Communication and Co-operation within Intercultural Multi-Site Project Environment of a Case Company

Finland, Japan and the United Kingdom

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Hanna Kalla

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Tutkimuksen tavoite on auttaa ymmärtämään viestintää tutkimuksen kohdeyrityksessä, joka toimii Suomessa, Japanissa ja Iso-Britanniassa ja jossa tapahtuu viestintää mainittujen kulttuurien välillä. Tutkimus perustuu teemahaastatteluihin ja osallistuvaan havainnointiin.

Tutkimuksessa etsittiin vastauksia seuraaviin tutkimuskysymyksiin:

1: Kuinka esimiesten ja alaisten viestintäodotukset eroavat informaaation tarpeen ja palautteen suhteen Suomessa, Japanissa ja Iso-Britanniassa?
2: Vaikuttaako kielenhallinta ja/tai yhteisen viitekehyksen puuttuminen Suomen, Japanin ja Iso-Britannian väliseen yhteistyöhön?
3: Vaikkuttaako verkottuneisuuden määrä Suomen, Japanin ja Iso-Britannian välillä viestinnän laatuun?
4: Kuinka tutkimuksen kolme eri yrityspaikkaa tulkitsevat viestintätapoja?
5: Kuinka viestintä vaihtelee näiden kolmen mainitun yrityspaikan välillä Suomessa, Japanissa ja Iso-Britanniassa kulttuuristen ominaispiirteiden osalta?
6: Kuinka tehtävään tai toimintaympäristöön liittyvä kulttuuri vaikuttaa viestintään Suomen, Japanin ja Iso-Britannian toimistojen välillä?
7: Kuinka luottamuksen taso vaikuttaa yhteistyöhön Suomen, Japanin ja Iso-Britannian välillä?

Tutkielman keskeisimmät löydökset olivat seuraavat :

1. Suurin viestintään liittyvä haaste vallitsi Suomen ja Iso-Britannian välillä, siitä huolimatta, että kulttuuriltaan Japani erosi muista eniten. On kuitenkin otettava huomioon, että suomalaiset ja britit olivat avainasemassa. Sen lisäksi Japanin yksikkö oli hyvin nuori ja sen kehitysvaihe saattaa osittain selittää myös viestintäkäytäntöä.
2. Luottamus osoittautui avaintekijäksi toimistojen välisessä viestinnässä.
3. Sekä kansallinen kulttuuri että työkulttuuriympäristö vaikuttivat viestintään: Kukin kulttuuriyhteisö käytti eri viestintävälineitä ja myös tulkitsi niitä toisistaan poikkeavasti.
4. Kasvoista kasvoihin tapaamiset/kokoukset sekä verkottuminen voimistivat yhteistyötä parhainten. Kieli oli merkittävä tekijä.

Avainsanat : viestintä, yhteistyö, kulttuurienvälinen, moniyhteisöinen, ryhmätyö, luottamus, tehtävä/toimintaympäristö ja kansallinen kulttuuri

ABSTRACT

FACULTY OF HUMANITIES
DEPARTMENT OF COMMUNICATION

Hanna Kalla

Communication and Co-operation within Intercultural Multi-Site Project Environment: Finland, Japan and the United Kingdom

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The aim of the present study is to form a conceptual understanding for communication and co-operation in an intercultural Case Company operating in Finland, Japan and the United Kingdom by conducting thematic interviews and participant observation.

The study proposes the following research questions:

RQ 1:   How do the expectations for subordinate-superior communication differ in Finland, Japan and the UK in terms of the need for information and feedback?
RQ 2:   Do language proficiency and/or a lack of a common frame of reference influence co-operation between Finland, Japan and the UK?
RQ 3:   Does the amount of networking between Finland, Japan and the UK affect the quality of communication?
RQ 4:   How do the three sites use and interpret different communication mediums?
RQ 5:   How does communication vary between the three sites located in Finland, Japan and the UK in terms of cultural dispositions?
RQ 6:   How does the culture of the task or operational environment influence communication between Finland, Japan and the UK?
RQ 7:   How does the level of trust influence co-operation between Finland, Japan and the UK?

The main findings for the Case Company were the following: (1) The biggest challenge in communication existed between Finland and the UK, although the national culture of Japan was quite distinct from the two. However, the key players were mostly either Finnish or British, and the centre in Japan was the most recently established one, which may in part explain the situation. (2) Trust was a key issue in influencing co-operation between the different sites. (3) Both the national and task environment culture influenced communication, and different communication mediums were used and interpreted differently by each cultural group. (4) Face-to-face meetings proved to enhance co-operation and language was an influential factor.

Keywords: communication, co-operation, intercultural, multi-site, teamwork, trust, task/operational environment and national culture

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1 INTRODUCTION

This chapter introduces us to the study of communication and co-operation in the intercultural context of the Case Company, while briefly outlining background variables, reasons behind the study and the set-up. To begin with, communication and its importance will be discussed because the three cultures involved represent very different type of values and practices; two representing Western cultures (Finland and the UK) and one representing an Eastern culture (Japan). However, before we begin, we should remember what Edward T. Hall (Samovar, Porter & Stefani, 1998: 22) said about culture since that is largely the focus of this study:

> "Culture is the medium evolved by humans to survive. Nothing in our lives is free from cultural influences. It is the keystone in civilization's arch and is the medium through which all life's events must flow."

1.1 Importance of Communication in Today's World

To be successful today, whether in business, politics, fundraising or law, one cannot ignore the changes that are taking place at the turn of the millennium. Globalisation is a word we have all become familiar with but that by itself is not enough any longer; we have to learn how to contribute to the world's globalisation process. As Adler (1997: 67) pointed out, "All business activity involves communication." Therefore, to be successful in business of any kind, one must learn to communicate effectively. In addition to Adler's observation, one must say that communication as such is not enough to be successful in business but communication must be of the right type and nature i.e. communication, which takes micro and macro environment into consideration, as well as, cultural sentiments and values.

The emergence of the Asian-Pacific area, as a competitor rather than a client to many Western manufacturers, has changed our outlook according to Tzol Zae Chung (1991). The Euro-centricism that used to dominate international business communication is increasingly brought to question. Business people from the Asian-Pacific area have more confidence than before, and they are demanding respect for Asian culture from Europeans and Americans as a prerequisite to engaging in business with them. At present and in the future, the ability to engage in culture-specific dialogue and to communicate interculturally are irreplaceable skills. External factors, such as, customs

dues or other normative barriers, including exchange rates, are no longer the main obstacles for global activities today (Chung, 1991). The main barriers for global strategic alliances or other forms of co-operation are intercultural communication problems and lack of understanding of other cultures (Chung, 1991; Goldman, 1994; Mu, 1995). Furthermore, as interest towards the field of intercultural communication is growing rapidly, there has also been an increasing interest in research findings that help to explain the factors that influence interaction between people and organisations with different cultural backgrounds (Lehtonen, 1993).

1.2 Case Company History

The Case Company is a multinational Finnish corporation headquartered in Finland and founded in the latter part of the 19th century. It began the development of its current line of technology in the 1960s-1970s, and established itself as an independent unit in 1979. The first product with the current business focus was produced in 1982-84.

Globalisation within the Case Company has taken place at a fast pace over the last two decades, although the countries studied here were not the first locations of international operations. The Case Company took over a British company in the UK in 1991, where it has since then conducted R&D work for the Japanese market. The British company had a much more hierarchical and risk averse culture than the Case Company, and originally some clear differences existed between the employees of the two companies.

Groundwork in Japan began in the early 1990s, the centre was founded in 1995 and it headed its first project in 1998. Unlike in the UK, in Japan the centre was slowly built up and expatriates were used for technology transfer, which in return sculpted the centre's culture. Growth has been tremendous in Japan and over the last three years the centre has more than tripled in size. This means that at the time of the study, about half of the employees had been with the Case Company less than 1.5 years. Another important factor in Japan was that working for a foreign company has traditionally not been highly looked up upon, which is why it has been hard to attract local workforce and the number of both Finnish and British expatriates has remained high (thirty percent).

This study has chosen to focus on Finland, Japan and the UK because they have to co-operate closely in their joint projects, and therefore inter-unit communication is of utmost importance, especially when three quite distinct cultures are involved. The activities of the Case Company being studied were divided between three different locations within the framework of two groups or product lines being studied. Most of the key people involved were Finnish or British, although there were increasing numbers of Japanese interacting directly with the UK or Finland. As a result, a large part of the intercultural communication between the three sites took place between the Finnish and British (Finnish and British expatriates in Japan communicating with British and Finnish colleagues in the UK and/or in Finland). However, the Japanese were taking part in the multi-site communication at an increasing rate and therefore played an important role and will probably play even a greater role in the future. Also, it should be remembered that the external clients and end-users for all sites and both product lines being studied were Japanese, which most likely influenced everyone's behaviour and communication to some degree, especially when interacting with the clients directly.

Product development began in Finland	Current core business established as independent unit	Operations began in the UK	Centre established in Japan
1960-70s	1979	1991	1995
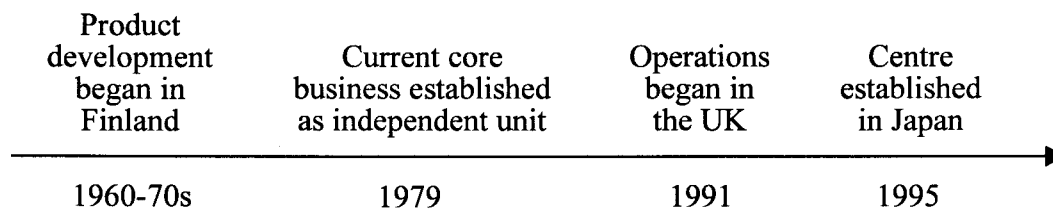
Figure 1-1 Highlights of Case Company History

1.3 Purpose of the Study

There were three goals for this study. Firstly, to explore and identify the factors affecting internal communication and co-operation in the multi-site project environment of the Case Company. Secondly, to find ways for all sites[1] to co-operate in more effective ways by providing a medium for a better cultural understanding. And thirdly, to examine how the national culture and the culture in the operational environment influence the multi-site communication. The third issue is very interesting since the three different sites of study were units of the same company; therefore the national culture and the culture of the operational environment were likely to play a more important role than organisational culture. Furthermore, the role of the culture of the operational environment was likely to be important due to communication challenges also existing between employees of the same nationality placed in different operational environments e.g. between the British in Japan and the British in the UK.

The co-operation between the three countries was not particularly problematic when the research was carried out but management wanted to focus on it in order to prevent the mistakes made in the past from repeating themselves in the future. The plan was not to compare the sites and their performance but to discover more efficient ways of working together and gaining understanding of different working habits and cultural dispositions. A separate report was written for the internal use of the Case Company that provided a more detailed and practical approach.

1.3.1 Past Actions taken by the Case Company

Before the start of this study, the Case Company had established line management functions that oversaw the actions between the three sites independently within each product line to facilitate the co-operation between Finland, Japan and the UK. However, the focus had primarily been on 'hard information' due to time pressures, among other reasons. This research was the first step in the direction of exploring the so-called 'softer issues'. What is meant here by 'hard information' is the transfer of technical information, set-up of managerial responsibilities and the establishment of processes. 'Softer issues', on the other hand, refer to less tangible issues like the role of cultural and communication.

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[1] Here "sites" refer to the ones that were included in this study i.e. one site in Japan, one site in the UK and three sites in Finland (the three Finnish sites are not dealt separately but as one entity to facilitate the analysis of the data). The Case Company had more than one site in each country. However, the reason they were not all included was due to time constraints and/or because their functions may not have been relevant for this study.

1.4 Structure of the Thesis

This thesis consists of five chapters. After this introductory chapter (Chapter 1), which has given background information about the Case Company and established the scope and purpose of the study, the thesis proceeds as follows. Chapter 2 presents an overview of current literature perceived important for the formation of a conceptual understanding of communication in intercultural organisations. Chapter 3 focuses on the methodological aspects of the study explaining why those particular methods were chosen and how valid the results are. Chapter 4 consists of the results of the study, which include a discussion on five different topics: Communication with the Japanese or the Japan Site, Communication with the British or the UK Site, Communication with the Finnish and the Finnish Sites, General Information Flow, and Management & Leadership. Finally, chapter 5 discusses conclusions by drawing together the key issues discussed in the Results section and by answering all the proposed research questions. At the end, limitations and suggestions for future research will be discussed.

2 COMMUNICATION IN INTERCULTURAL ORGANISATIONS

This chapter presents an overview of the current literature that was reviewed before entering the main stage of empirical research. The literature review was done in order to form a conceptual understanding of communication in organisations that operate in an intercultural environment, and to gain a better understanding for the issues identified as problematic for the Case Company through exploratory interviews that took place before the larger scale thematic interviews.

2.1 Culture and Definitions

There are many definitions of culture and topics related to culture. Below, a few of those definitions are presented in order to make the reader aware of these definitions before proceeding any further. However, at first, the concept of culture and our approach to analysing culture is briefly discussed.

2.1.1 Culture as an Interdependent Entity

Although the three main cultures of interest, in the context of this study, are Japanese culture, Finnish culture and British culture, they are not each addressed separately. That is because cultures do not exist on their own but are always relative to others. Therefore, it is very difficult to talk about Japanese culture, for example, because lists of characteristics do not help us interpret how those characteristics are in interaction with people from other cultural backgrounds. We may argue that the Japanese are reserved, for example, but is that true also when they are compared with the Finnish or only when they are compared with the Americans? Ron Scollon (1997: 4) said it well when he stated that, "it is humans in social interactions and while those social interactions may borrow their resources for communicating from various cultures, it is not the cultures themselves which communicate." Scollon (1997: 14) continued by saying that, "cultures and discourses are virtually never separated, isolated communicative entities. They are virtually always found in engagement with each other and it is that engagement which makes it interesting to study intercultural communication." Secondly, each culture is multifaceted and it is impossible to say that the British culture consists of the following five or ten features. Furthermore, we are all members of many

cultural groups and our behaviour is guided in part by all of those cultures. As a result, rather than talking about each culture separately, all three will be addressed in relation to one another in the context of topics deemed important for the study of intercultural communication and co-operation in the Case Company.

