

This article was downloaded by: [Vrije Universiteit, Library]

On: 30 May 2011

Access details: Access Details: [subscription number 907218003]

Publisher Routledge

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



Asia Pacific Business Review

Publication details, including instructions for authors and subscription information:

<http://www.informaworld.com/smpp/title~content=t713634263>

Japanese Business in the Dutch Polder: The Experience of Cultural Differences in Asymmetric Power Relations

Hyunghae Byun; Sierk Ybema

To cite this Article Byun, Hyunghae and Ybema, Sierk(2005) 'Japanese Business in the Dutch Polder: The Experience of Cultural Differences in Asymmetric Power Relations', *Asia Pacific Business Review*, 11: 4, 535 – 552

To link to this Article: DOI: 10.1080/13602380500135836

URL: <http://dx.doi.org/10.1080/13602380500135836>

PLEASE SCROLL DOWN FOR ARTICLE

Full terms and conditions of use: <http://www.informaworld.com/terms-and-conditions-of-access.pdf>

This article may be used for research, teaching and private study purposes. Any substantial or systematic reproduction, re-distribution, re-selling, loan or sub-licensing, systematic supply or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The accuracy of any instructions, formulae and drug doses should be independently verified with primary sources. The publisher shall not be liable for any loss, actions, claims, proceedings, demand or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.

Japanese Business in the Dutch Polder: The Experience of Cultural Differences in Asymmetric Power Relations

HYUNGHAЕ BYUN & SIERK YBEMA

Culture, Organization and Management, Vrije Universiteit Amsterdam, Amsterdam

ABSTRACT *The article investigates the interrelation between organizational context and human agency in intercultural interactions. Arguing against the dominant approach in cross-cultural research that relies heavily on ‘objective’ dimension scores and therewith dissociates culture from actual intercultural encounters in specific contexts, it proposes that, under certain social–political conditions, organizational members may perceive or present particular cultural characteristics as especially significant. The article employs data from ethnographic materials gathered in the European head office of a Japanese multinational in the Netherlands. The implications of the findings are discussed with specific focus on the impact of the distribution of power and resources in an organizational setting on the salience of cultural differences in transnational cooperation.*

KEY WORDS: Organizational globalization, multinationals, intercultural communication, power

While the emergence of transnational networks creates connections between people on a world-wide scale, at the same time a counter trend can be observed of localization or ethnicizing that creates new polarizing divisions between people (Appadurai, 1998; Friedman, 1990; Hannerz, 1992; Roseneau, 1994). The twin processes of globalization on the one hand and localization, that is, an increasing awareness of, and attachment to one’s local or ethnic identity, on the other, have been termed ‘glocalization’ (Ohmae, 1990; Robertson, 1995) or ‘framgregation’ (integration and fragmentation) (Roseneau, 1994). These concepts reflect opposing tendencies of unification and division in contemporary society that can also be observed in multinational corporations. Management often remains firmly rooted in the parent country’s culture (Mintzberg, 1993; Ruigrok & van Tulder, 1995: 175; Schneider & Barsoux, 1997: 223) and it is not uncommon for it to become challenged by the nationals of the host culture (e.g. Ailon-Souday & Kunda, 2003; Dahler-Larsen, 1997; Graham, 1993; Koot, 1997; Van Marrewijk, 2004). The rise of a global network economy and the resulting increase of intercultural contacts do not automatically lead to cultural homogenization. Rather, they seem to bring forth a heterogenizing counter trend of groups of

Correspondence Address: Sierk Ybema, Culture, Organization and Management, Faculty of Social Science, Vrije Universiteit Amsterdam, Boelelaan 1081, 1081 HV Amsterdam. Email: sb.ybema@mdw.vu.nl

1360-2381 Print/1743-792X Online/05/040535–18 © 2005 Taylor & Francis

DOI: 10.1080/13602380500135836

people asserting their identity and distinctiveness *vis-à-vis* the other. If we are entering a seemingly borderless world, it is a world in which, at the same time, symbolic boundaries are reconstructed and local differences and cultural identities are marked and marketed (Featherstone, 1990).

While organization scholars have shown a sustained interest in cultural processes in trans-national contexts, the dominant approach in cross-cultural research has overlooked this process of ethnicization and, in fact, offers an acontextual and apolitical understanding of cultural encounters. Cultural identity, as it is usually conceptualized, starts from the assumption that national identity imprints a value-based, mental programme or collective 'software' in peoples' minds (Hofstede, 1991; Hofstede *et al.*, 1990). These cognitive models are represented through a small set of continua: individualism–collectivism, masculinity–femininity, power distance, anxiety reduction, long-term or short-term orientation (cf. Trompenaars, 1993, for a similar approach), which are claimed to manifest themselves in organizations through stubbornly distinctive patterns of thinking, feeling and acting located in the nationally constituted actors. Despite the appealing simplicity of a description in terms of dimension scores and the useful grip it promises to provide on a complex phenomenon, it gives a rather minimal, static and monolithic sketch of national cultures (see for a discussion of Hofstede's work: Clegg *et al.*, 2005; McSweeney, 2002; Smith, 2002). A few general characteristics are considered to be deep-rooted determinants of behaviour that are assumed to constitute a true and timeless cultural essence. This type of cross-cultural organization research ignores identity and ethnicity theorists who have put emphasis on the situational and relational character of social identification processes (e.g. Barth, 1969; Eriksen, 1993; Jenkins, 1996) – it restricts respondents to answering predefined questions without any reference to a specific situation or intercultural relation, treating national identity as 'merely the passive embodiment of a predetermined cultural template' (Ailon-Souday & Kunda, 2003: p. 1074). So, even if the variance that is measured in survey research does capture some real or experienced cultural essence, it does not represent the actualities of everyday work situations. Consequently, the question of how these presumed differences work out in intercultural interactions remains unanswered. The study described in this paper explores the role of power and politics in the construction of cultural characteristics.

If we want to capture the actual complexity of everyday intercultural encounters in organizations, there is a need for detailed empirical research on daily practices in cross-cultural corporations (Redding, 1994: p. 11; Schneider & Barsoux, 1997). This research should take account of both context and action (Bate, 1997; Collins, 1998; Pettigrew, 1985), conceiving culture and identity as existing in a specific setting, shaped by and shaping social processes. In this study, an ethnographic account of the local response within a global enterprise demonstrates how national identities are accentuated by organizational actors as a psychological and political strategy in intercultural relations. Specifically, it draws on field data, collected by the first author during a study of three months at the European head office in the Netherlands of Rajio cooperation (a pseudonym), a Japanese company of consumer electronics.

