

## **The cultural distance paradox in interorganisational relationships**

During my research on interorganisational networks I came across a lot of literature dealing with interorganisational relationships (IR). In most of these works organisational or interorganisational culture is seen as an important, sometimes crucial variable for the success of an IR. From this functionalistic perspective culture is as a key success factor of IR. It is often stated that the more similar the cultures from the different organisations coming together are the more likely is the successful establishing of the relationship between them. In contrast, the more different the cultures of these organisations are the more unlikely is the success of the envisaged relationship.

However, from an interpretative perspective on organisational and interorganisational culture an important point is often neglected here. The different actors involved perceive cultural distance within their specific cultural frames of reference. In doing so they interpret the cultural distance to each other based upon their culturally filtered perceptions. However, from this perspective, perceived cultural nearness or similarity does not guarantee the success<sup>6</sup> of the network relationship. Rather such a perception could prevent the actors from identifying and learning from differences. Thus, subjective perception of cultural similarity by the actors involved in a network relationship could lead to latent clashes and to disruptions and as a result of this to the termination of the network relationship.

The perception of a large cultural distance could also be an obstacle for the formation of a network relationship and/or the success of such a relationship.

Following the concept of the psychic distance paradox from O'Grady und Lane (1996)<sup>7</sup>, I call this phenomenon "cultural distance paradox". It means that within the formation of interorganisational networks there exists some kind of a cultural corridor. According to the assumption of the subjective perception of cultural distance by the actors involved perceived high cultural similarity as well as high cultural dissimilarity could influence the success of a network relationship. So there exists no clear linear relationship between cultural nearness and success of a network relationship.

The existence of a cultural distance paradox leads to the need to critically analyse statements of the necessary fit (that means similarity) of organisational cultures within interorganisational relationships as a key factor for success. In my opinion, the perception and the acceptance of cultural differences are the pre-

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<sup>6</sup> I do recognise that the meaning of success itself will be defined by the actors involved.

<sup>7</sup> O'Grady, S./Lane, H. W., The Psychic Distance Paradox, in: *Journal of International Business Studies*, Vol 27/2, 1996, S. 309-333

conditions for the process of establishing a new social reality within interorganisational relationships.

*Ingo Winkler, University of Technology Chemnitz, Germany*