2.1.2 Definitions

In this section various definitions related to culture and deemed important for this study are introduced. To begin with, five definitions among many others for how culture can be interpreted were chosen and are listed below. Then, some other definitions that were thought to be helpful to the reader are noted, although again it is good to keep in mind that these are only a few of the many definitions for these phenomena (definitions not italicised are the author's own definitions).

Culture:

"A culture is a configuration of learned behavior and results of behavior whose component elements are shared and transmitted by the members of a particular society."

(Linton, 1945: 32)

"The collective programming of the mind which distinguishes the members of one category of people from another."

(Hofstede, 1991: 260)

"Learned and shared human patterns or models for living; day-to-day living patterns. These patterns and models pervade all aspects of human social interaction. Culture is mankind's primary adaptive mechanism."

(Damen, 1987: 367)

"Everything that people have, think, and do as members of society."

(Ferraro, 1994: 17)

"Cultures are storehouses of cultural tools to which people have different levels of access and usage. A truly versatile person can make use of tools from quite a variety of storehouses, others would be somewhat more limited."

(Scollon, 1997: 8)

Intercultural Communication:

"Intercultural communication refers to the communication process (in its fullest sense) between people of different cultural backgrounds. It may take place among individuals or between social, political, or economic entities in different cultures, such as government agencies, businesses, educational institutions or the media. This includes non-verbal as well as verbal communication and the use of differing codes, linguistic or non-linguistic. Culture is viewed as having a major influence on the communication process."

(Hoopes & Pusch, 1979: 6)

"Intercultural communication occurs whenever a message that must be understood is produced by a member of one culture for consumption by a member of another culture."

(Samovar & Porter, 1997: 21)

"The term intercultural communication can and should imply that any social interaction is both a reflection of cultural symbols and a modification or restructuring of those symbols. Not only is the person transformed in each

intercultural communication, the resources of the participating cultures are also transformed. The social interaction itself becomes part of the historical archive for use in the next social encounter. "

(Scollon, 1997: 4)

Intercultural Organisations:

Organisations or corporations that have offices in several countries and employ staff from various cultural backgrounds, usually known as multinational corporations. However, here the term Intercultural Organisation was deemed more appropriate due to the emphasis on frequent communication between different nationalities with different cultural backgrounds.

National Culture:

"The collective programming of the mind acquired by growing up in a particular culture. "

(Hofstede, 1991: 262)

Operational/Task Environment:

The operational or task environment of a company or a subsidiary of a company is the national environment that represents very different economic, social and cultural settings, which in return may influence the communication and behaviour of the organisation.

Organisational Culture:

"Organizational culture is a pattern of basic assumptions – invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration – that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. "

(Schein, 1985: 9)

"The culture of an organization induces its members to think, act, and behave in particular ways. "

(Eisenberg & Goodall, 1997: 125)

2.2 Communication Climates and Contexts

The basis of an organisation's climate is communication, thus often referred to as the communication climate. How people perceive and interpret the climate and adjust to it influences the fluency of communication in an organisation. Different nationalities are likely to have different needs and expectations for the communication climate and interpret the various contexts differently, therefore an examination of the various climates and contexts follows.

2.2.1 Multi-directionality of Messages

Communication is a dynamic transaction where messages flow simultaneously in both directions between the sender and the receiver because even as the sender is communicating the message, the receiver is sending continuous feedback. All persons

are continuously sending (encoding) and receiving (decoding) messages (Eisenberg & Goodall, 1997).

In organisations, communication occurs in a variety of directions: downward from superiors to subordinates, upward from subordinates to superiors, and horizontally between peers. Horizontal communication is usually least problematic in organisations. Downward communication, however, can be particularly difficult if it involves serial messages down the ranks i.e. Corporate Officer A communicates with Division Chief B who communicates with Manager C who communicates with Supervisor D who communicates with Employee E, etc. (Downs, 1988).

According to Beck & Beck (1996), the primary communication concern within the work setting is the role of communication between supervisor and subordinate. This level of communication is so important because it determines whether a task gets accomplished or neglected, whether employees are motivated and satisfied, and hence whether they are productive and profitable. The ideal climate for employees to be the most efficient and productive they can be is one in which everyone feels comfortable asking questions.

Upward communication, on the other hand, is also very important because the supervisor needs feedback on the projects the subordinate is working on. It can be more difficult though if the information the subordinate has to relay upwards is negative because then it requires courage to relay the bad news (Staley & Staley II, 1996). Secondly, management's perception of what employees need to know varies greatly with what the employees say they need and want to know, which is why employees need to communicate these needs (Downs, 1988).

Beck & Beck (1996) referred to several studies that indicate that upper-level management spent up to 80 percent of their time engaged in communication. They furthermore stated that to be an effective communicator at top levels, one has to have the experience gained at lower levels. Superiors and subordinates usually interpret each communication situation differently because they have different frames of reference, different amounts of knowledge and different motives (Staley & Staley II, 1996).

2.2.2 Supportive and Defensive Communication Climates

Communication in an organisation shapes both its culture and climate (or personality and prevailing mood respectively). Communication climate is a very important phenomenon in how we perceive all the relationships in a work setting, and it influences such factors as motivation and productivity. Jack Gibb (1961) identified two poles in the communication climate: supportive and defensive. Supportive climates encourage the individual, particularly a subordinate. On the other hand, defensive climates put the individual on guard, reacting defensively to the words and the tone of a message. Among the two poles Gibb identified six dichotomies that affect communication climate: superiority/equality, evaluation/description, strategy/spontaneity, control/problem orientation, certainty/provisionalism and neutrality/empathy.

All these six dichotomies of the supportive/defensive communication climate poles affect the communication between the supervisor and the subordinate. Since the superior-subordinate communication is the one employees complain the most about in organisations, it is very important for the manager to be as supportive as possible. It is possible that the managers themselves do not realise what type of a message they are sending, and that is why examining each of the six dichotomies may be helpful. That leads us to the first of the seven research questions.

Research Question 1:

How do the expectations for subordinate-superior communication differ in
Finland, Japan and the UK in terms of the need for information and feedback?

2.3 Intercultural Communication Differences

This section addresses some of the verbal and non-verbal differences that exist in
communication between people from different cultural backgrounds. To some degree
people are imprisoned by their own culture because they tend to interpret the words of
those from different cultural backgrounds in the same way as they would the words of
people with the same culture as they themselves have. This causes many barriers to
intercultural communication. It is a challenge even after one has studied the other
culture because so many different variables are involved including a different language,
a different verbal style and many different non-verbal factors. Cultural differences may
influence the communication process by creating noise or by affecting the encoding and
decoding process. When people do not have a common frame of reference it becomes
increasingly difficult to understand one another. Management will not be discussed
explicitly, but it is worth remembering that accurate information on how culture affects
organisational behaviour in different cultures is essential if international managers want
to perform successfully (Francesco & Gold, 1998).

2.3.1 Intercultural Filters

To be a competent cross-cultural communicator, one should assume difference until
similarity is proven rather than assuming similarity until difference is proven (Adler,
1997). Encoding and decoding varies from one individual to the next. According to
Downs (1988: 28), "It is important to know that messages sent throughout organizations
are not necessarily the ones received, because they are filtered through a person's
motivations, listening habits, and perceptions. ... The filter is the essence of a person's
frame of reference, and understanding how messages are filtered is a means of
understanding the total context of the individual."

For the majority of the world's population, verbal communication rarely accounts for
more than a small part of communication; the larger part of the message usually consists
of non-verbal communication. Non-verbal communication has culturally based
meanings to participants, and it consists of greeting styles, gestures, posture, etc. When
these meanings are not shared across common culture, misunderstandings are inevitable
(O'Hara-Devereaux & Johansen, 1994: 47). One often tries to communicate a very
specific message to another person and the other person receives a very different
message from the one that was sent (encoding and decoding do not match). The key is
the way we perceive and interpret things that are around us. Context is one of the most
important cultural dimensions because everyone has automatic filters and how much of
the message we hear or see and how we interpret it depends on the cultural blinders we
have. High-context cultures assign meaning to many of the stimuli surrounding the
explicit message, unlike low context cultures, that focus more intensely on the objective
communication event.

Valid understanding of people and events around us is hindered when we expect others
to know what we know, when we expect others to behave the way we do, or when we
over or underestimate others and are not aware of the gap between reality and
expectations (Mu, 1995).

2.3.2 Perception

Perception is the individual's view of the world, his or her definition of reality whether it is accurate or not. A potential perceptual barrier in intercultural communication is the use of stereotypes. Stereotypes can be helpful if they are used as the starting point and modified as more information is gained through personal experiences, however, when one is unable to modify the existing stereotypes when faced with contradictory information, then he/she is not internationally effective (Francesco & Gold, 1998).

There are five things we should remember about perception. Firstly, perception is selective. There are too many stimuli in the environment for us to observe all of them, and as a result, we screen out most of what we see, hear, taste and feel. Secondly, perceptual patterns are learned. Our experience teaches us to perceive the world in a certain way. High-context cultures are more perceptive to different stimuli because their participants have been trained to do so since they were children, Japan is an example of a high-context culture. Members of low-context cultures like Finland and the UK, however, focus more on verbal communication missing many of the non-verbal cues that a person from a high-context culture would immediately understand. Thirdly, perception is culturally determined - we learn to see the world in a certain way based on our cultural background. Next, perception tends to remain consistent; once we see something in a certain way we continue to do so. Lastly, perception is inaccurate. People are more likely to see evidence in support of their views than against them, regardless of how much information is actually available (Greenberg & Baron, 1995).

2.3.3 Interpretation

Interpretation occurs when an individual gives meaning to observations and their relationships, in other words, it is the process of making sense of our perceptions. We categorise our perceptions to facilitate the process of giving meaning to the world around us. Categories of perceived images become ineffective when people or things are placed in the wrong groups. When we do place someone or something into the wrong category without realising it, we also misinterpret the situation. Stereotypes, like other forms of categories, can be helpful or harmful depending on how we use them. Stereotypes can be helpful if they are consciously held, descriptive rather than evaluative, accurate, serve as the first best guess and can be modified as more information is acquired.

Canadian psychologist Donald Taylor found that most people maintain their stereotypes even when faced with contradictory evidence (Adler, 1997). Therefore, it is important that global managers are aware of their cultural stereotypes and learn to set them aside when faced with contradictory information. People who pretend not to stereotype probably hold unconscious stereotypes, which can be very harmful.

Misinterpretation can result from inaccurate perceptions or inaccurate interpretation. Most people have subconscious cultural blinders, which frequently cause misinterpretation in intercultural encounters. We interpret many situations based on our own culture's norms. Another factor that may contribute to misinterpretations is the lack of cultural self-awareness. We often imagine that when doing business abroad, for example, our main focus should be to understand the behaviour of our foreign clients. However, a much bigger problem is our own lack of knowledge about our cultural conditioning, which means that it is difficult for us to imagine how others see us. As a result, it is very difficult to adapt to a new cultural situation when we do not know what should be adapted in our behaviour. It should be noted, however, that it is important to respect the other culture's point of view but it is not necessary to accept or adopt it (O'Hara-Devereaux & Johansen, 1994). According to a Japanese-American global team member (O'Hara-Devereaux & Johansen, 1994: 150), "Electronic messaging tends to

strip off everything but the message and leave the rest to inference. It intensifies all the differences in work style and values among team members."

Research has identified six shared values that are necessary for the existence of social groups and present in all cultures in some form: honesty, trust, courage, respect for human dignity, fairness and love (Mu, 1995). Values and norms constitute the middle layer of culture, in between the top layer of artefacts and products and the deepest layer of basic assumptions that are hard to detect (Trompenaars, 1994). These values cannot be observed directly, which is why mostly it is left up to the individuals to interpret the behaviour that is observed. For example, honesty can be reflected through many types of behaviour and societies differ in how they interpret what constitutes as honest behaviour. When people interact with others from a different cultural background, they often assume that their interpretation of others' behaviour is the only true one (Mu, 1995; Garratt-Ghann et al., 1997). This type of behaviour can easily result in misinterpretations and therefore misunderstandings. However, there is no reason why cultures or an organisation operating in a different cultural environment should place equal weight in all values because they are bound to vary with culture (Trompenaars, 1994).

2.3.4 Using a Foreign Language

Most intercultural encounters take place with at least one party using a foreign language or an interpreter. Due to all the challenges that include but are not limited to possibly not having the same frame of reference, not using the same verbal communication style and not being familiar with one's cultural background, one should be particularly careful with the actual spoken language. Short and simple sentences without colloquialisms, slang or jargon are the best (Francesco & Gold, 1998). Also, it is helpful to speak slowly and repeat key points several times. Furthermore, especially when interacting with Asian cultures like Japan or Korea, it is not sufficient to ask yes or no questions to confirm comprehension. Instead, asking someone, for example, how they feel about what was just discussed is more effective. In cultures like Japan, answering yes to a question only confirms that one was listening not that the content of the message was understood (Hidasi, 1997), *aizuchi* or back-channelling is very important in Japan and many other Asian cultures and helps people maintain *face* (Goldman, 1994; Piirainen-Marsh, 1995; Donahue, 1998). As a result, it is important to double check with more elaborate questions to ensure that the message really was understood.

When language becomes a barrier to multinational groups, then working together becomes frustrating and counterproductive (Francesco & Gold, 1998; Stock et al., 1996). Harris (1993) pointed out that one of the special needs of cross-cultural working teams is to be especially sensitive to language with colleagues from varied cultural and language backgrounds. According to Stock et al. (1996) Japanese-owned sites exhibited more language-related problems than European-owned sites due to the complex nature of the Japanese language. Furthermore, communication with the parent company was more frequent and across more organisational levels in European-owned sites than the Japanese-owned sites.