First, evidence will be offered in support of the claim that a national culture (or, rather, its ascribed qualities) constitutes a symbolic resource that is actively and creatively used by organizational actors to construct a sense of identity and to create cultural distance in a political struggle (Ailon-Souday & Kunda, 2003; Koot, 1997). Second, in apparent opposition to this first line of reasoning, the impact of context rather than agency will be underlined, and culture acknowledged as a source of, rather than a resource for, action. The emphasis placed on human agency in processes of ethnicization, it will be suggested, should be counterbalanced by acknowledging the embeddedness of interactions and interpretations within historical processes, longstanding traditions and organizational structures that constitute the 'unacknowledged conditions' and 'unintended consequences' of human action (Giddens, 1979). While members of organizations act with intent and purpose, their practices have to be situated within wider social contexts that enable and constrain human action (Berger & Luckmann, 1991; Chanlat, 1994; Layder, 1993). Ethnographic studies of transnational enterprises have shown the significance of specific historical relations between cultural partners and managerial strategies for processes of identification. In these cases, 'cultural distance' in Hofstede's dimensions appeared to be a poor indicator of success in intercultural cooperation (Koot, 1997; Olie, 1994; Van Marrewijk, 1999).

The specific situation at Rajio is one of cultural polarization between a Dutch shop floor and Japanese management, and could therefore be typical of the intercultural processes occurring in asymmetrical power relations. An inequality in terms of political influence, rewards and advancement opportunities is often a structural characteristic of cross-cultural cooperation within multinational enterprises. It certainly seems to be a distinctive mark of the structure of many Japanese multinationals, where strong central control remains the dominant model of organization (although, in the past decade or so, a more moderate degree is gaining popularity in Japanese firms, see Clegg & Kono, 2002), and Western subsidiaries are generally tightly integrated into the head office strategy (Whitley *et al.*, 2001, in Morgan, 2002). The unequal power relation between Japanese management and Dutch personnel is an essential attribute of the situation at Rajio that, we will suggest, has a profound impact on the salience of specific cultural differences.

The redefinition of symbolic boundaries and the discursive construction of cultural distance is a means by which, on the one hand, the more-powerful try to sustain or strengthen their position and, on the other hand, the less-powerful attempt to renegotiate or challenge their subordination. Apparently, boundary talk provides a tacit resource to be drawn on in everyday organizational politics, in order to present an identity, establish a truth, or defend an interest. In this paper we will try to show the impact of the specific constellation and power/resistance dynamics between Japanese management and Dutch personnel on the formation of cultural identities, arguing, more generally, for a power-sensitive account of intercultural encounters in organizational settings.

In order to be able to search for the reasoning behind interpretations and perceptions of cultural differences among various cultural groups, it was essential to conduct the research with the help of methods that describe a unit in depth,

detail and context. Therefore an appropriate methodology for this research was ethnographic research, with in-depth interviews, participant observations, and documentary analysis. The literature on Japanese and Dutch culture, earlier research in Japanese organizations in the Netherlands, and six in-depth interviews with selected informants (an expert from an inter-cultural training centre in The Hague, a Japanese acquaintance, two Dutch informants and one Japanese from Rajio Europe, and two Dutch employees from the European head office of other Japanese multinationals in the Netherlands) aided the selection of a number of issues: working attitude; the relationship between superior and subordinate; decision-making; and language and communication style. A questionnaire was administered to check the selected topics for their specific relevance at Rajio Europe.

The study consists of three sections. After describing in the first section the context and setting of the case study from which the data was drawn, the article goes on to expound on the interaction patterns within the European head office of Rajio and the images held by both Japanese and Dutch employees of differences in cultural values and practices. It concludes by discussing the implications of the study for furthering the understanding of the interplay between global integration and local response in work settings and the role of culture and identity in intercultural interactions in the context of asymmetrical power relations within multinational organizations.

Rajio Europe: The Setting

Japanese multinational enterprises have a tendency to employ expatriate parent country nationals at the CEO, top management team, and workforce levels in overseas subsidiaries (Gong, 2003). They choose to staff their subsidiaries with Japanese expatriates, rather than with host country nationals, particularly when the host country could be regarded as being culturally distant from Japanese culture (although this tendency becomes weaker over time). A comparison between American and Japanese firms shows that the staffing policy of Japanese companies in overseas offices in European countries is indeed more ethnocentric (Lehrer & Asakawa, 2003). Kopp (1994) has pointed out that the continuous heavy reliance on expatriate parent country nationals at later stages of subsidiary operation may generate serious HRM problems, such as low motivation among host country nationals stemming from a lack of advancement opportunities, and may also damage a subsidiary's local legitimacy after host country personnel have gained knowledge and skills from (more expensive) expatriate parent country nationals. The situation at Rajio is not atypical in these respects.

Rajio cooperation was established in 1946 as a radio manufacturer and was listed on the Tokyo Stock Exchange in 1969. Today, Rajio consists of several divisions (car audio, home audio, hi-fi systems, communication equipment, such as mobiles and GSM, and products for the information technology) and employs a total of 3,300 employees in 35 countries. As a relatively small manufacturer of audio products the decline of worldwide markets for home audio products has recently generated a somewhat uneasy situation for Rajio. In the market for home audio equipment, it competes with giants such as Akai, in the middle segment of

the market, where price competition is fierce. Rajio Europe concentrates on the car audio market, where the firm's position is relatively strong (top three in most European countries). Rajio, known for its innovative character and good designs, opened its first European office for the Dutch and Belgian market in Belgium in 1984. The European head office of Rajio, established in the U.K. in 1990, was moved to the Netherlands in 1994 because it was considered to be a more central location within Europe with a good infrastructure and work force and a beneficial tax system (according to the Japanese Chamber of Commerce in Amsterdam, Japanese companies often set up their head offices in the Netherlands). During the first two years the main tasks of Rajio Europe were restricted to administrative and logistic work. To eliminate the duplication of the work in Europe and Japan and to improve communication among European subsidiaries the head office delegated more authority to Rajio Europe as a self-supporting organization and gave it direct responsibility for Eastern Europe, Turkey, Greece, and Switzerland. This put the managing director of Rajio Europe officially in charge of the European market and made him responsible for the coordination of pan-European actions. Yet most affiliated companies of Rajio in Europe preferred to communicate directly with the head office in Japan, in part because the main activities of foreign subsidiaries (marketing and sales) were still coordinated by the international division of the head office in Tokyo.

