

Corning and Vitro Joint Venture

In 1991, Corning announced the creation of an international joint venture with Vitro, a consumer glass company in Mexico. Two corporate entities would result from the joint venture: Corning-Vitro in the United States, and Vitro-Corning in Mexico. Corning owned 51 percent of Corning-Vitro in the United States and 49% of Vitro-Corning in Mexico. Conversely, Vitro owned 51% of Vitro-Corning in Mexico and 49% of Corning-Vitro in the United States. The joint venture was to become an "economically integrated entity with mutual technology, trademark, copyright, and licensing arrangements, as well as ongoing research and development activities". However, from the commencement of the joint venture, Vitro felt that Corning was moving too fast in the negotiations "without first consulting its counterparts". On the other hand, Corning felt Vitro was moving too slow. Vitro also sensed that Corning was not sharing its most advanced technology with it. As a result, this led to an asymmetry in the relationship, which jeopardized the established trust between the two companies. In addition, the decision-making styles that the American managers used were very different than the styles used by the Mexican managers. Vitro viewed the Corning managers as being too direct, while the American managers perceived the Vitro managers as "unwilling to acknowledge problems and faults".

References:

Teegen, H. J. & Doh, J. P. (2002). US-Mexican alliance negotiations: Impact of culture on authority, trust, performance. *Thunderbird International Business Review*.

CITE THIS AS:

YouSigma. (2008). "Corning and Vitro Cross-Cultural Negotiations." From <http://www.yousigma.com>.