However, fluency in a foreign language is not only a necessary tool for effective global teamwork but it can also help to enhance understanding of the other team members cultural backgrounds (O'Hara-Devereaux & Johansen, 1994). For example, comprehension of the Japanese language will help in understanding the social hierarchies and interactions that are omnipresent for the Japanese and guide their behaviour. At the same time, it should not be assumed that a working knowledge of a foreign language on its own would enhance cultural understanding.

2.3.5 Verbal Communication Styles

When looking at differences in national culture, it is important to pay attention to verbal communication styles because they are often tightly linked to one's culture. Gudykunst & Ting-Toomey (1988) identified four different communication styles that will be discussed in the following paragraphs. It is important to look at these styles critically because often people who speak the same language may use different styles, which may cause communication barriers; this may be especially true for people not communicating in their mother tongue.

The first communication style is referred to as the direct vs. indirect style. The two sides differ in their degree of directness and explicitness of the verbal message. People using the direct style try to convey their true feelings through their word choices, whereas people using the indirect style will try to hide their true feelings in order to maintain group harmony. The direct style is common in individualistic, low-context cultures because it allows the individual to express his or her opinions, and the indirect style is predominantly found in collective, high-context cultures where its use allows the maintenance of group harmony. With regards to the three cultures being studied in this study, the Finnish and the British are likely to use the direct style and the Japanese the indirect style based on their scores from Hofstede's study (Hofstede, 1991). Hidasi (1997: 480) found that "Japanese culture appreciates indirectness and ambiguity in practically all forms of expression, in European or American cultures it is often evaluated negatively. In European tradition directness both in verbal and behavioural expression are considered to be manifestations of frankness and honesty..." Donahue (1998) explained that the Japanese indirectness or other-directness, as he refers to it, is a reflection of desire for harmony and avoidance for friction and confrontation.

The second style is called elaborate vs. succinct style since it focuses of the amount of talk people feel comfortable with. The elaborate style includes a relatively high quantity of talk, great detail in description and repetition is common; the use of this style is typical for moderate uncertainty avoidance, high-context cultures like the Arabic countries. In between the elaborate and succinct styles falls another style called exacting style. Here the emphasis is on the use of the right amount of words to convey the desired meaning in a precise manner. This style is common in low-uncertainty avoidance, low-context cultures like England, Germany and Sweden, where using too many words is considered exaggeration and using too few is ambiguous. Finally, the succinct style contains a relatively low quantity of talk and understatements, pauses and silence convey meanings. In Japan, silence is used as a sign of politeness and respect, whereas in Europe it can be perceived impolite (Hidasi, 1997). This style is found in high-uncertainty avoidance, high-context cultures like Japan (Francesco & Gold, 1998). In looking at Hofstede's rankings (Hofstede, 1991), we could place Finland in with the exacting style group.

The third verbal communication style is personal vs. contextual style. Personal style focuses on the speaker and it is used in low power distance, individualistic, low-context cultures. For example, Americans do not distinguish between different status levels and different genders and often address each other on equal basis. The contextual style, on the other hand, focuses on the role of the speaker and words reflect the role and hierarchical relationships of those engaged in conversation. This style is used in high power distance, collective, high-context cultures like Japan (Francesco & Gold, 1998). We may assume that the British and the Finnish would be more likely to use the personal rather than the contextual style.

The last one of the four styles is called instrumental vs. affective style. In the instrumental style the sender uses goal-oriented, sender-focused language that can be found in individualistic, low-context cultures. The affective style user, on the other hand, is process-oriented and receiver focused. Collective, high-context cultures use the

affective style, so that neither the speaker nor the listener is put into an uncomfortable position, and meaning is often expressed non-verbally or intuitively. Again, we can assume that the Finnish and British use the instrumental style and the Japanese the affective one. This, takes us to the second research question.

Research Question 2:

Do language proficiency and/or a lack of a common frame of reference influence co-operation between Finland, Japan and the UK?

2.4 Formal vs. Informal Communication

The level of formality in communication varies greatly among organisations. It is an area that is especially challenging for companies that have a very multinational staff because people from different cultural backgrounds have different expectations of how one should behave in the workplace, how one should communicate and what one should communicate. The role of culture is a key issue with all communication channels and mediums because as a study by Stock et al. (1996) concluded, even with the transfer of technical information differences between American and Japanese companies stemmed largely from cultural differences.

2.4.1 The Role of Informal Channels of Communication

Messages are exchanged through both formal means and informal networks. Informal channels exist in organisations because people need them. Typically, the informal network or 'grapevine' is a faster and more reliable channel than the more formal channels (Staley & Staley II, 1996). Informal channels can be said to be more reliable because most information travels that way, whereas formal communication may be more limited in terms of the range of topics discussed and the content. However, although the informal channel is exceptionally fast, members still prefer to hear the official information through the formal channels because of the potential unreliability of the 'grapevine' (Downs, 1988).

Informal communication and social interactions between an organisation's members play a key role in the formation of a shared vision and in learning organisational values. Furthermore strong social ties are channels for information and resource flows because through these social networks it may be possible for an individual to gain access to both physical and social capital (Tsai & Ghoshal, 1998). Therefore, the inter-unit interaction is very important for the creation and diffusion of innovations within complex multi-site organisations, which have been demonstrated by several studies discussed by Tsai & Ghoshal (1998). The information processing view, which is discussed in the following paragraphs, emphasises the need for informal communication.

2.4.2 Information Processing View

There are two ways for organisations to cope with increasing complexity and uncertainty, according to the information processing view of organisation design (Galbraith, 1973, 1978). The first one is to reduce information processing needs by creating self-contained tasks, which reduce interdependencies. The second, and the more realistic way, is to increase information processing capacity by investing in vertical information systems or by creating lateral relations. According to Galbraith

(1973), one of the most effective and simplest mechanisms for increasing the information processing capacity is direct communication. Since the 1970s and the publication of Galbraith's brilliant ideas, the materialisation of the services provided by the Internet have made it possible for people to communicate more directly with one another, although the Internet is by no means as effective as face-to-face meetings are (see section 2.4.3).

Ghoshal et al. (1994) pointed out how numerous articles have emphasised the importance of interunit communication for effective management, but no one had operationalised the idea before they did. Communication is a multidimensional phenomenon that can be conceptualised and measured across a number of attributes, for example, frequency, mode, informality, openness, density and directionality. However, in the study by Ghoshal et al. (1994), communication was only measured in terms of frequency. The study focused on formal organisational structure, as reflected in the autonomy of the subsidiary managers in making a set of key decisions. Secondly, informal relationships among managers formed through networking in teams, task forces and conferences were studied. This study also differentiated between intersubsidiary communication and subsidiary-headquarters communication.

Subsidiary autonomy was operationalised in terms of the degree of centralisation in the organisation, and informal relationships were measured through the frequency of networking events. The results showed no negative or positive relationship between subsidiary autonomy and intersubsidiary or subsidiary-headquarters communication. However, what is of interest to us is the positive relationship found between networking and communication in both intersubsidiary and subsidiary-headquarters settings. It has been argued that this may be an expensive option for a company, but it may well prove to be worth the investment if it allows for smoother transfer of information. Eisenberg & Goodall (1997) also stated that research has shown informal communication to be more effective and accurate than the formal dissemination of information.

2.4.3 Face-to-Face Communication

Face-to-face meetings early on in the development of a team are crucial and they help to build trust. Once interpersonal relationships have been established face-to-face, it is then easier to communicate through electronic mediums like e-mail and videoconference. Planning and meeting face-to-face early on can help to minimise frustrations when cultural differences and language barriers begin to emerge (Solomon, 1995).

People have different preferences for the communication mediums they like to use even when there are several options or vehicles for carrying out the task. Flatherty, Kevin & Rubin (1998) discussed the use of mediated communication as a functional alternative to face-to-face interactions. They gave an example of an introverted person who may choose an alternative method for face-to-face communication that is more complementary to his or her needs. When investigating people's motives for choosing either a computer-mediated communication channel or face-to-face communication, Flatherty et al. (1998) discovered that face-to-face communication has more social presence and allows for immediate feedback, which conveys greater personal closeness. They also found, against expectations, that computer-mediated communication channels are not functional alternatives for face-to-face channels for most interpersonal needs. This was so because although the motives were correlated, the means of motives in face-to-face context were higher than Internet motives. Stock et al. (1996) conducted a study examining the best and most effective methods of communicating technical information among R&D professionals, and they came to the conclusion that face-to-face interaction is by far the most effective method, especially in international groups.

2.4.4 Formal communication

It has been said by many researchers and experts working in the field that informal communication is often more effective than formal communication (Francesco & Gold, 1998; Staley & Staley II, 1996; Eisenberg & Goodall, 1997). However, informal communication has to be balanced by formal communication because people also like to hear news through so-called official channels (Downs, 1988). Solomon (1995) posited that written minutes should be distributed straight after a meeting because they help to ensure that everyone has understood the tasks and decisions reached in the meeting in the same manner. Especially when different nationalities whose language abilities may vary are present in a meeting, it is better to confirm the decisions with a written document. At the same time, having the main decisions of a meeting in a written format facilitates the informing of others who were unable to attend. This leads us to the presentation of the following two research questions.

Research Question 3:

Does the amount of networking between Finland, Japan and the UK affect the quality of communication?

Research Question 4:

How do the three sites use and interpret different communication mediums?

2.5 National Culture

It is often incorrectly assumed that there is a single culture that influences our communication and behaviour when, in fact, most of us are members of many different cultures. There is some truth in placing people in such categories but it can also be very misleading and it can lead to three types of 'interculturalism', which include *stereotyping interculturalism, naïve interculturalism* and *sophisticated interculturalism*. *Stereotyping interculturalism* takes place when someone dismisses the actions of another person through categorisation, although the reason may have nothing to do with the person's cultural background. Then, when a person's actions are seen to derive only from his/her cultural background, we have *naïve interculturalism*. Finally, the danger with *sophisticated interculturalism* is that someone who has studied other cultures may become to believe that those cultures offer all the solutions (Scollon, 1997). It is impossible to study all the cultural influences but below are some factors that were found to be influential.

2.5.1 National Culture Dimensions

Geert Hofstede (1991) defined culture as the collective programming of the mind, which he described to mean, learned patterns of thinking, feeling and potential acting. Most of these patterns are acquired in early childhood when people are most susceptible to learning and assimilation. For example, Japan used the school system very effectively to promote nationalism beginning from the 1890s (Garant, 1997). Once the patterns have been learned, the only way to learn something new is to unlearn the old patterns of thinking and feeling; and unlearning is always more difficult than learning something for the first time.

The main cultural differences among nations lie within their values. Hofstede (1989, 1991) distinguished two main ways cultures manifest themselves: values and practices. Values are developed at an early age and they are often profound and unconscious. Any statement about nationality is based on the value choice; an example is how a culture views competition between employees. Practices, however, are just superficial collective habits of the population, for example, dress code and rituals. Based on the findings of two large research projects, Hofstede (1989, 1991) argued that national cultures differ more from each other at the values level than at the practices level; whereas, different organisations in the same country, regardless of ownership, vary more at the practices level than at the values level.

Hofstede (1989, 1991) discovered four dimensions in the IBM Study[2]: power distance, individualism-collectivism, masculinity-femininity and uncertainty avoidance; a fifth dimension was discovered later on and it is called short-term vs. long-term orientation. Individualism-collectivism and power distance have been successfully tested and validated by several researchers (Hoppe, 1990; Trompenaars, 1994). Smith (1996) argued that the current multicultural composition of many nations makes it more difficult to accurately calculate the values each nation upholds, while simultaneously noting that all the more recent studies confirm the differences mapped out by Hofstede are not disappearing anywhere. The following paragraphs will describe each dimension in more detail.

2.5.2 Power Distance

The first one of Hofstede's dimensions is power distance and the power distance index is a measure for the degree of inequality in a society.

Power has an immediate impact on global business because it is difficult to decentralise and flatten a hierarchy in a culture that is accustomed to ascribed power and a high tolerance of inequality. Power distance in the workplace is an important phenomenon because by the time most people start their working lives, they have already learned certain patterns of thinking and feeling at home and at school. Many attitudes held towards parents and teachers are transferred to bosses (Hofstede, 1991, Garant, 1997). In a large power distance situation superiors and subordinates consider each other unequal, which is expected and desired. Other tendencies that are common include centralisation, complex hierarchies and the expectation by subordinates to be told what to do. In a small power distance situation, the boss and the subordinate consider each other to be equal, subordinates expect to be consulted, and inequalities are being minimised by decentralisation and lack of hierarchy and status symbols.

The power distance index (PDI) includes 50 countries, like all of Hofstede's other dimensions. Countries have been ranked based on their scores, which range from 0 (small power distance) to about 100 (large power distance). Japan's PDI score was 54 and it was ranked 33rd (largest power distance country was number one). The UK's PDI score was 35 and it was ranked 42nd. Lastly, Finland's PDI score was 33 and it was ranked 46th. It can therefore be assumed that the behaviour and expectations of subordinate-superior communication and interaction are quite different in Japan (a relatively high power distance country) when compared with Finland and The UK (relatively low power distance countries). As pointed out by Beck & Beck (1996), communication between supervisor and subordinate is the one that causes greatest concern in a work setting.

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[2] The IBM Study was a large-scale research project focusing on work-related values and attitudes, the study included 50 countries and 116,000 IBM employees.

2.5.3 Individualism vs. Collectivism

In an individualistic society, the employee is expected to act independently and to take responsibility for his/her actions. The aim is to organise work situations so that the self-interests of the employee and the interests of the employer coincide. In collectivist cultures, an employer does not only hire an employee but also a future member of the in-group. In an individualistic culture, the employer-employee relationship is considered a business relationship, whereas in many collective cultures this type of a relationship is considered more as a family relationship (Hofstede, 1991). When communicating with others, members of individualistic cultures emphasise person-based information to predict others' behaviour and collectivist cultures use group-based information. The major difference between individualistic and collectivist cultures is the relative influence possessed by individuals and in-groups in influencing behaviour and communication (Gudykunst, 1998).