At the time of the study, in February 2000, Rajio Europe employed 56 people, the majority being of Dutch or Japanese nationality. Three Japanese directors are the most senior. They are the only Japanese who had worked abroad with foreigners before they joined Rajio Europe (the term that a Japanese expatriate works at Rajio varies from two to ten years). The middle management consists of six Japanese, four Dutch and two locals with other nationalities. The departments for sales, logistics, IT and HR are managed by local managers, although, in reality, the Dutch managers work as subordinates of their Japanese colleagues. The title of manager is given to a local as a reward and stimulus, but the responsibility attached to the title is not fully delegated to a local.

Cultural Encounters: Case Description

Jingling pop music from a Rajio audio set mingles with the sound of a waterfall running between bonsai trees in the spacious interior of the entrance hall of Rajio Europe. The idyllic scenery in the glass-walled office building creates the impression of a well-balanced harmony between East and West. In fact, however, the two national groups within Rajio Europe seldom mix, and experience difficulties in their communications. Mr Takanuchi, for example, a 40-year-old Japanese manager, is often on the phone to colleagues in Japan or other European countries, speaking softly in Japanese. Most of the documents on his computer monitor are in Japanese and when he takes a break he chats to his Japanese colleagues from other departments. Only occasionally does he talk to his two Dutch subordinates who sit in the same office as he does, and when he does so the conversations are usually initiated by the Dutch. In the canteen during lunch the Japanese (usually only three or four of them) and the Dutch stay apart, a pattern

that can also be observed on special occasions, such as the Christmas party, the Easter lunch, the family outing and farewell parties.

Like the Japanese, the Dutch also tend to stick together. They do try to socialize with the Japanese more often by initiating chats and making jokes and by trying to show extra courtesy, but the Japanese stay at a distance, aware of a normative pressure to avoid becoming infected by Western values. The Dutch sense the Japanese reluctance and preference to stay on their own and chat with their fellow countrymen in their own language. Dutch frustration surfaces when, for example, they complain about Japanese managers who go out for a Japanese lunch and take a break that exceeds the 30 minutes allowed for lunch, or about the managing director and vice-president who never turn up at farewell parties (the Dutch, for their part, stayed away from a farewell party organized for a Japanese person). These interactions (or rather, absence of interactions) not only seem to confirm the idea that people hesitate to meet strangers in order to avoid the uncertainty and ambiguity of inter-cultural encounters (Gudykunst & Kim, 1992: pp. 27–29); it indicates, above all, that a rather empty, stolid relationship has developed between the two national groups at Rajio Europe. These difficulties appear to be related to specific differences that are particularly salient in this situation, such as the attitude to work.

Work Attitude

An early difference noticed by both the Japanese and the Dutch within Rajio Europe concerns the work ethos. Although the Dutch respect the hardworking attitude of the Japanese in general, they have a hard time understanding the utmost priority that is given to work by their Japanese colleagues. ‘The Japanese live to work and do not work to live’, is a common remark among the Dutch at Rajio Europe, who also cherish the idea that the Japanese have to put in extra hours because of their presumed inefficiency. To explain the work attitude of the Japanese to new employees, the Dutch like to recall an incident when a Japanese employee fell asleep at his desk and was found by security the next morning. Since then a new regulation has been established that gives the security officer the authority to send people home after midnight (most Japanese leave the office between 8 and 10 p.m.).

Most Dutch employees do not feel any pressure or expectation from the Japanese management to adopt the same work attitude. A Dutch manager maintains that ‘they [the Japanese managers] just cannot expect us to show such commitment when so little responsibility is given to us locals’. According to a shop-floor worker it is plain logic: ‘Their salaries are much higher and they get many more benefits – *of course* they have to put in more hours and take fewer holidays’. So, the Dutch tend to deny any formal or moral obligation to work harder by referring to cultural differences and the unequal distribution of power and rewards. Ironically they defend themselves as having a *joi de vivre*, whereas their fellow countrymen usually think of themselves as having a protestant work ethic.

The difference in work attitude may be self-evident to the Dutch, but their ‘nine to five-mentality’ is not much appreciated by their Japanese colleagues. To explain their work ethos the Japanese point to the intrinsic value of work.

We understand that it is Dutch culture to enjoy life, but for us it is more important to accomplish something that will give meaning to life *through* our work.

Commenting on the Dutch work ethic they stress the importance of moral commitment.

We know that they say 'we live to work and not work to live'. We also cherish our private time, but we don't fail in our duty to our company and our colleagues and that's why we have to finish the day's work no matter how much overtime we have to do.

Although the Japanese view their foreign colleagues' ways of working as an inherent part of Dutch culture, it is a recurring annoyance.

I cannot understand the Dutch attitude, they can just leave undone work on their desk and go home. They always have excuses about family and private things. That's why we, the Japanese, always have to work till late.

Japanese irritation is aroused by seemingly small but symbolically meaningful issues, such as their observation that Dutch colleagues like to chat loudly at work. This is not only taken as a sign of Dutch indolence, but also of their self-centredness, a characteristic that is assumed to be typical of an individualistic culture. 'Dutch people don't care about other people at all, they will stand in the middle of the corridor and talk so loud that everybody can hear them, while we will stand at a side of the corridor and chat softly.' Indeed the Japanese do chat less, and when they do so, more softly, than their Dutch colleagues, while some Dutch talk so loud that they can be heard all over the office. One Japanese manager assured us that it is much easier to concentrate after 5 p.m., when most Dutch people have left the office.

That the Dutch often discuss their private lives on or off the job rather than work-related issues is also a source of irritation for the Japanese. According to a disgruntled Japanese manager of the financial department, the summer holiday schedules are already a topic in January and February, while the company's Christmas party 'becomes a topic already in August'. To him this shows that the Dutch are unwilling to compromise or adjust for the benefit of the group and rather focus on their personal convenience. Another Japanese manager sighed:

They have so little concern for other people. Even if their car is not correctly parked and prevents others from parking their cars, most of the Dutch will just leave it there. They just don't care. It is not their problem. We Japanese will drive out and park again until the car is on the right spot.

