do you feel like you can attest the cultural clash in different departments, or teams? Are you aware of it, with you being Portuguese?

5. How sensitised is the top management and employees to the cultural diversity in the company? Are there any specific programs currently in progress to tackle these cross-cultural issues?

6. Do you think the current managerial practices and organisational structure is favouring diversity programs? Or are you hiring solely based on competence and previous professional experience?

7. Do you feel the differences in the way of conducting business are affecting the relationship between PT and Germany? Do you feel the Portuguese way of conducting business is harnessing anything in specific compared to the German way of doing it?

8. The consulting services in Lisbon and now Barcelona were namely created to help the company engage with different clients and different markets that do not necessarily speak the German language, is that correct? Would the optimal idea in the long run be to have each branch with its own independence, business, and management style wise, or should it be a big consulting group?

9. How do you think this step to diversity is going to impact the brand, corporate purpose, and performance?

10. What do you think is the future of the Volkswagen Group if these issues are not tackled in the medium to long run? Is the loss of possible resources and clients the only two main points to be considered?

C) Interview Script for the Director of the VWGS Consulting

1. As Director of VWGS Consulting, would you say that the Iberia project is a direct consequence of globalisation and the willingness to enter new markets? Or is there a clear strategy behind regarding this specific timing and regions chosen?

2. Do you believe that having English as the main language in Iberia, and in the long run in the company could be a solution to avoid cultural clashes in the company? Or that could be a constrain to create a strong Iberia culture and impact negatively the German consulting team performance, as the mother company is in Germany?

3. From your position, how often do you feel like you can attest the cultural clash in different departments, or teams? Has VW ever had any sort of plan in action to combat these that perhaps failed or is this a new reality to the management team also?

4. How sensitised is the top management and employees to the cultural diversity in the company? Are there any specific programs and best practices currently in progress to tackle these cross-cultural issues?

5. Do you think the current managerial practices and organisational structure is favouring diversity programs? Or are you hiring solely based on competence and previous professional experience?

6. Do you feel the differences in the way of conducting business are affecting the relationship between PT and Germany? Do you feel the Portuguese way of conducting business is harnessing anything in specific compared to the German way of doing it?

7. The consulting services in PT and now Barcelona were namely created to help the company engage with different clients and different markets that do not necessarily speak the German language, is that correct? Would the optimal idea in the long run be to have each branch with its own independence, business, and management style wise, or should it be a big consulting group?

8. How do you think this step to diversity is going to impact the brand, corporate purpose, and performance?

9. What do you think is the future of the Volkswagen Group if these issues are not tackled in the medium to long run?