Members of individualistic cultures learn to value independence and achievement, whereas, members of collectivist cultures learn to value harmony and solidarity. People from individualistic cultures have many in-groups and, as a result, they influence specific situations very little. Furthermore, people tend to be universalistic because they apply the same value standards to in-groups and out-groups. In collectivist cultures only a few in-groups exist and they have a strong influence on the person's communication. The attitude held is particularistic because different value standards are applied to in-groups and out-groups (Trompenaars, 1994).

According to Christopher Earley's work, Chinese employees performed the best when they could perform the task in a group anonymously, and Americans performed the best when the task was done individually with their name on it (Hofstede, 1991).

In collectivist societies, personal relationships prevail over the task and should be established first, the opposite is true for individualistic cultures. As a result, business relationships often take longer to establish in Asia than in America or Europe because the personal relationship is very important, and it has to be well established before engaging in a business activity with someone. Furthermore, in collectivist societies, identity is based on the social network to which one belongs; harmony should always be maintained; and high-context communication is used primarily i.e. verbal messages are important but people are also very sensitive to any type of non-verbal communication. In individualistic societies, it is usually the other way around because hiring and promotions are primarily based on skills and rules only, not on the in-group. Although, it can be argued that social networks are becoming more important also in the West, and one may find it difficult to progress on one's career if the right network is not in place. In the end, however, it may be difficult for an employee, who does not share the company's orientation towards individualism/collectivism, to perform according to certain norms and expectations.

The individualism index (IDV) measures the degree of individuality. The UK's score was 89 (ranked 3rd), Finland had a score of 63 (ranked 17th) and the score of Japan was 46 (ranked 22nd). These scores differ greatly from one another. Although both Finland and the UK are individualistic cultures, Finland's score is in fact closer to the score of Japan than it is to the score of the UK.

Adler (1997) stated that in cultures, such as Japan, people believe that the will of the group should determine members' beliefs and behaviour. People from collective groups accept that different groups have different values, whereas, individualistic cultures think that universal values like democracy exist, and that they should be shared by all. Collective and individualistic views can cause clashes in a business organisation because they have many contradictory elements. However, the key is to try to

successfully combine both collective and individualistic elements because they are both valuable and neither is complete without the other.

Co-operation can be explained in the light of individualism-collectivism according to some scholars. Wagner (1995: 167) stated that, "Individualists who feel independent and self-reliant are less apt to engage in cooperative behavior, and collectivists who feel interdependent and reliant on groups are more likely to behave cooperatively." Similar findings have been recorded by others (see Wagner, 1995). We may therefore assume that in the context of the Finnish, Japanese and British, there are differences in their working habits and co-operation behaviour.

Erez & Somech (1996) discussed very similar ideas when addressing *social loafing* and collective-individualistic cultures. According to Earley's work, people from collective cultures did not loaf and they contributed to the group's performance, and individuals with individualistic cultures loafed, especially when they were not held personally responsible (Erez & Somech, 1996). The reason attributed to social loafing occurring less frequently with collectivists than individualists was contributed to the collectivists placing group goals and actions above their own interests. Following from the above reasoning, employees in collective cultures will welcome the opportunity to contribute to group efforts because it enhances their interdependent selves (Erez & Somech, 1996). According to the results of the study by Erez & Somech (1996), social loafing among individualists was more of a rule than an exception. Secondly, there was support for intra-group communication enhancing co-operation among individualists because it increased their awareness of others as possible evaluators. However, with collectivists it did not affect co-operation significantly because they were already used to the presence of others and were aware of the potential evaluation by them. The implication for management is that since communication reduces social loafing, it is beneficial to have the team members get acquainted with one another.

2.5.4 Masculinity vs. Femininity

The masculinity index (MAS) refers to how strongly we associate ourselves with so-called masculine values or tough values i.e. assertiveness, ambition and competition (feminine values include co-operation, nurturing and harmony). Japan had a score of 95 (ranked 1st), the UK's score was 66 (ranked 9th) and Finland's score was 26 (ranked 47th).

Masculinity index can be very useful in a work setting because it can predict how one handles conflict, among other things. According to Hofstede (1991), in masculine cultures, like the USA and the UK, there is a feeling that the situation should be solved by a good fight where the best man wins. However, it is more likely for Finland rather than Japan to adopt this approach, although Finland is ranked 47th i.e. very feminine and Japan is ranked 1st i.e. very masculine. In feminine cultures, like Sweden and the Netherlands, the approach to conflict is negotiation and compromise. Approaches to work also differ between these two type of cultures, masculine cultures tend to think that one lives in order to work and feminine ones that one works in order to live, which may in part explain the strict work moral the Japanese have. Another difference that has been explicitly stated is that masculine cultures have clearly defined roles for men and women, whereas, feminine cultures try to encourage and ensure that both sexes have equal opportunities (Hofstede, 1991). In Finland and the UK, women have relatively equal access to all jobs when compared with Japan where women are still today often clearly discriminated and encouraged to pursue a life as a housewife.

2.5.5 Uncertainty Avoidance

Uncertainty avoidance refers to the degree of anxiety that can be tolerated. According to Hofstede (1991), it is the extent to which the people of a culture feel threatened by uncertain or unknown situations. The uncertainty avoidance index (UAI) is a measure for the degree of uncertainty. Japan scored 92 and was ranked 7th, Finland scored 59 and was ranked 31st, and the UK scored 35 and was ranked 47th. The higher the score the less uncertainty the culture can tolerate.

One way uncertainty avoidance manifests itself in the workplace is in the use of rules. In high uncertainty avoiding countries there are many formal laws and/or informal rules controlling the duties and the rights of employees and employers. This may also be seen in the form of many internal processes. Often this need for rules is emotional. Members of high uncertainty avoidance societies have been trained to function only by rules; therefore not having them will cause high levels of anxiety. It is natural then, that these societies in general are not very flexible. Furthermore, in strong uncertainty avoidance societies people have an innate drive to be active all the time, which means that they like to work hard or at least be busy all the time (Hofstede, 1991). We can assume that Japan is therefore the most process-oriented and work conscious country, out of the three countries being studied, and the UK is the least so. Naturally this may cause a possible clash in work styles between people from those three different cultures.

According to Hidasi (1997), in order to get along without conflicts in Japan, it is very important to accept uncertainty. At the same time, because of the emphasis on indirect verbal communication and non-verbal communication, the Japanese need to know if others can understand them when they express themselves verbally in order to reduce uncertainty (Gudykunst & Nishida, 1994). Furthermore, people in Japan want background information because that helps them in making predictions about the behaviour of others. Background information provides a solid foundation in collectivist but not in individualistic cultures (Gudykunst & Nishida, 1994). The priority in negotiations for high uncertainty avoidance cultures like Japan is to establish whether the other party is trustworthy on a long-term basis in order to reduce the level of uncertainty. Low uncertainty avoidance cultures like the UK, on the other hand, will focus on quickly gaining agreement (Smith, 1992).

The strengths and weaknesses of strong and weak uncertainty avoidance countries vary. According to Hofstede (1991: 122-123), "Weak uncertainty avoidance countries are more likely to stimulate basic innovations as they maintain a greater tolerance towards deviant ideas. On the other hand, they seem to be at a disadvantage in developing these basic innovations towards full-scale implementation, as such implementation usually demands a considerable sense of detail and punctuality. ... UK has produced more Nobel Prize winners than Japan, but Japan has put more new products on the world market."

2.5.6 Short-Term vs. Long-Term Orientation

Almost simultaneously with the IBM questionnaire conducted by Hofstede, another cross-cultural values survey was carried out by a group of academic researchers from nine Asian and Pacific countries. The instrument used was a modified version of the Rokeach value survey (RVS)[3]. The results of the IBM questionnaire and the RVS were not directly comparable because their data had not been analysed in the same manner. However, the RVS data was re-analysed by Michael Bond using the IBM study's approach, and it produced five dimensions. Four of these dimensions corresponded

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[3] The RVS is a well-known instrument developed by US psychologist, Milton Rokeach on the basis of an inventory of values in US society around 1970.

with those that had been categorised by the IBM questionnaire, but the fifth dimension could not be interpreted. The RVS study used different data from the IBM study but the same four dimensions emerged, which endorses the validity of those groupings used in the IBM study (Hofstede, 1991).

The IBM and the RVS studies are both culturally biased. The IBM survey team was made up of a Western team and they included Western values in their questionnaire. The same applies to the RVS study because although a non-western team conducted it, the instrument was developed in the US. Michael Bond, who compiled a questionnaire with the help of Chinese scholars in order to have a Chinese-bias build into it, found the solution to this problem. The purpose was to find out if the results of the Chinese value survey (CVS) would match those of the IBM and RVS studies. This questionnaire was used the same way as the Western ones in 23 countries to test the validity of the earlier results that had been obtained with a Western-bias.

The results showed that three of the dimensions matched i.e. power distance, individualism-collectivism and masculinity-femininity. The IBM survey represents a Western and the CVS an Eastern interpretation of common basic value complexes. None of the dimensions of the CVS were associated with uncertainty avoidance that is strongly associated with the search for truth. It seems that for the Chinese the search for truth was not an integral issue, however, a new dimension called the Confucian dynamism or long-term vs. short-term orientation emerged.

Long-term orientation was identified with persistence, ordering relationships by status and following this order, thrift, having a sense of shame, adaptation of traditions to the modern context, perseverance towards slow results and concern with respecting the demands of virtue. Short-term orientation, on the other hand, valued personal steadiness and stability and concern for *face*. Therefore, there was little willingness to subordinate oneself for a purpose, there was respect for tradition rather than trying to adapt the traditions to a modern context, reciprocation of greetings, favours and gifts, quick results and concern with processing the truth (Hofstede, 1991). Long-term orientation index (LTO) ranks Japan 4th with a score of 80, and the UK 18th with a score of 25. Finland was not included among the 23 countries but the scores for Germany and Sweden were 31 and 33 respectively, which may give some indication of Finland's position since Finland was in close proximity to these two countries also on the other dimensions. This means that Japan had more of a long-term orientation because they were focused on the future, whereas the UK had more of a short-term orientation reflected in their concentration on the present (Hofstede, 1991).

2.5.6.1   Time Orientation

All cultures have unique concepts of time and ways of managing it. Cultural time differences can be categorised according to whether they are monochronic (sequential) or polychronic (synchronic) and according to the culture's orientation to past, present and future. According to O'Hara-Devereaux & Johansen (1994: 61), "Monochronic time is one-track linear: people do one thing at a time. Polychronic is multi-track circular: it allows many things to happen simultaneously, with no particular end in sight." Monochronic time tends to be associated with low-context cultures and polychronic with high-context ones.

Cultures take different approaches to the past, present and future, but in general tend to be either future-oriented or past-oriented (O'Hara-Devereaux & Johansen, 1994). For example, Americans tend to focus on the short-term future, Asians lean towards a more distant future, and many Latin cultures are past-oriented. The fifth dimension of national culture i.e. short-term vs. long-term orientation supports the previous point. Functional cultures also adopt certain time orientations. An example is provided by O'Hara-Devereaux & Johansen (1994: 63), "R&D people typically have a long-term

perspective, which is reinforced by the tendency to measure their productivity by the frequency of 'big ideas'." That ends the Section on National Culture and brings us to the fifth research question.

Research Question 5:

How does communication vary between the three sites located in Finland, Japan and the UK in terms of cultural dispositions?

2.6 Culture of the Operational/Task Environment

Due to globalisation and increased business dealings abroad, growing environmental volatility, heightened political risks and exchange rate exposures, many multinational companies (MNCs) have chosen to set up subsidiaries in foreign countries. These offices are located in national environments representing enormously different economic, social and cultural settings (Ghoshal, Korine & Szulanski, 1994). Due to these very different task environments, the subunits employ differentiated internal structures and processes. However, due to the close co-operation and interaction between the different subunits, extensive integration and co-ordination is necessary. Ghoshal et al. (1994: 96) stated in their article that, "Interunit communication is a key mechanism for achieving such integration and systematic analysis of the factors that influence such communication is of considerable interest to MNC managers."

2.6.1 Location vs. Ownership

Smith (1992) stated that according to Pascale's comparison of matched pairs of US and Japanese companies, plant location was more important than plant ownership. It was discovered that there were more differences between Japanese firms in the US and Japanese firms in Japan than between Japanese and US owned firms. This would therefore imply that regardless of the country of origin of the company, the location of operations plays a very important role. This may in part be due to a specific legislative system, which impacts manpower planning and industrial relations, and unifies the workforce due to an unwritten code of behaviour. Smith (1992: 48) went on to argue that "while there may be some universality of organizational structures required around the world, the differing national cultures within which organizations are located frequently give those structures substantially different meanings."

2.6.2 Organisational Culture

Organisational culture revolves around values, beliefs and norms, like all the cultural concepts. However, here culture is defined by the insider's view of what is important (shared values) and how things work (shared beliefs). The system of shared values and beliefs then interacts with the company's people, organisational structures and control systems to produce behavioural norms i.e. "the way we do things around here." According to Staley & Staley II (1996), the decision-making process is driven by the values and beliefs, out of which the organisational culture has grown.

If we take the symbolic constructionist view, then culture is a symbol that represents something. Organisations can also be viewed as symbolic constructions because the culture of an organisation induces its member to think, act and behave in a certain way (Eisenberg & Goodall, 1997). According to Hofstede (1989), practices prevail over

values in organisational cultures. Furthermore, it should be remembered that the practices according to which organisation members learn to behave are a reflection of the values of the leaders who created the practices, not the members themselves. Six dimensions that reflect the practices followed in an organisational culture have been cited. Firstly, process-oriented vs. business-oriented units, secondly, job-oriented vs. employee-oriented units, thirdly, professionally vs. parochially oriented units, fourthly, open vs. closed systems, fifth, tight vs. loose internal control and finally, pragmatic vs. normative way of dealing with the environment and customers (Hofstede 1989, 1991).

According to Kumar et al. (1997), when national cultures are tight on process and outcome, like Japan, the corporate culture can not be expected to vary greatly from the parameters imposed by the national culture. Following the same logic, cultures that are loose on process and outcome, the variation is going to be at maximum.