The Dutch complaint about lack of responsibilities and opportunities within Rajio Europe is met with ambivalence. Some Japanese argue that the Dutch are nagging

about it, while at the same time they are not willing to do extracurricular work that could give them new responsibilities. One Japanese manager asserts that the Dutch do not work on something if it is not included in the job description, even if it is important for the success of the company. In his view they misuse the job description to focus on the activities and duties described therein and to protect themselves against extra work. Yet, despite Japanese irritations about the level of commitment and the lack of initiative on the part of Dutch employees, most Japanese admit that the Dutch are disadvantaged within the company. As one of them says:

Not only do we work longer but we also do not have as many holidays [expatriates at Rajio Europe enjoy a single week holiday per year, whereas the Dutch have 21 days a year] and I do not get paid sick leave. But I cannot complain: the company offers more incentives for Japanese people and this is a Japanese company after all.

Thus the Japanese and non-Japanese have different positions within Rajio Europe. The Japanese feel compelled to live up to high standards, because an inherent part of being 'a selected group of people from Rajio' (as a Japanese manager put it) is bearing responsibility and working hard. They feel they have no choice. One of them admitted that he wished he could approach his work in the Dutch way, but he just cannot allow himself to do so, because, in the end, he will return to Japan after his term in the Netherlands is completed and his career opportunities within Rajio will depend on their evaluation of his work as an expat. Pressures and opportunities are not the same for the non-Japanese in the company. A Japanese manager observed: 'The locals are not stimulated this way, since most of the important positions are taken by Japanese and less responsibility is given to the locals.' So, the Japanese also assume that cultural habits and inequalities underlie a typical difference in working attitude.

The Superior–Subordinate Relationship

The relationship between Japanese managers and their local subordinates is usually fairly smooth. Dutch irritation is often caused, however, by the attitude of Japanese managers towards superiors. According to the Dutch their Japanese bosses are very submissive, not willing to speak out to the Japanese directors of Rajio Europe or representatives of the head office in Japan. The Dutch think that it is impossible for Japanese managers to disagree with the opinion of their superiors. When a Japanese manager encounters two different opinions from his boss and his Dutch subordinate, he will first try to persuade the Dutch employee to accept the ideas of his superior. If that does not work he will ignore the ideas and comments of the local employee.

A young Dutch engineer whose one month-training at the Japanese head office had made him more aware of Japanese culture than most other Dutch colleagues at Rajio Europe, made a remark about a conflict he had with the newly appointed Japanese vice-president.

Mr S. has lived and worked for Rajio in several countries in Europe for fifteen years. One would expect that he would be more Westernized and open and flexible from his experiences in all these countries, but he acted like a dictator instead. He gave me orders in a very unpleasant manner and expected me to react like a robot. I am rather open to the Japanese culture and flexible enough to accept cultural differences, but this was the limit.

Intervention by the Japanese managing director smoothed the situation and the vice-president altered his attitude toward the Dutch subordinates afterwards. Yet, one Dutchman, who saw himself as not typically Dutch, mentioned that he did not see any difference: 'even in a Dutch company there are managers who act like 'the boss'.

It is basic etiquette in Japanese culture to show respect for seniors and superiors and the promotion system in Japanese companies is often based on one's seniority, as is also the case at Rajio Europe. Even though Japanese expatriates understand and accept the egalitarian attitude of their local subordinates as a distinct characteristic of Dutch culture, they find it difficult to get used to. Especially the three directors, the most senior members of the Japanese enclave, experience difficulties in becoming accustomed to this cultural difference. One Japanese manager explained how surprised and offended the former managing director had been when the receptionist just walked into his office without any notice. 'This can never happen in Japan: a receptionist just walking into the room of the managing director...'. His successor found a way to avoid possible objections from Dutch managers. Since he does not feel comfortable having to explain the urgency or necessity of a decision, he prefers to give an order directly to a Japanese subordinate who will not argue with his superior.

Decision-making

The Dutch think the Japanese style of decision-making is not a 'consensus-based' process. It is considered a practice of asking permission of one's superior, who has to ask his superior and, when the highest in rank finally has decided, 'the rest just agree to share the responsibility'. All Dutch members complain that the Japanese 'always need to check with somebody' and are just too afraid to accept the responsibility of a decision taken without the agreement of a supervisor. It is time-consuming and hinders the process of reacting to threats and opportunities. A Dutch manager of the car audio department said that on one occasion his department could have realized a big sale of the housing unit for their car navigation equipment to Philips, by making a minor technical adjustment. Nobody dared make a decision and the matter was handed over to the head office in Tokyo. When the decision was finally made and the adjusted prototype arrived in Holland, ten months had passed. In the meantime Philips had changed their model and Rajio Europe had lost a big opportunity.

The Dutch employees resented the fact that the Japanese managers and the head office left little room for the Dutch to participate in or to influence the decision-making process and often went back to Japan to discuss and decide policies

concerning the European market. Each European subsidiary sent a Japanese manager to the yearly meeting of the car audio section to discuss the new collection and new trends in the European market. Thereafter, the Dutch employees received hardly any information about the results of the head office meetings. An assistant manager requested assistance from Rajio Germany for a presentation to car manufacturer Volkswagen. He wanted 'a German technician who could fluently explain technical issues of a Rajio product in his mother tongue'. Despite this request, the head office in Japan decided to appoint as an assistant at the meeting a Japanese manager from the German office without technical background and with poor knowledge of German and English.

The consequence, according to the Dutch, is widespread discontent

I have seen many excellent people leave this company, because they didn't get enough room to discuss or participate. They left because of a conflict and not because of cultural differences. As far as I can see, the comments or opinions of local staff are valued less than the comments made by the Japanese.

This issue is one of the most important problems that the Dutch experience in their working relationship with the Japanese. The Japanese recognize the differences in the Dutch and Japanese style of decision-making. Most of the Japanese acknowledge that their style is time-consuming and one of them even called it 'a waste of time' ('it is even worse at the head office'), but most of them also emphasize the necessity to take time to reach a decision: 'We don't like to make decisions without considering alternatives or possible problems. We need to study a subject from several different angles. This way we can be prepared for hidden difficulties when we carry out the decision.' Decisions should also be well documented, one Japanese manager explained, because they will be reported to a superior and the superior should be able to report in full detail to his superior if necessary.