2.6.2.1   Teams

Strong organisational culture can also be helpful in strengthening relationships within a team. At the same time, Waddock (1996) argued that the impositions of any one cultural norm on a team would result in failure. It is often difficult to even work cohesively with people who have the same cultural background but working with people who do not share the same frame of reference can be a great challenge. It is therefore important for leaders to understand organisational and group dynamics to get people to co-operate with one another (Harris, 1993). According to Adler (1997), culturally diverse teams are usually either very effective or very ineffective, concluding that cultural diversity can lead to superior performance when it is well managed.

There is an emphasis in literature for the need to receive and give sensitive feedback; create a team atmosphere or culture that is informal and fosters trust; be open to planned change; promote co-operative relations with other teams; and have clearly defined roles, relationships and responsibilities (Harris, 1993; Solomon, 1995; Eisenberg & Goodall, 1997). According to a study done at Intel's Santa Clara headquarters, teams need very simple and basic processes and procedures. Furthermore, it is extremely important to set clear goals, responsibilities and roles that all team members are aware of and to reinforce them periodically (Solomon, 1995).

Despite strong organisational culture, there are four phases that new employees need to experience before they can form successful teams. During Phase I, each team member has his/her own expectations, culture and values. People do not often realise that others do not share their values and expectations. Therefore, it is important to learn to recognise differences because values are only a set of norms particular to one society. After self-awareness, individuals move into Phase II, where they begin to respect other cultures while acknowledging problems. During Phase III, team members learn to trust each other, share knowledge and focus on common goals. Phase IV is the final stage where teams begin to work in collaborative ways and cross-cultural differences become a competitive advantage (Solomon, 1995). Iles (1995) emphasised that having different expectations of the roles of one another, different priorities, mutual stereotyping of one another's competence and contribution, and a tendency for mutual blaming created the potential for conflict and problems within teams. He further stated that it is important to openly discuss stereotypes and to consciously try to gain a better understanding for the actions of others.

2.6.2.2   National Culture and Organisational Culture

The culture of the operational or task environment is an important phenomenon when communication in intercultural organisations is being studied. The task environment includes the national environment that represents economical, social and cultural

attributes. Therefore, how organisations or subsidiaries of an organisation behave may vary according to the task environment because it influences everyone's behaviour. The influence of national culture on organisations is an important aspect when we look at international organisational behaviour because despite globalisation different societies continue to display distinctive organisational arrangements and processes of behaviour (Francesco & Gold, 1998). It was further stated by Francesco & Gold (1998: 5) that, "Even if globalization and multinational corporate structures eventually cause national cultures to become more alike, it is improbable that indistinguishable values will emerge across cultures to produce the same management techniques and organizational behavior."

Over the last decade, researchers have tended to focus on organisational culture as a climate creator. It has also been incorrectly assumed, especially by many managers, that organisational culture would diminish the national culture differences. National differences are as important whether we look at employees of different nationalities or foreign clients. In fact, organisational culture maintains and enhances our national differences (Adler, 1997). Even more strikingly, Laurent (Adler, 1997) found that cultural differences are more pronounced among employees of different nationalities working within the same multinational company than with people working for different organisations in their native lands.

Some companies like McDonald's have chosen to take a culture-free approach to global management and organisational behaviour. They believe that due to advances in technology, policies, rules, organisational structure and other variables that contribute to effectiveness and efficiency, the role of national culture is shaping organisational behaviour and therefore it is irrelevant to understand national culture for managing (Francesco & Gold, 1998). However, others believe that intercultural differences most certainly affect organisational behaviour to some degree, while agreeing that organisations are culture-free in some ways and culture bound in others (Trice & Beyer, 1993). Therefore, is it possible for a multinational organisation to have a unique culture that is the same everywhere or does the culture have to adapt to local conditions? Based on literature, it seems that such forces, as national or professional cultures may be strong enough to influence some of the processes and thinking in organisations. For example, there has been research to document that sometimes co-cultures, whether they are professional cultures or some other groups that have formed, may become so cohesive that they become distinctive enough to be quite separate from the rest of the organisation (Francesco & Gold, 1998).

2.6.3 Goal Setting and the Meaning of Work

When there are many different nationalities working towards a common goal, it is interesting to examine how goal setting affects people's motivation and whether their orientations towards work differ. According to the Goal Setting Theory, researchers discovered that performance increases when specific, as opposed to vague goals are set. Furthermore, there was support for an increased performance when the goal was difficult but achievable rather than too easy. Another key factor for success was for the individual to believe in the set goal, whether he/she was involved in planning or not (Francesco & Gold, 1998; Eisenberg & Goodall, 1997). Culture was found to affect people's motivations and incentives for goal setting (Francesco & Gold, 1998). Managers are in a key position to motivate people and it has been suggested that managerial behaviour is maintaining its dissimilarity, and therefore the role of culture is important (Joyant & Warner, 1996).

Beyond goal setting, it has been argued that different cultures associate different meanings with work. According to a project conducted by George England and the Meaning of Work (MOW) International Research Team, some interesting issues involved with motivation and the meaning of work emerged across cultures (Francesco

& Gold, 1998). An interesting aspect for us is the Work Centrality measure, which tells us how important work is compared with other parts of the worker's life. Out of the eight countries ranked, the UK scored the lowest indicating that work was relatively not important and Japan scored the highest, indicating the high value attributed to the role of work in one's life. This finding is supported by Hofstede's study. It can be very important in multi-site operations because if people are motivated by different incentives and they have different levels of commitment towards work, then the working relationship between different team members may not be in balance. The danger is that people may fall victim to ethnocentric behaviour by placing their own cultural group in the centre of everything while rating others in reference to it. People may recognise that different cultural members have different preferences and priorities towards work and other aspects of life, but they may still regard their own priorities as superior to others (Francesco & Gold, 1998). Milton Bennett (1986) presented a more specific model of Development of Intercultural Sensitivity, in which he discussed development from ethnocentric stages (denial, defence, and minimisation), to ethnorelative stages (acceptance, adaptation, and integration).

2.6.4 Organisational Structure

Organisational structure refers to the arrangement of positions in an organisation, consisting of the basic components of complexity, centralisation and formalisation. Organisations can be seen as open systems that interact with their environments, rather than existing on their own independently of the surroundings. This is so because organisations need inputs from the environment in the form of human resources, raw materials and ideas. Then outputs are returned to the environment in the form of products, services and knowledge (Francesco & Gold, 1998). Many elements in an organisation's environment influence it, including values of the national culture, other organisations and the relationships formed with those organisations. For example, when relationships with other organisations are formed, management structures may have to adapt to the local culture. There has also been research to prove that value systems or ways of structuring work can be strong enough to persist in the value system of another society (Francesco & Gold, 1998).

Why the organisational structure is important is because it affects organisational behaviour. Three views on the matter are presented below. The first one asserts that cultural values affect organisational structure, which then influences organisational behaviour. A second view posits that organisational structure influences values hence called structuralism. A third view is that the interaction of structures and values produce organisational behaviour, which means that national culture, corporate culture and structures act together. This is particularly pertinent to managers of MNCs because organisational structures shape employee behaviour, and to understand the employees, it is necessary to understand the structure they work in (Francesco & Gold, 1998). At the same time, intercultural teams need to learn how to handle ambiguity, role shifts, seeming lack of structure and diversity in personal and professional styles (Harris, 1993). Ideally, no one would have to concern themselves with such issues but because in reality it is virtually impossible to align all activities in each site and location, flexibility is a skill that needs to be developed by teams. Work styles and environments vary between countries and the best way to come to terms with the differences is to understand why and how things are done elsewhere. This takes us to the following research question.

Research Question 6:

> How does the culture of the task or operational environment influence
> communication between Finland, Japan and the UK?

2.7 Trust and Trustworthiness

Interpersonal trust influences the quality, level, content, and directionality of
communication. Downs (1988) further stated that since trust determines how much
credibility one person has with another, levels of trust have been found to be significant
indicators of communication effectiveness. Therefore, lack of trust is inevitably rooted
in some communication difficulties. In the following paragraphs, different aspects of
trust will be examined to find out what their impact is on multi-site communication and
co-operation.

2.7.1 Cultural Misinterpretation

Culturally diverse teams possess higher levels of mistrust than do their more
homogeneous counterparts. Team members are usually less attracted to people from
other cultures than they are to people from their own culture. However, mistrust results
primarily from cross-cultural misinterpretation rather than dislike (Adler, 1997). When
people lack understanding of different cultures, it is easy to jump to wrong conclusions.

2.7.2 Building Trust

According to O'Hara-Devereaux & Johansen (1994) face-to-face meetings are virtually
irreplaceable for building interpersonal bonds. Voicemail and videoconferencing can
provide ongoing support for maintaining trust because they convey some of the
emotional context and interaction, impossible in text-only technology like e-mail. They
emphasised that face-to-face meetings are essential for establishing initial trust.

Another factor that has been stated to help in building trust within an organisational
context is shared values. When a unit shares the organisation's overall goals and values,
it is perceived trustworthier by other units, which in return builds the level of trust
between units and individuals. Tsai & Ghoshal (1998) confirmed that the extent to
which a unit shares a vision with other units and the organisation as a whole would be
positively associated with its perceived level of trustworthiness. Secondly, having a
shared vision was assumed to help different parts of an organisation to integrate and
combine resources because members share the same perceptions about how to interact
with one another, which diminishes misunderstandings. However, Tsai & Ghoshal
(1998) found no support for that in their research.

2.7.3 Risk-taking and Resource Exchange

Trust enables people to take risks because then they do not have to be weary about
others taking advantage of them. Competence and responsibility, and the knowledge
that one will find what is expected rather than feared make up the concept of trust
(McAllister, 1995). According to the cognition-based view on trust we choose whom
we trust, under what circumstances, and with what regard; also we are the ones to
choose the criteria for trustworthiness according to what we consider to be 'good
reasons' (McAllister, 1995). McAllister (1995: 29) further stated that, "Although
external factors making the behavior of relationship partners predictable provide

foundations for cognition-based trust, insights into the motives of relationship partners provide foundations for affect-based trust." McAlester (1995) listed some past measures of trust in an organisational setting to include competence, responsibility and reliability. Furthermore, it has been argued that in order for trust to exist and develop the expectations for reliability and dependability must be met.

According to Tsai & Ghoshal (1998: 467) trust can be seen as "an aspect of organizational context and as an antecedent of cooperation." When two parties feel that they can trust each other, they are more likely to share their resources because then they feel that it is less likely that the other party would try to take advantage of them. As a result, co-operative behaviour in the form of resource exchange and sharing is likely to take place. The results of research carried out by Tsai & Ghoshal (1998) confirmed that the level of a business unit's perceived trustworthiness is positively associated with the extent of the resource exchange and combination the unit engages in with other units in the organisation.

2.7.4 Managers and Trustworthiness

Trustworthiness and managers' behaviour towards peers and subordinates are linked. When the manager has little trust in his co-workers, he or she tends to use control-based monitoring and defensive behaviour. However, when the level of trustworthiness is high, there is need-based monitoring and interpersonal citizenship behaviour (McAllister, 1995). Ouchi (1979) believed that when people engage in close co-operation, they have to be able to either trust or closely monitor each other. Korsgaard, Schweiger & Sapienza (1995) discovered that perceived fairness partially affected the impact of procedures on commitment, attachment and trust. Therefore, if subordinates or co-workers perceive the manager to be fair, then they are likely to trust him or her more. They further stated that fair procedures are especially important when direct control over decisions cannot be given, then giving members voice in the decision-making process allows them some degree of indirect control. Secondly, team leaders need the trust of their team members to maintain direction over the process of making and implementing strategic decisions. The leader's consideration of member input helps him or her in gaining the trust of the team members (Korsgaard, Schweiger & Sapienza, 1995). This concludes the chapter on communication in intercultural organisations, and brings us to the last research question.

Research Question 7:

How does the level of trust influence co-operation between Finland, Japan and the UK?

3 RESEARCH METHODOLOGY

This chapter details the empirical investigation, and data analysis procedures that were conducted in order to answer the research questions introduced in the last chapter. Then, analysis of the methods used, interviewees and interviewer biases are discussed in order to establish the validity of the research findings.

3.1 Methods

Case study research is briefly discussed at first to establish the benefits of using that strategy as the research framework in the study. The research included two phases that have been described in detail below. The first one consisted of exploratory interviews in Japan and the UK. The second phase included thematic interviews in Japan, the UK and Finland. At the same time, participant observation was carried out in Japan, the UK and Finland. According to Francesco & Gold (1998) qualitative and ethnographic methods produce rich, descriptive data presented in case studies that enhance our understanding about life inside organisations. Despite limitations of representativeness and researcher bias, they felt that these methods capture the meaning of culture more adequately than quantitative studies.
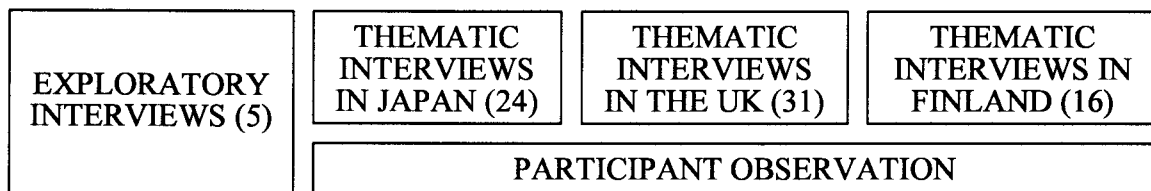
EXPLORATORY INTERVIEWS (5)	THEMATIC INTERVIEWS IN JAPAN (24)	THEMATIC INTERVIEWS IN THE UK (31)	THEMATIC INTERVIEWS IN FINLAND (16)
	PARTICIPANT OBSERVATION		

Figure 3-1 Research Methods

3.1.1 Case Study Research

According to Hartley (1994), a case study approach is not a method but rather a research strategy. Case study research consists of a detailed investigation of one or more organisations, with data often collected over a period of time. The phenomenon being studied is not isolated from its context but is interesting precisely because of the context. Emphasis tends to be generally on qualitative methods due to the pursuit of delicate and sensitive knowledge, and triangulation is advised in order to improve validity (Hartley, 1994). It was further stated that detailed case studies might be essential in comparative research, where an intimate understanding of what concepts mean to people, the meanings attached to particular behaviour and how they are linked is essential for the study.