The Japanese managers do acknowledge a certain tension in the process of decision-making between consensus and top-down management. 'A consensus-based decision in a Japanese company is the ideal situation, but the reality is very different at Rajio', one of them says. And another observes that decision-making in Japanese companies is top-down. 'Even if top management makes an illogical decision, you just have to follow it. The decision has already been made above you.' According to most Japanese participants, consensus over a decision indicates sharing the responsibilities for the decision rather than demonstrating that decision making is a bottom-up process. As a result, responsibilities are unclear, according to some Japanese managers, some of whom seem to prefer the Dutch style of decision-making: 'Dutch people make decisions after open discussions and I also think that that is a fair way to do it.' Another commented:

Sometimes Dutch people complain about some strategic decisions or policy from the head office. I can understand that they have a hard time to understand. I sometimes also think that it does not make sense, but it

is company policy and we have to just follow it. Plus, I am Japanese, what can I do?’

Although the Japanese see the imperfections of the Japanese style of decision-making, they do not think the Dutch style of decision-making is perfect. They tend to think that the Dutch are too short-term oriented. One Japanese manager explained the difference:

They [the Dutch] don’t consider about the possible difficulties that will turn up in the operation. They just make decisions based on relatively little information and carry it out first. When they are confronted with the difficulties that could have been foreseen they just don’t know what to do and want to give up easily or change the total plan again. We Japanese are different. Before we make a decision we will consider all possibilities and find solutions for problems that might occur. And we don’t just give up when we are confronted with difficulties. We rather stick to the plan and seek the best solution to carry out our plan further. Compared to us, they [the Dutch] lack the endurance to pull through in difficult times.

Perseverance is not a quality of the Dutch, according to the Japanese, who like to say that the Dutch are physically strong, but mentally weak.

Language

The Dutch agree that the Japanese expatriates and some employees in the head office, who communicate with the affiliated companies, should improve their ability to communicate in the English language. But the Dutch deny that the difficulties they experience in daily communication with the Japanese at Rajio Europe are caused by poor knowledge of the English language on the Japanese side. Some Dutch members explained that modern techniques, like the internet and email, facilitate communication. The difficulties have more to do with the fact that the Dutch are only partially informed and that the information they receive is often filtered. Some members expressed their frustration about meetings with Japanese participants, believing that the Japanese intentionally adopt Japanese as soon as the discussion is about strategic issues. When the Dutch are subsequently informed about the simplified conclusions of this discussion, they interpret it as courtesy and diplomacy more than anything else. A Dutch manager with some knowledge of the Japanese language spoke about one particular discussion he had with his Japanese colleagues. They were discussing some technical matters when the Japanese group broke off to discuss these further in Japanese. The Japanese group explained that the issue was too complicated for them to discuss in English. At the end of discussion one of the Japanese managers gave a short explanation, with little information of what had actually been discussed in Japanese. When the Dutchman expressed some understanding of their Japanese conversation, one of the Japanese managers said to the others: ‘I told you that it is dangerous to discuss such matters in front of him.’

We will give another example showing that the problem of language is not the reason why Dutch employees are excluded from certain parts of discussions or information. Two Irishmen who are both married to Japanese women and speak fluent Japanese, confirmed this. One of them believed that his knowledge of the language sometimes caused even more frustration. By accident he had seen some of the reports to the head office from his previous boss, a Japanese manager, written in Japanese. 'I found out that he would write "I did it" when the report was about a success and "we did it" when it was about a failure.' He believes that the language difference is not the issue, but that it is the general idea that Japanese managers have about foreigners that structures their attitude towards non-Japanese employees.

In most cases the Japanese managers hold all communications with the head office in Japanese. A Dutch interviewee illustrated their dependency on the Japanese managers in communications with the head office with the following tale. While his Japanese manager was on a business trip his department received a fax from Tokyo. The message was marked 'URGENT' in English, but the rest of the text was in Japanese. When the Japanese manager came back to the office a week later, the fax was still lying on his desk without any action having been taken. According to the interviewee, this would not have happened had all communication been in English. When the question was asked why the fax was not forwarded to the Japanese manager at his hotel or to the other branch office where he was visiting, the interviewee did not answer the question. Another interviewee said, 'they think a company becomes international when it employs people with different nationalities. This is not an international company, but a Japanese company with different nationalities.' Both interviewees argued that delays in responses and actions as a result of the fact that all communication is in Japanese, harm Rajio's operations.

The strategies of linguistic resistance flow both ways: the Japanese manager of the sales department told us that he would like to join the yearly sales meeting for the Dutch market, but the Dutch sales manager informed him that it is necessary to speak in Dutch during the sales meeting, in order to discuss all matters in depth. This Japanese said: 'Of course one of them will inform me about the meeting and the issues that are discussed. But I think it is better if I am involved at the meeting directly. I feel that I am behind.'

All Japanese managers at Rajio Europe experience language as the most difficult of all cultural differences. Often Japanese expatriates do not speak English at all when they arrive in the Netherlands. After their arrival they attend a language course in Belgium for four to eight weeks. Some of the Japanese told us that the language course does not really help them to improve their English but helps them to change their mentality so that they are less afraid of making mistakes. The Japanese learn English at work and the use of e-mail to communicate with their Dutch colleagues reduces the chance of misunderstandings in their communication.

A Japanese manager told us that Dutch people ridicule the head office when a newly arrived expatriate can hardly speak English.

I don't react to their comments, like why Tokyo sent such an inexperienced person who cannot speak English at all. Of course, I can

understand it from their point of view but they don't understand the long term policy of the company at all. In order to improve skills of personnel (head office) it is important to send somebody abroad with less experience and less English.

Although all Japanese participants recognize the importance of the English language in communication with the Dutch, none of them believes that extra English lessons in Japan will be helpful. The Japanese often use their incapability of speaking English well to explain the limited social contacts with local employees. This is probably a diplomatic excuse, because the Japanese also have little contact with the two Dutch colleagues who are fluent in Japanese. Two Japanese interviewees mentioned that they prefer to speak in Japanese about private matters. According to them, this explains why they prefer to join other Japanese during lunch. One Japanese manager expressed a different opinion. He said that it is often not the language difference that causes problems, but cultural difference, suggesting that the issue is less about technical ability and more cultural.