3.1.2 Exploratory Interviews

During Phase I, the goal was to explore the specific intercultural communication issues influencing the Case Company and to narrow down the areas that would be studied in more detail. From the beginning, it was decided with management's approval that the study would focus only on intercultural or on the so-called 'softer issues' in communication. However, there was no existing documentation about the factors influencing the multi-site communication, therefore it was essential to collect the information. It was decided that the best way to gain more information about the current situation was to interview five managers who played a key role in the multi-site communication.

The chosen method was an exploratory interview technique, which is also known as a general orientation interview. In-depth exploratory interviews were chosen because the key managers involved would not have had time to fill in a detailed questionnaire, nor would the researcher have then had an opportunity to ask follow-up questions to clarify or probe certain topics. Furthermore, the topic of the research was relatively sensitive, which implies that it was easier to approach it in an interview as opposed to a questionnaire (Downs, 1988; Hirsjärvi & Hurme, 1991).

Downs (1988) suggested that when using the interview technique two rounds of interviews should be scheduled: the first round as an exploratory one and the second as an issue-oriented one. Phase I was meant to accomplish the first round interviews i.e. the exploratory interviews and Phase II the issue-oriented interviews.

An open unstructured interview technique was appropriate for Phase I because there was very little information available about the topic to be studied. Secondly, discussing 'problems' can be a difficult topic to address and it is easier to probe for more details in an open interview than a structured survey. Thirdly, it is important to know the interviewees' perceptions regardless of what the 'truth' will turn out to be. According to King (1994: 14), "The goal of any qualitative research interview is to therefore see the research topic from the perspective of the interviewee, and to understand how and why he or she comes to have this particular perspective."

3.1.3 Thematic Interviews

Thematic interviews were used in Phase II, which followed up from the findings of Phase I. The main results or findings of the exploratory interviews were used to build a thematic interview guide (see Appendix 1). The themes in the one-on-one interviews included Team dynamics, Cultural awareness and perceptions, The role of formal and informal communication, Understanding and visibility of what happens at other sites, Respect and trust, The role of management, Finno-centricism and Improvement ideas.

Each interview lasted about one hour in a closed meeting room to ensure privacy. The themes were discussed with each interviewee in an open format, although questions prepared in advance were used to help the interviewee when necessary. Each interviewee was also asked to fill in an information sheet about background variables, such as, rank, business unit, frequency of interaction with other sites and length of employment with the company (see Appendix 2).

As justified in the previous section, the use of an interview technique is the most appropriate one for this study. The reasons include, but are not limited to the following ones. The sensitive nature of the topic (Sanford, 1966) i.e. people may feel uncomfortable or insecure about addressing culture-related issues. The possibility of specifying questions to the interviewees can increase the possibility that everyone has understood difficult topics the same way (Gorden, 1969). There is also an opportunity for the interviewer to ask follow-up questions and therefore gain a deeper understanding for the subject. At the same time, Webb et al. (1970) criticised the interview technique because they felt that it introduced a foreign element to the social interaction that is supposed to be described. Therefore, they felt that the interview can cause non-typical reactions, there is reliance upon those people who are available and willing to co-operate, and answers are always partly due to individual personalities. However, Lazarus (1977) felt quite strongly that the interview technique might cause deep therapeutic results, it allows for dynamic interaction between the interviewer and interviewee, and deeper introspection of the interviewee is possible.

Thematic interviews are particularly appropriate due to their semi-standardised nature and are suitable in similar situations as non-structured interviews. According to Hirsijärvi & Hurme (1991) thematic interviews should be used when the research is targeted at emotionally sensitive topics, when we want to examine topics that we may not be conscious about, when forgetfulness can cause mistakes or when the interviewees are not used to discussing the topic daily.

3.1.4 Participant Observation

To give more validity to the answers given by the interviewees, participant observation was used during meetings, telephone conferences and videoconferences that involved interaction between at least two of the three sites. Secondly, participant observation took place in the daily working environment and during team building and other social events.

The identity of the participant observer varied from a *complete participant* to a *complete observer*, also including the *participant-as-observer* and *observer-as-participant* to use the categorisation of Burgess described by Waddington (1994). Various identities were used to obtain as much information as possible. During telephone and videoconferences complete observer identity was assumed, during team building events participant-as-observer and observer-as-participant identities were adopted and in the daily interaction and social activities outside work the complete participant strategy was used. Waddington (1994) described the best use of participant observation to be for a phenomenon that includes human interpretations or interactions, it is hidden from the public view and little about it is understood. This description fits the research situation perfectly since communication within the intercultural multi-site project environment involved human interaction, was not clear to the public and very little information about the issues involved was available.

It is important to project and maintain a non-threatening self-image to the people under observation and emphasise any features they may have in common with the respondents in order to gain their trust and co-operation.

3.2 Sample

During Phase I, five key managers were interviewed in March and April of 1999. Three managers were based in the UK and two based in Japan. Finland was excluded at this stage because originally the primary focus was on the UK-Japan communication axis. Secondly, four of the interviewees were Finnish and were relatively well aware of the situation in Finland (the fifth interviewee was British). The reason the national distribution of the interviewees was uneven was due to the positions held by these nationalities in the Case Company.

The sample for Phase II included 71 interviewees. These interviews were conducted during June-September 1999. Out of the sample, 24 interviewees were based in Japan, 31 in the UK and 16 in Finland. Interviewees were picked according to their past and/or current experiences of being in a role that included frequent communication with at least two of the three sites (most interviewees had interaction with the other sites several times a day). The largest number of interviews took place in the UK because several people who had been based in Japan and therefore had a good knowledge of working practices there had since returned back to the UK. In terms of nationalities, there were 28 Finnish, 26 British, 13 Japanese and 4 other nationalities represented among the sample (British and Finnish represented the largest groups because they had the key cross-site communication responsibilities). Japan was clearly the most multinational site as opposed to Finland where all the interviewees were Finnish. However, among the sample there were a few non-Finnish people who had lived in Finland for several years.

Out of the whole sample, the number of years with the Case Company varied from less than a year to over 15 years, the mode being 5-10 years. In Japan there were no people with more than 15 years of experience with the Case Company, and one sixth with less than a year. In Finland and the UK, there were a couple of people who had been with the Case Company for more than fifteen years and no people with less than a year's experience. The interviewees in Finland and the UK had taken an average of 1-5 trips to Japan, and 10 people out of the 47 interviewees based in Finland or the UK had lived in Japan an average of 3-4 years. Most of the interviewees based in the UK had visited Finland more than once and vice versa.

In terms of responsibilities, people from centre and line management to specialists were included in the study. People's business units also varied among R&D, Product Marketing, Factory Operations, Sourcing, Human Resources, Sales, Line Management, and Product Creation & Process Development. Two product lines working on completely different products but both focused on the Japanese market were involved. These two groups were chosen to compare how a group with a long working history within the multi-site environment compares to one with a relatively new working relationship. The sites where the interviewees were based included one location in Japan, one location in the UK and three locations in Finland.

3.3 Treatment of Data

Ian Dey's (1993) *Circular Process* for qualitative analysis was used to analyse the data. The process consists of three different stages: describing, classifying and connecting (see Figure 3-2). According to Dey (1993: 30), "Description lays the basis for analysis, but analysis also lays the basis for further description." Once an initial look at the data has been taken and the first description formulated, the researcher can proceed to break the data down into small bits that are interconnected with other bits of data, and then

those bits of data together form a new whole. The data is broken down in order for us to be able to classify it and form concepts for the classifications. The connections we make between the concepts aid us in evaluating the data in a new light and in achieving a fresh description. Connections are achieved by the means of linking and associating elements. This is a process that happens over and over again in a spiral-like shape. The emphasis is on description, and then on splicing and splitting the data in order to form new and more comprehensive categories gathered under a common theme.

During Phase I, all interviews were recorded and transcribed by picking out the most interesting points and direct quotations. Then, these points and quotations were categorised separately for Japan and the UK under themes that emerged from the interviews; this stage corresponded to the first description in Ian Dey's model. After that the themes from the UK and Japan interviews were compared and split into smaller subcategories. Therefore, associating and linking the split pieces of information from the old categories, which corresponded to Dey's splitting and association stage formed new categories. In practical terms this meant that originally the two categories were the UK and Japan and different themes were placed under each category. After the splitting and splicing stage, the new categories were culturally based communication factors and non-culturally based communication factors and new themes were placed under each category. The themes were new because in the process of combining the data from the UK and Japan interviews, the combined information gave a more comprehensive view of the described phenomenon. Based on these new themes, the thematic interview guide was compiled so that it could be used in Phase II.

Again, in Phase II, all interviews were recorded and key points and direct quotations were transcribed. When thematic interviews are not transcribed word for word, the best suited person to do that is the interviewer him/herself. The interviewer knows the material very well and will be able find the themes quickly and also to notice, better than anyone else, when it is necessary to take down exact quotations. Errors may occur if people not present in the interview will try to carry out the task because they may apply a different set of criteria from the interviewer for what is important in the interview and into which category the information should go (Hirsijärvi & Hurme, 1991).

Originally, all the material was organised under the ten themes that had emerged from the exploratory interviews in Phase I, and one additional theme that came up during the interview process. The ten original themes were General communication atmosphere, Team dynamics and prioritisation, Perceptions, Formal and informal communication, Respect and understanding, Miscommunication, Mistrust, Motivation and feedback, The role of management and Improvement ideas. The additional theme that emerged during the interviews was Finno-centricism (see Appendix 1 for more detailed information).

However, to combine the information in the most efficient and informative way, while trying to ensure that sections would not overlap with one another, a new division was accomplished. The new division consisted of four main sections that were presented in the Case Company report: Culture and environment, Cultural factors in cross-site communication, Information flow and Management & leadership. It was difficult to tackle such a large amount of information while remembering that the organisation or the Case Company to whom the research was conducted for was interested in a complicated matrix. The Case Company wanted to know how the data would vary according to national culture of employees, site location, management level, and product line.

For the purposes of the thesis not all of the above themes were included in the exact same format as in the Case Company report because some of the information was too detailed and some was confidential and may have revealed the identity of the Case Company. The final division for this study was Cultural factors when communicating

with the Japanese or the Japan site, Cultural factors when communication with the British or the UK site, Cultural factors when communicating with the Finnish or the Finnish sites, General information flow and Management & leadership. As Dey described in his *Circular Process*, the process consists of description, classification and connection of smaller parts to make a new whole. This is exactly what the researcher attempted to do by breaking down the data into distinctive categories, beginning with the initial themes. Then describing and analysing the contents and breaking them into smaller pieces in order to draw new conclusions from the new categories that those smaller pieces contributed towards.
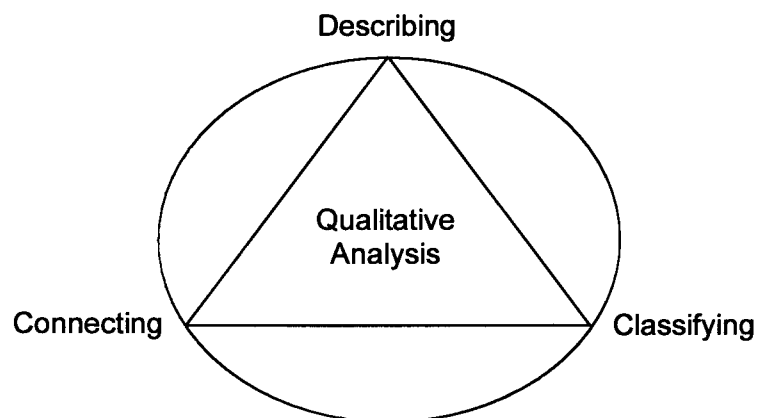
(Dey, 1993: 31)

Figure 3-1 Dey's Circular Process Model

3.4 Analysis of Research Methodology

This section will analyse the research methods used and the validity of the research. Secondly, the interviewees and the interviewer will be addresses in terms of any possible biases that may have affected the results of the study.

3.4.1 Validity & Reliability

David Silverman (1993) discussed the positivists take on interviews and their reliability and validity. According to Silverman (1993: 92), "The aim of interviews for positivists is to generate data which hold independently of both the research setting and the researcher or interviewer. One way of achieving this is by attempting standardised interviews." According to this criteria the data in this study may not hold very well because the interviews were thematic interviews with a relatively open format. However, in this situation it would not have been appropriate to use a more structured interview because then that may have restricted or guided the interviewees too much. It is also possible that the interviewer being Finnish played either a positive or a negative role when examining communication between Japan, Finland and the UK in a Finnish company. At the same time, the interviewer's nationality may have made the Finnish interviewees more comfortable and perhaps more truthful because they were able to talk

to someone with the same cultural background in their mother tongue. However, the situation may not have been uncomfortable for the British and the Japanese either for the following reasons. The interviewer had spent half of her life living abroad, and hopefully had a rather international way of looking at things, as opposed to a completely Finnish point of view. Furthermore, the interviewer was not based in the headquarters of the Case Company, which would probably have made her more biased, but was based in Japan where she was viewed as an objective third party. Thirdly, the interviewer spoke Japanese and was familiar with the culture, which may have put people a little more at ease in Japan.

The positivist view is only one among many, and according to other authors (Grönfors, 1982; Mäkelä, 1990) the validity of qualitative analysis is based on detailed descriptions of the research processes, so that conclusions about validity can be drawn independently. Grönfors (1982) suggested this to include a systematic description of how the research was carried out in order to ensure, at least, the possibility of partial repetition. Secondly, a detailed description of how the raw material was analysed and the current conclusions reached. Thirdly, the researcher should explain how he/she or some organisational processes could have influenced the results.