Communication

Some members of Dutch middle management expressed their doubts that Japanese managers control communication and contacts with head office for reasons of personal power. During observation of the car audio department, a Japanese manager and a Dutch manager had a discussion about the part of a product that should be adjusted for the European market. When they requested the adjustment from the factory in Japan, the answer was that 'it works for all Japanese cars without any problem'. Thus they needed to convince the factory that Japanese cars have a different specification for the European market compared with the Japanese market. The Japanese manager was busy with the head office on the phone, and finally informed the Dutch colleague that it was impossible for him to convince his colleague in Japan and maybe they should re-check if this adjustment was an absolute necessity. Then the Dutch manager, who has some contacts at head office, suggested that he would phone his Japanese manager in Tokyo and talk to him. When he asked for the phone number, the local Japanese manager did not want to give it to him and called the manager in Tokyo again himself. Later, the Dutch manager mentioned that it is typical of the attitude of Japanese managers to want to control all contact with the head office.

A Dutch manager, with good relationships with the Japanese top managers, expressed his annoyance about a meeting that was held on the evening of the previous day. He had heard from his source that the meeting was meant only for the Japanese managers to discuss an important company strategy. It had been especially scheduled in the evening when all Dutch personnel would have left the office. Only one employee who did not attend the meeting was called by the managing director and informed about the contents of the meeting next morning. This employee was the only Japanese member not to have the title of manager, except for two engineers in the IT department. The Dutch manager wondered which issues were discussed and what kind of consequences would follow for his job. He said that he did not

mind if they held a meeting but he could not understand that they did not inform the Dutch personnel about the results of the meeting.

All the Japanese interviewees agree that the Dutch have a direct and open communication style, but several Japanese managers (not always the older ones) believe that the openness and directness of the Dutch demonstrates a lack of political sensitivity, too little consideration for others, and an incapacity for deep thinking. Remarks like 'they [the Dutch] would not bother even if it embarrasses somebody, they will just say it very, very directly' or 'the typical Dutch way is very daring' were heard during the interview. Some other, more progressive Japanese managers, on the other hand, appreciate the communication style of the Dutch, because it reduces the chance of complications and improves the clarity of communication. Mr Y. said that he preferred the Dutch style because it is easier to deal with. Initially, he found it difficult to deal with Dutch people who did not accept his elaborate 'maybe' and 'probably' as an answer. The Dutch insisted on a short 'yes' or 'no'. But he came to realize that clear 'yes' or 'no' answers make life at the office easier for everybody, including himself. By answering 'yes', the direction is set for everybody and, with 'no', he has to provide a logical reason to explain and support his negative answer.

Several Japanese interviewees expressed annoyance with the Dutch, because they make promises easily but do not keep their word. One of them told us that he was nicely surprised with an immediate 'yes' from his Dutch colleague when, for the first time, he asked for a favour in the Netherlands. A few days later he was surprised (disappointed) again when he realized that this Dutch colleague could not even remember the request. After several similar experiences he knows how to deal with these situations, but it remains a rather unpleasant and irritating experience when someone gives his or her word when they are not sure if they can keep it. Japanese people prefer to give a negative answer in words, but try to come up with positive results in action, he says.

The Power of Context and the Politics of Culture: Conclusion and Analysis

The case study demonstrates ethnic boundaries in an Asian company in Europe, where, despite the inclination of the Dutch staff to reduce distances between them and their Japanese colleagues and senior management, the insider/outsider distinction results in limited interaction. Obviously, the assumption of homogenization through globalization is not evidenced and it seems that, instead of the breaking down of barriers as a consequence of more inter-cultural interaction, cultural identities are somewhat reinforced in this case. Both context (the asymmetrical power relations between Japanese management and Dutch staff) and agency (the ongoing negotiation between the two parties involved) play a pivotal role in this process, as specific symbolic boundaries and cultural distance are discursively constructed to either gain or sustain power.

First, however, the role of culture needs to be addressed. National cultures provide grounds for the process of ethnicization, i.e. of us/them identification. Strong insider/outsider awareness in Japanese society creates a barrier for outsiders who can never cross the line (Miyamoto, 1994: p. 129) or gain access to insider information (Yoshimura & Anderson, 1997). In this case, the social barrier

between the Japanese and the Dutch is fortified by differences such as the egalitarianism that lies at the heart of Dutch culture (Vossestein, 1997), versus the Japanese emphasis on hierarchy, harmony, and consensus within a group (Befu, 1986; Moeran, 1986). In Japanese culture people are expected to show courtesy and cautiousness in communication and to pick up the unspoken wishes of others, while clarity in communication, a certain directness, and constructive criticism, are usually valued in Dutch society. Japanese values prescribe acting in accordance with one's relative position within the group and maintaining consensus if one wants to become an accepted member of a group. Consequently, Japanese managers may become irritated with 'improper' behaviour towards a senior or superior, while the Dutch have difficulties understanding the 'submissive' attitude of Japanese individuals towards their superiors and their 'compulsion' to seek approval or advice from one or more superiors and to consult colleagues before a decision is made. The loyalty and devotion to the group, to the organization, and to superiors that is demanded from a Japanese (Befu, 1986), and the moral imperative to subordinate personal interests to group goals (Moeran, 1986), may also explain why Japanese managers are easily annoyed by Dutch unwillingness to stay or do extra work in overtime. For the Dutch, on the other hand, the Japanese devotion to their work is hard to understand, as it is accepted and appreciated in Dutch society that discretion is left to the individual and value is placed on private life and family orientation, rather than demanding full dedication to the group (Vossestein, 1997).

In addition to a cultural explanation, alternative perspectives may allow for a more nuanced, contextual understanding of the situation at Rajio, as has been argued in the introduction. A social-political reading in particular is invaluable to fully understand intercultural interactions in organizational settings (Alvesson, 2002; Tennekes, 1995), as power and politics are inherent to organizational processes (Hardy & Clegg, 1996) and to processes of inclusion and exclusion in particular (Elias & Scotson, 1965; Eriksen, 1993). As has been argued, one contextual factor – the unequal power relation between the two national groups, as well as strategic agency – the use of cultural characteristics as a symbolic resource to protect or oppose the power asymmetry, are particularly relevant for the analysis of this case. The structural inequality in terms of power, income and advancement opportunities plays an important role in buttressing the social boundary between parent country and host country nationals. Imbalanced power relations between ethnic groups tend to reinforce the us/them-dichotomy in which ethnicity is often used as a source of power in the struggle against the other (Koot, 1997). The Rajio case is no exception.