The researcher's belief is that the first two criteria have been answered in the methodological section. As for the third point, all of the interviewees were in a position to realise the importance of this research, especially because the results were likely to help them in their work, and therefore everyone was very co-operative and hopefully somewhat truthful in their answers. Secondly, the answers that have been reported in this research were consistent with one another and also with the independent observations, which would seem to add to their validity. Then, as already mentioned earlier, the interviewer being Finnish might have influenced the results for better or for worse.

It has been carefully explained how the research was carried out and explained why certain conclusions were drawn from the interviews. Therefore, it is the researcher's belief that the data is reliable, although it is possible that if another interviewer had analysed the data with the researcher the reliability would have been higher. However, an advantage of this particular sample is its size. After having conducted 71 interviews, most opinions had been repeated several times and the ones that had represented the minority opinion were left out. Therefore, the representativeness of this study was relatively high in the Case Company and is perhaps applicable to other similar intercultural or multinational organisations.

According to Rubin & Rubin (1995: 85), "researchers judge the credibility of qualitative work by its *transparency, consistency-coherence,* and *communicability*; they design the interviewing to achieve these standards." In this study, transparency was achieved by the description of the data collection procedures in order to make it clear to others and to the researcher how the interviews were conducted and what was felt during the interviews. Consistency includes *coherence of themes, the consistency of individuals* and *consistency across cases,* and the task of the researcher is to explain any inconsistencies that are found (Rubin & Rubin, 1995). The researcher attempted to do this by explaining why certain individuals or nationalities may have had different views on certain issues. The third item for credibility is communicability, which refers to the researcher's ability to vividly and convincingly describe the research arena and to make sure that interviewees only talk about their first-hand experiences (Rubin & Rubin, 1995). The researcher tried to ensure that only first-hand experiences were included and to verify as many statements as possible by comparing the answers of the interviewees with one another.

Internal validity, which was discussed above, is often said to be more important than external validity because if it does not hold, then no accurate conclusions can be drawn

(Frey, Botan, Friedman & Kreps, 1992). However, external validity is particularly interesting because according to Frey et al. (1992: 315) it shows "the extent to which the findings from a study can be generalised to other populations (universes) and/or other settings." They further stated that external validity is maximised in three ways: when subjects of the study are representative of the population to which the results are being applied; when research is replicated it should lead to consistent findings; and when a study demonstrates ecological validity i.e. reflects real-life circumstances. In this research, the subjects of the study were representative of the three nations being studied in an intercultural business context and the study demonstrated ecological validity since the participant observation and the interviews took place in the usual work environment. As for the replicability of the research, it should be possible since the processes were carefully described and the thematic interview guide is attached as an appendix. Therefore, the results should be generaliseable to similar populations, although some of the results may have been specific to the Case Company.

3.4.2   Triangulation

Each method reveals different sides of the empirical reality, which is why multiple methods should be used to give the researcher an opportunity to verify the results (Denzin, 1970). Hirsijärvi & Hurme (1991) agreed that using reactive and non-reactive research methods in the same study is beneficial but not necessary, as stated by Denzin. In this study, the reactive method used was the interview technique and the non-reactive method was the participant observation. Therefore, the results gained through the use of the two methods should be relatively reliable.

3.4.3   Analysis of the Interviewees

Rubin & Rubin (1995: 171) would argue that, "A cultural interview is a little like asking a fish what it is like to live in water, that is, what it is like to live in a taken-for-granted, daily environment. Can one fish explain water to another fish? Fortunately, it is usually clear that you are not another fish, that you are an outsider and may not know or understand such things. The downside of being an outsider is that people do not always want to share their intimate lives with you." It was certainly true that approaching certain interviewees or certain groups of interviewees was more difficult than approaching others. For example, the Japanese by the nature of their culture and language often gave very minimalist and vague answers. It was sometimes a challenge to get someone to discuss the themes in more detail but having the pre-planned questions helped in encouraging those interviewees in expanding on their answers. Most of the Finnish interviewees seemed to feel quite comfortable in the interviewing situation and gave relatively direct answers. Some of the British interviewees were a little hesitant at first but most relaxed when they discovered the interviewer's international background and that she was based in Japan; many already knew her through work and were very co-operative.

Most of the interviewees seemed quite comfortable in the interview situation and relatively open in their answers. However, there were also individuals who had had a bad personal experience or were somehow unhappy and wanted to blame everyone else for that. Furthermore, there were certain personal differences that may have influenced some of the answers. Therefore, the social desirability bias, which refers to the interviewee wanting to portray a favourable and socially desirable image of him/herself rather than telling the whole truth may have affected some of the answers (Frey & Oishi, 1995). However, most of those views were eliminated, which was possible due to the large sample size (71 interviewees in total).

The sample was well rounded and representative of everyone's views within the framework of the three sites (Finland, Japan and the UK) in the Case Company. This is because each national group, each site, each management level and both product lines were well represented. The time of employment with the Case Company varied among interviewees. Hopefully, that balanced out some of the challenges often experienced initially, while keeping a certain freshness to the answers (people who have dealt with these issues for a very long time may have become blind to some of them).

It was surprising to discover that many of the interviewees had not thought about the 'softer issues' affecting the multi-site co-operation between Japan, Finland and the UK, although the 'hard solutions' had not been sufficient since there were still challenges to be faced. However, when the interviewees began to discuss the 'softer issues', they came up with many ideas. Perhaps, the lack of discussion on the so called 'softer issues' was also due to immense time pressures because all the interviewees thought that addressing these issues was necessary and they were even quite excited about the prospect. Secondly, it was interesting to discover that most interviewees were surprised to discover that people at another location were unaware of some of the issues affecting the interviewees directly. Everyone expected others to be aware of their own circumstances even when that was not the case i.e. why something had been done a certain way or why they had countered certain difficulties along the way. This again shows that it is imperative to try and discuss those things that may seem obvious more openly because not everyone is aware of them.

It was positive that everyone wanted to participate in this study and share his or her opinions. The management in Japan was very helpful and co-operative in assisting the researcher with all types of practical arrangements and by providing information about the Case Company despite their busy schedule. When people want to improve the cross-site communication it is a very positive first step because it means that people have the right mentality. Also, it seemed that throughout the research, some improvements and developments were already taking place, which also shows that discussing these issues perhaps raised people's awareness, and gave them the initial push they needed. This is extremely positive because otherwise the challenge of improving the cross-site communication and co-operation would be virtually impossible.

4 RESULTS OF THE STUDY

In this section, the results of the study obtained through the interviews and participant observation will be described in detail. The results have been divided between five main categories that consist of the following: Communicating with the Japanese or the Japan Site, Communicating with the British or the UK Site, Communicating with the Finnish or the Finnish Sites, General Information Flow and Management & Leadership. The reason the communication of each one of the sites or of each nationality is addressed separately is not to build categories but to gain a better understanding for the issues considered important by each group. Once the understanding for these issues exists, it is then easier to see how different strengths and weaknesses can be combined.

4.1 Communicating with the Japanese or the Japan Site

Communication is an issue that is often overlooked or it is given very low priority in multi-site operations because everyone is so preoccupied by the technical issues involved. However, communication relates to all aspects of co-operation and interaction indirectly and can either facilitate the interaction or make it more difficult. That is why this and the next two sections are devoted to looking at cultural differences that influence communication among Japan, the UK and Finland. The issues outlined in the following paragraphs emerged during the interviews and although some of them may apply to the nations over all, there are also some characteristics that may be valid only for the Case Company. Secondly, the issues addressed in this section may come from the culture of the Case Company's operational environment i.e. in this section the Japanese culture or from the employees' national culture, which varied greatly in Japan due to the multicultural workforce. These factors influenced people's behaviour, capacities, limitations and interpretation of different situations, and are therefore very important for the study.

4.1.1 Use of English

Japanese, in particular, but also many non-Japanese felt that Japanese find it difficult to speak English, especially in front of other Japanese. Usually, the level of writing and reading is higher than the level of speaking and listening. As a result, many Japanese preferred e-mail to phone and videoconference because then they could re-read what they did not understand and had some time to think about their replies. Naturally, this

did not apply to everyone but it was recognised as a challenge, especially when having to communicate with someone you have never met in person.

Language was seen particularly challenging in videoconferences because due to technical quality of the link (examples include speech distortions and delays), it was often very difficult to understand what was being said at the other end. Furthermore, it was even more difficult when a person in Finland or the UK failed to see that a Japanese participant did not understand but was too embarrassed to admit that and ask for clarification. Secondly, when people did not communicate in their mother tongue, it was easy to choose words that did not convey exactly the desired meaning or gave a wrong tone for that particular context by mistake. When people failed to see the language difficulties, there may have been temporary setbacks due to misunderstandings of technical information or misinterpretations of the intended tone and mood of the message.

> *"There are situations when miscommunication happens, especially when neither party speaks English as their mother tongue..."*

> *"...perhaps it is best to take care of it [communication with the Japanese] through e-mail because the level of English most Japanese speak is not that good."*

> *"If you're the only foreigner with the British, they forget simple language."*

> *"Messages should be short and simple... The British often forget that others don't use English as their mother tongue and sarcasm is quite difficult to understand."*

However, there were also interviewees who felt that language was not a problem when communicating with the Japanese. This was found to be especially true when a personal relationship had been established, regardless of the true English abilities.

> *"Language has not been a significant factor when dealing with Japan."*

4.1.2   Keeping Promises

Keeping promises was important in Japan. When something was promised the Japanese expected that it would be done, and when promises were broken they were often disappointed. When the same individual or team broke promises several times, it sometimes resulted in trust deteriorating between that party and the Japanese. Many times, the person or people not keeping their promises did not realise how serious it was since keeping promises was not taken as literally in their own working environment. For example, if something was a few days late it may have been thought of as the norm rather than the exception. However, the Japanese preferred to under-promise rather than being unable to keep their word, which is why they were disappointed when promises were not kept, especially if the client was involved. When trust deteriorates it is very serious because much of it is embedded in the people and relationships. Rebuilding the trust takes a long time, and in the mean time it could be harmful for the co-operation.

> *"In Japan it is important to keep promises and to act immediately because that is how one receives respect and trust."*

Japan's position was particularly difficult because they had to communicate with the client when a new product was about to be released, and they were also the first ones to receive feedback from the customer. Therefore, it is understandable that since the Japan office was usually the one to respond to the customer, it was very embarrassing when they could not deliver what they had promised.

"Japan is unlucky because it is the port just before the product goes to the customer and it is also the first one to receive complaints... It is difficult to realise this when you're not in Japan or have not experienced it for yourself."

4.1.3 Specific Information

Many Japanese felt that they rarely got enough detailed information. When Japanese analyse information they begin with all the details and then move on to the conclusions, whereas the European way is to first understand the big picture and then get the details later on. It is important to explain things clearly and in detail in Japan, stated many non-Japanese based there.

"Japanese often want details to get better background information. Japanese people usually analyse answers because they are often not clear and some information may be read only in between the lines. English go from the big picture to the details and the Japanese do it in the reverse order."

4.1.4 Indirectness

The Japanese were often very indirect and they rarely said 'no' even when they meant it. Many people outside Japan felt that they rarely got clear answers from the Japanese and it was never clear whose opinion was put forward since the common reply was, "we think that..."

"We in the UK often feel that the Japanese don't answer questions or when they do they go around them without addressing them directly."

This may seem bizarre given the Japanese need for details and information. Foreigners may think that the Japanese are indirect but the indirect answers were often used as learned face-saving strategies. To the Japanese the answers that remained unclear to the non-Japanese speakers were often clear because they were able to interpret them.

"Japanese people like concrete things and that is why they don't like vague answers or explanations."

It was also felt that internally at the Case Company in Japan, Westerners could be quite direct but when interacting with the customer they should adopt the Japanese way of behaviour to not offend the customer i.e. observe seating rules and more indirect communication, among other things. Both sides need to make an effort to adjust and it is not up to just one side, as some people seemed to believe. For example, some interviewees felt that since the Case Company is a Finnish company the employees have a right to behave the way they would in Finland. That is not fair for the Japanese if working in Japan but simultaneously, it is not fair to expect that a Finnish or a British person could or should behave like a Japanese person.

"You have to make sure that you address people internally differently than you do the Japanese customer because they expect to be treated according to Japanese cultural norms."

4.1.5 Asking Questions

Japanese did not like to ask questions directly from the presenter in a meeting or from their boss if they did not understand. Authority is traditionally not questioned and when people have been brought up with that mentality since they were children, it is very difficult to change, even if it is known that asking questions is ok. A couple of Japanese interviewees stated that if they did not understand something they would think about it

by themselves first. If they could not find the solution, then they would ask their colleagues and consult the manager as a last resort. This is the opposite of the British way whereby people asked immediately if they did not understand something or they would even challenge the other party just to clarify something. The same applied to Finland with the exception of big meetings where some people would not raise issues openly but would prefer to be silent because they were reflecting on the issues or because they disagreed but did not want to state it openly.

> *"Foreigners should realise that Japanese avoid direct expressions and like compromise. In Japan, if you don't understand something, you are first supposed to solve it by yourself. If there are still problems, you ask a close colleague and the final resort is talking to your boss."*

As a result, it is sometimes very difficult for foreigners to know whether a Japanese person has understood what they said and what they think about a proposal or suggestion. Sometimes the result is a misunderstanding, which contributes to mistrust and lack of credibility.

> *"Most of the Japanese often approach you with the attitude of 'oh, Mr. Manager' and you never know when they have understood what you said because they won't ask any questions..."*

> *"If I don't understand something, then I ask other colleagues after the meeting... maybe that is why we sometimes have problems in meetings."*

4.1.6 Confirmation

Perhaps tied to the need for details, many Japanese mentioned that they would like to confirm that decisions or actions have been decided. They often asked the UK or Finland for confirmation at the end of their e-mails without receiving it, which puzzled them.