The dominant Japanese group is keen to underline Japanese virtues, such as loyalty and devotion, perseverance and a long-term view, respect, and tactfulness. They not only derive social status from these favourable comparisons but also justify that it is they, the Japanese, who hold all important positions, as a reward for being dedicated, working hard etc. Despite occasional praise, they also like to point to the poor working attitude of the Dutch, which they see as proof of their ineptitude and which they use to legitimize excluding them from important positions. To prevent the Dutch from undermining their comfortable position within the firm they keep a distance, build a language wall, rely on hierarchical

procedures, and demand dedication. The dominated Dutch group also likes to make self-praising comparisons and to emphasize their cultural identity *vis-à-vis* the Japanese. Although the Dutch admit admiring certain cultural traits, such as Japanese politeness, the major issues brought up by the Dutch all reflect their subordinate position within the firm; these are issues such as an overly hierarchic attitude, inefficient decision-making, filtering of information, lack of managerial interest, unbalanced rewards etc.. They find their efforts to build closer contacts with the Japanese unreciprocated, which fosters feelings of relative deprivation and resentment about 'unfair' treatment and a reluctance to work harder, leading to further resistance rather than reciprocity.

To understand cross-cultural interactions in organizational settings a cultural view therefore needs to be complemented by a political perspective. In a politicized context of transnational cooperation, culture is not only a *source of*, but also a symbolic *resource for* human action. Culture, understood as habitual ways of thinking, feeling and acting, may give rise to praise and criticism between members of different cultural groups and possibly, as in this case, to a awareness of like and an awareness of difference that trigger processes of in- and exclusion. Yet, at the same time cultural differences are also actively constructed and rhetorically deployed by organizational members to serve social struggles. Consequently, the ways in which cultural identities are experienced can only be understood by taking into account a group's position in terms of power and resources and political processes of ethnicization.

To illustrate this point a comparison with the results of Hofstede's IBM research can be illuminating. The way Japanese and Dutch IBM employees characterized their national culture differed in particular in the masculinity and uncertainty avoidance dimension (Hofstede, 1991; Hofstede & Soeters, 2000). While differences in, for example, the working attitude between the two national groups at Rajio reflect a masculine/feminine divide between the two groups, they do not seem to regard differences in uncertainty avoidance as particularly salient. Curiously, they repeatedly point to cultural differences related to power distance and individualism as generating tensions between the two factions, while in Hofstede's research on these dimensions the variance is relatively limited (individualism) or even slight (power distance). The problem is probably that Hofstede focused on self-perceptions of national groups as apparently objective descriptions, disconnected from any social context. He did not study direct interaction between members of different nationalities within an organization and thus described characteristics of a collective self without an Other, a Self in a social vacuum. A description of the way people characterize their own culture without any reference to an outside party may not be very informative when cultures are actually created in everyday encounters in organizations. As a consequence, Hofstede's dimension of cultural distance is not only a poor indicator of success in inter-cultural cooperation (Koot, 1997; Olie, 1994; Van Marrewijk, 1999); it does not seem to be a very good indicator of cultural differences that are actually found to be significant in inter-cultural interactions.

Since this is an exploratory case study, more research is clearly in order. As a means of appreciating more fully the role of *in situ* action in constructing cultural identities in transnational organizations, there is a need to complement this study

with studies of cross-cultural interactions in other social contexts. More specifically, there is a need for research that explores the use and impact of culture in both unbalanced and balanced power relations. Questions that arise directly from this case study are, for example, whether similar or dissimilar processes can be found in a situation where the distribution of power and resources among the Japanese and the Dutch constitutes a reverse division of roles (the Dutch dominant in a Japanese setting) or a more equal relationship (such as in mergers or joint ventures). If the experience of cultural differences is indeed bound by situation, it seems relevant to find out the conditions under which particular cultural characteristics become emotionally charged and politically laden in inter-cultural interaction.

References

- Ailon-Souday, G. & Kunda, G. (2003) The local selves of global workers: the social construction of national identity in the face of organizational globalization, *Organization Studies*, 24(7), pp. 1073–1096.
- Alvesson, M. (2002) *Understanding Organizational Culture* (London: Sage).
- Appadurai, A. (1998) *Modernity at Large. Cultural Dimensions of Globalization* (Minneapolis: University of Minnesota Press).
- Barth, F. (1969) *Ethnic Groups and Boundaries. The Social Organization of Cultural Difference* (London: Allen and Unwin).
- Bate, S. P. (1997) Whatever happened to organizational anthropology? A review of the field of organizational ethnography and anthropological studies, *Human Relations*, 50(9), pp. 1147–1171.
- Befu, H. (1986) An ethnography of dinner entertainment in Japan, in: T. Lebra & W. Lebra (Eds) *Japanese Culture and Behavior. Selected Readings*, pp. 158–170 (Honolulu: University of Hawaii Press).
- Berger, P. & Luckmann, T. (1991 [1967]) *The Social Construction of Reality: A Treatise in the Sociology of Knowledge* (New York: Penguin Books).
- Chanlat, J.-F. (1994) Towards an anthropology of organisations, in: J. Hassard & M. Parker (Eds) *Towards a New Theory of Organizations*, pp. 155–189 (London: Routledge).
- Clegg, S. R. & Kono, T. (2002) Trends in Japanese management: an overview of embedded continuities and disembedded discontinuities, *Asia Pacific Journal of Management*, 19, pp. 269–285.
- Clegg, S. R., Kornberger, M. & Pitsis, T. (2005) *Managing and Organizations: An Introduction to Theory and Practice* (London: Sage).
- Collins, D. (1998) *Organizational Change: Sociological Perspectives* (London: Routledge).
- Dahler-Larsen, P. (1997) Organizational identity as a ‘crowded category’: a case of multiple and quickly shifting ‘we’ typifications, in: S. A. Sackmann (Ed.) *Cultural Complexity in Organizations: Inherent Contrasts and Contradictions*, pp. 367–389 (London: Sage).
- Elias, N. & Scotson, J. L. (1965) *The Established and the Outsiders. A Sociological Inquiry into Community Problems* (London: Frank Cass).
- Eriksen, T. H. (1993) *Ethnicity and Nationalism. Anthropological Perspectives* (London: Pluto).
- Featherstone, M. (Ed.) (1990) *Global Culture: Nationalism, Globalization and Modernity* (London: Sage).
- Friedman, J. (1990) Being in the world: globalization and localization, in: M. Featherstone (Ed.) *Global Culture: Nationalism, Globalization and Modernity*, pp. 311–328 (London: Sage).
- Giddens, A. (1979) *Central Problems in Social Theory* (London: Macmillan).
- Graham, L. (1993) Inside a Japanese transplant: a critical perspective, *Work and Occupations*, 20(2), pp. 147–173.
- Gong, Y. (2003) Subsidiary staffing in multinational enterprises: agency, resources, and performance, *Academy of Management Journal*, 46(6), pp. 728–739.
- Gudykunst, W. B. & Kim, Y. Y. (1992) *Communicating with Strangers: An Approach to Intercultural Communication*, 2nd edn. (London: McGraw Hill).
- Hannerz, U. (1992) *Cultural Complexity: Studies in the Social Organization of Meaning* (New York: Columbia University Press).
- Hardy, C. & Clegg, S. R. (1996) Some dare call it power, in: S. R. Clegg, C. Hardy & W. R. Nord (Eds) *Handbook for Organization Studies*, pp. 622–641 (London: Sage).

- Hofstede, G. (1991) *Culture's Consequences: International Differences in Work-related Values* (Newbury Park: Sage).
- Hofstede, G., Neijen, B., Ohayiv, D. D. & Sanders, G. (1990) Measuring organizational cultures, *Administrative Science Quarterly*, 35, pp. 286–316.
- Hofstede, G. & Soeters, J. (2000), Consensus cultures with their own character: national cultures in Japan and the Netherlands, in: J. Benders, N. Noorderhaven, A. Keizer, H. Kumon & J. Stam (Eds) *Mirroring Consensus. Decision-making in Japanese–Dutch Business*, pp. 1–17 (Utrecht: Lemma).
- Jenkins, R. (1996) *Social Identity* (London/New York: Routledge).
- Koot, W. C. J. (1997) Strategic utilization of ethnicity in contemporary organizations, in: S. A. Sackmann (Ed.) *Cultural Complexity: Inherent Contrasts and Contradictions*, pp. 315–339 (London: Sage).
- Kopp, R. (1994) 'International human resource policies and practices in Japanese, European, and United States multinationals, *Human Resource Management*, 33, pp. 581–599.
- Layder, D. (1993) *New Strategies in Social Research* (London: UCL).
- Lehrer, M. & Asakawa, K. (2003) Managing intersecting RandD social communities: a comparative study of European 'knowledge incubators' in Japanese and American firms, *Organization Studies*, 24(5), pp. 771–792.
- McSweeney, B. (2002) Hofstede's model of national cultural differences and their consequences: a triumph of faith – a failure of analysis, *Human Relations*, 55(1), pp. 89–118.
- Mintzberg, H. (1993) Globalization: Separating the fad from the fact. Comments on the international management research conference, in: D. Wong-Rieger & F. Rieger (Eds) *International Management Research. Looking to the Future*, pp. 67–75 (Berlin: Walter de Gruyter).
- Miyamoto, H. (1994) *The Straightjacket Society* (Tokyo: Kodansha International).
- Moeran, H. (1986) Individual, group and Seishin: Japan's internal cultural debate, in: T. Lebra & W. Lebra (Eds) *Japanese Culture and Behavior. Selected Readings*, pp. 62–79 (Honolulu: University of Hawaii Press).
- Morgan, G. (2002) Multinationals, corporate governance and financial internationalization, in: S. R. Clegg (Ed.) *Management and Organization Paradoxes*, pp. 275–293 (Amsterdam: John Benjamins).
- Ohmae, K. (1990) *The Borderless World* (London: Collins).
- Olie, R. (1994) Shades of culture and institutions in international mergers, *Organization Studies*, 15, pp. 381–406.
- Pettigrew, A. (1985) *The Awakening Giant. Continuity and Change in Imperial Chemical Industries* (Oxford: Basil Blackwell).
- Redding, S. G. (1994) Comparative management theory: jungle, zoo or fossil bed?, *Organization Studies*, 15(3), pp. 323–360.
- Robertson, R. (1995) Glocalization: time-space and homogeneity-heterogeneity, in: M. Featherstone (Ed.) *Global Culture: Nationalism, Globalization and Modernity*, pp. 25–44 (London: Sage).
- Roseneau, J. N. (1994) New dimensions of security: the interaction of globalizing and localizing dynamics, *Security Dialogue*, 25(3), pp. 255–281.
- Ruigrok, W. & Van Tulder, R. (1995) *The Logic of International Restructuring* (New York: Routledge).
- Schneider, S. C. & Barsoux, J. L. (1997) *Managing across Cultures* (London: Prentice-Hall).
- Smith, P. B. (2002) Review article and response. Culture's consequences: something old and something new, *Human Relations*, 55(1), pp. 119–135.
- Tennekes, J. (1995) *Organisatiecultuur: een Antropologische Visie [Organizational Culture: an Anthropological View]* (Apeldoorn: Garant).
- Trompenaars, F. (1993) *Riding the Waves of Culture. Understanding Cultural Diversity in Business* (London: The Economics Books).
- Van Marrewijk, A. (1999) *Internationalisation, Cooperation and Ethnicity in the Telecom Sector. An Ethnographic Study of the Cross-Cultural Cooperation of PTT Telecom in Unisource, the Netherlands Antilles and Indonesia* (Delft: Eburon).
- Van Marrewijk, A. (2004) Crisis in the transition of Telecom Alliance Unisource, *Journal of Managerial Psychology*, 19(3), pp. 235–251.
- Vossestein, J. (1997) *Dealing with the Dutch* (Amsterdam: Royal Tropical Institute).
- Whitley, R., Morgan, G., Kelly, W. & Sharpe, D. (2001) The changing Japanese multinational: application, adaptation and retrenchment in manufacturing and financial services. Paper presented to ESRC Conference on Multinational Enterprises, Warwick, September.
- Yoshimura, N. & Anderson, P. (1997) *Inside the Kaisha: Demystifying Japanese Business Behavior* (Boston: Harvard Business School Press).