> *"What sometimes causes confusion is that even if something is agreed, people in Japan do not realise that something was decided because UK has not confirmed it. As a result, UK expects results soon because they think the agreement was very clear and the Japanese are still waiting for confirmation."*

4.1.7 Approaching the Customer and Setting Priorities

People outside Japan felt that Japan was functioning on a reactive mode to customer requests, and that priorities were not always set clearly because whatever the client would ask for was a high priority. This mentality stems from the client being considered the king in Japan and traditionally his/her wishes are not questioned. However, outside Japan it was felt that it might be healthy to challenge some of the requests and get priorities straight. A few non-Japanese working in Japan felt that at times they had been quite direct with the customer about problems they were facing, and the client was understanding and gave some extra time. If the local staff in Japan never question or challenge the client, the staff in the UK may feel that they are being sold short because last minute changes often delay them from their schedules and add much extra work.

> *"Japan has jumped every time the customer has called, which has lessened their credibility in the UK, we should not accept everything at face value from the client."*

It was also felt that the Japan site could use the grey scale more efficiently to distinguish between what is urgent and what can be done assuming there is extra time. When everything is always a high priority people lose faith and start assigning the importance of tasks by themselves since it is otherwise impossible to complete everything. It is important to have a longer-term vision and to prioritise everything according to that as much as possible. It is natural that changes occur but when they are the norm rather than the exception it makes everyone question the credibility of the decision-makers and deteriorates trust.

"People rarely question why things are done a certain way, the answer often is that this is the way it has always been done, or this is what the customer wants."

4.1.8   Work Culture & Commitment

One of the challenges is to understand the different priorities given to work and private time in Japan and the West. Work always came first for the Japanese, whereas most of the Europeans valued their personal time highly. This is a difference that can become a conflict if people in Japan feel that others are not pulling their weight. British and Finnish were seen to have a strong work ethic by those who had worked or visited one of the other sites. However, those who had not personally experienced that seemed to think that people lacked the commitment to work as hard as many of the people in the Japan site do. This same perception was shared by a couple of the British interviewees based in Japan; they said that had they not worked in the UK, they would have thought that people do not work that hard.

"Both the way of conducting business and the environment in which we operate in Japan are different when compared to the way we do things in Europe, in fact, those two approaches are in conflict. There are differences between the UK and Finland as well but in the end it is more a question of a Western view against the Japanese view."

From the Japan perspective, regardless of nationality, it was felt that the UK expected people in Japan to work 24 hours a day and be at their beck and call whenever they needed something. However, when people in Japan needed help during crisis time, the same commitment was not there, and that was very demoralising. People who had been to Japan seemed to be more aware of this because they had experienced it themselves, but others working outside Japan seemed to think that those crisis situations were due to bad planning.

"Japanese tend to commit once the relationship has been established, which means that the Japanese can be trusted."

"People in the UK are never worried, even when there is a big problem, they have the attitude that it will somehow be solved. In Japan it is the opposite, there are always actions ready and they will also be fulfilled in order to address the problem."

"I think that in Japan they often feel let down because we expect them to work both UK time and Japan time. They usually stay to support us whereas we don't do the same in return."

It was felt in the UK that at times Japan functioned on a panic mode. They saw the behaviour of Japan panic-like because there was a lack of consistent documentation in Japan so that people in other sites would be able to understand what happens and why. Secondly, when people always have to work weekends it was perceived to be due to poor planning, which then gave the impression that things were not under control. The image of a lack of control decreases trust, and is therefore something to beware of. It

was frustrating for people working in Japan that work fell on weekends but because the UK lacked visibility for why that happened, they tended to blame Japan instead.

"The Japanese people seem to be happy for things to go badly wrong and then work mad until midnight the last months or something. English managers have learned that they shouldn't do that and that they should pick up the problems early and to deal with them and to make sure they know how to deal with them [the problems] so that it [last minute panic] doesn't happen... In Japan they seem to fall for the same thing again and again and get out of it by working crazy hours at last minute..."

However, it is interesting to also notice that when people change between countries, they may adopt the local way of thinking and acting very quickly.

"When a person moves from UK to Japan, in six months the person's thinking changes to pro-Japan, which results in thinking that things aren't in fact done correctly in the UK."

"I know how the Japanese work-setting sucks you in and that mentality begins to direct your thinking and commenting, and it feels very unfamiliar to those working, for example, in England or Finland."

4.1.9 Continuity

From the Japanese perspective, it seemed that people in the UK changed often and there did not seem to be a continuity concept of the job i.e. history was not clearly documented for the new person. In Japan, it was felt that knowledge of the history is very important because for the Japanese personal relationships take a long time to build, and past knowledge plays an important role in that. One solution to this in the UK has been the establishment of core teams because then all the knowledge is retained within a team rather than by an individual. When people work for the core team rather than a specific project, then it is also possible to borrow the expertise of different people within the team without sacrificing schedules (which could be the case if they had to wait for someone with specific expertise to first finish another project).

"A problem from the Japanese side is that people in the UK change all the time and then people in Japan need to re-explain everything to the new people, especially because the old people don't usually prepare their placements before they move on. This means that the complicated market information has to be re-explained and internalised by the new people, which takes time."

Several people working in Finland also felt that people in the UK rarely stayed in the same position for a very long time. For them, this gave the impression that they were not committed and therefore they could not be trusted the same way as people in Finland or Japan. From the outside, the mentality in the UK seemed to be that it is ok to be late, although, it was recognised that Finland is not always on time either. It was felt that the Japanese tended to commit once the relationship had been established and therefore the trust was there.

"Finnish team members don't feel good when team members in the UK change positions to other teams or when several team members leave the company all at the same time... Emotional commitment is higher in Finland and when they don't see the same from the other side, there is mistrust."

"I don't believe that all fault is in the UK, although that is how it may seem to some people. People don't realise that changes to schedules or plans come often directly from the Japanese customer, and that is the cause for most delays... since

UK is in between Finland and Japan, they are the ones on whose performance it reflects upon."

4.2 Communicating with the British or the UK Site

Below are some of the characteristics mentioned most often when discussing communication with the British or the UK site. However, since it is meaningless to discuss the British independently of the Japanese and the Finnish, parallels are drawn when necessary. For example, whether the British are hierarchical or not gives us very little information as such. However, when we know that they are more hierarchical than the Finnish, it is easier to put everything into perspective.

4.2.1 Follow-up

In Finland, when people were given a task, they would get on with it and complete it without too much supervision. However, with the British and the Japanese it worked quite differently. The general feeling was that if you asked someone in the UK to do something for you, it was necessary to follow-up with a phone call or two. The Japanese may also need to be followed-up on but once they had promised to do something they usually did deliver.

> *"The British have to be supervised more than the Finnish because they are not as independent and don't always deliver what they promise on time."*

> *"In Finland, people do what they promise to do. Everyone keeps to the schedule and no one needs to monitor them. However, in the UK one has to keep taps on people the whole time. Furthermore, it is usually necessary to follow-up e-mails by a phone call or a visit to get the job done..."*

> *"The Japanese need a lot of strong direction, whereas the Finnish can complete tasks more independently."*

> *"It would be helpful if everyone was aware of the different working habits between the Japanese and the foreigners. In Japan the manager is supposed to go around and look after the employees and check on the work they do. In Finland, people are given more autonomy and someone hovering over them would probably be seen as lack of trust."*

4.2.2 Hierarchy

The UK was seen as quite hierarchical and sometimes it took longer to get things done because everything had to go through a manager. A positive aspect about this was that everyone knew who had the final authority to make a decision. However, everyday communication was sometimes a challenge. For example, if you did not know who to contact and e-mail was sent to the wrong person, then there was sometimes no reply and it was impossible to know if anything was being done about the request. Finland was found much less hierarchical by most interviewees and in Japan it depended on the nationality and personality of the manager.

However, managers in the UK were simultaneously seen as being more involved than in other sites, and they seemed to be able to give feedback at a more satisfactory level than managers elsewhere. Perhaps this view was in part due to more frequent Team Briefs and also the UK site having all processes well in place.

"Titles are important [in the UK] and it isn't appropriate to skip someone and go straight to the top, so there seems to be more hierarchy than in Finland."

"The role of the manager is more important here [in the UK] in the sense that information is expected to pass through the manager, in Finland it was more directly expert to expert although the role of the manager was also important... Managers have a more active role here than in Finland."

"In terms of management styles, perhaps Finland is less formal and they work more by using their networks. Britain is probably more hierarchical and people tend to approach their manager as a first step."

4.2.3 Documentation and Planning

All sites recognised that the UK site excelled at documentation, which helped to understand and communicate decisions. However, the need for documentation also caused conflicts between sites. Documentation was very important for the British and when they could not see any they had a harder time understanding and trusting what was done, even if the final product was done in the best possible way. There was a risk that the British would dispute even solid decisions, simply because they were not documented. At the same time, some people in Finland felt that UK spent too much time "producing paper" i.e. the two approaches were quite conflicting.

"The British are very thorough, they produce documents and make plans... They are really good at planning and finding details that tie in to the whole but sometimes schedules are forgotten and people don't know when to stop planning."

The Finnish saw themselves as doers. This meant that when they got a new task they went straight to their computers and started working away. This caused some conflicts with the British, who saw it as a lack of planning, which they thought would cause problems at later stages. The Finnish, on the other hand, were frustrated by the long planning process in the UK since it meant that nothing concrete was achieved for a while. One team in the UK, when faced with a similar problem, prepared a tentative plan based on the information they had and went over to Finland to finalise the details. The schedule held for six months and after that there were some modifications but both parties were satisfied. The Finnish recognised that planning and analysis were weaknesses for them.

"...There is also a dilemma between planning and doing. English people want to plan and Finnish people want to do, too much of either is bad and a balance needs to be found."

4.2.4 Knowledge of the Japanese Market

Within the framework of the more recently established product line, people in Finland and in Japan recognised that the UK site has a lot of expertise and knowledge about the Japanese market and customer due to their long experience. It was felt that Finland should learn from the UK and consult them when making decisions so that the mistakes of the past do not get repeated. However, within the framework of the older product line, there was a lack of trust in the abilities of the UK by several people based in Finland due to certain miscalculations and failures of the past.

"The British who have worked with Japan before are now making the right decisions and here in Finland people are making mistakes because there is no experience [within the context of the newer product line]."

"The UK as a centre has probably been undervalued since no one truly understands the complexity of the Japanese market with which the UK has had to deal with."

"There have been too many mistakes in the past and due to the weight of history, it is difficult to build trust on the existing ground."

At the same time, many people working in the UK centre felt that since most of the people working in Japan were new to the Case Company and new to the industry, they should follow the advice of the more experienced people more often. There was a lot of knowledge in the UK because people had been working on the Japanese market for a long time and many of those now based in the UK had been in Japan for several years. Interviewees both in Japan and the UK felt that sometimes the opinions of people with longer experience were asked but they were rarely followed. This may have resulted in mistakes being repeated, as well as, frustration on the part of the more experienced party who may have been consulted repeatedly with no action being taken.

"It is frustrating to have someone ask for your opinion and then they do against how you advised them anyway... why do they even bother to ask, especially when they have ignored you in the past."

4.2.5 Understanding Processes

Several people felt that the situation has improved over the years and that communication internally in Japan works better than in the past. However, there was still room for improvement between the different business units. Within the older product line, there had not been enough sharing of information and knowledge nor did people have the proper understanding for each other's processes. Staff working on the more recently established product line felt that they had been able to learn from the past and the co-operation was now a little smoother.

When people did not understand how changes affected schedules, they tended to blame each other either if a change could not be implemented or if a product was late due to those implementations. On top of this, people in the factory in Finland tended to blame the UK for being late on their schedules when those delays could be due to customer requests. When people can follow the same processes internally within each business unit on a global scale, and amongst different business units internally, it is easier to understand why changes occur.

"The UK site seems to want to follow their own processes rather that the company wide policies, and we [in Finland] don't understand how they want to do things."

4.3 Communicating with the Finnish or the Finnish Sites

Some of the Finnish characteristics that were seen to influence the interaction between the different sites are outlined below. It is important to again point out that these qualities do not apply to every individual and by no means are comprehensive. Rather these qualities should be looked at in relation to the British and the Japanese in guiding people's behaviour.

4.3.1 Introversion

The Finnish were seen as quite shy and often not very good at communication by both the British and the Japanese. The Japanese have their own challenges at communication

because they can sometimes also be seen as reserved, especially if there are any difficulties with the spoken language. However, since the Japanese tend to be very collective and team-oriented, they are more accustomed to discussing issues with others and sharing information. As for the Finnish, it seemed to be relatively harder to get information, and people were not used to small talk. However, once the relationship had been well established, then communication and co-operation flowed much better.

"Finnish people are quiet and very independent. If they [the Finnish] don't speak, we can't get any information from them. Apparently Finnish people who work for this company in Japan are very excellent, very clever, so they know a lot of things but they don't tell anything."

"...It is also possible that Finnish are shy and their English abilities are perhaps not the best, which results in the Finnish not actively communicating with the British to build the team [a comment by a Finnish interviewee]."

There were also certain implications seen in the Finnish introversion for multi-site meetings because it was felt that people interpret the Finnish silence often as agreement unless they are familiar with the culture.

"There are definitely differences between the Finnish and the English. Often the Finnish approach is to say very little, not to pass an opinion and to just listen, and at the end everything comes out. If no one says anything, then they either completely disagree or think about what you have said."

4.3.2 Flexibility and Cultural Similarities

As a positive note, many Japanese mentioned that they felt the Finnish to be quite flexible compared with their British counterparts. Many Finnish and British working in and outside Japan also made the same statement.

"Generally speaking, Finnish people seem to have a greater ability to adapt to other cultures than British people, looking at it from the Japanese perspective... I think that the Finnish and the Japanese have a very similar culture and a similar way of thinking."

"Finnish people seem to be anti-bureaucratic, dynamic and able to change more quickly than people in the UK."

"The Finnish people who work in the UK function the same way as the English [looking at it from Finland]."

Many of the interviewees also mentioned that they thought the Finnish and the Japanese to have many cultural similarities. Some of the Japanese thought that because many Finnish were quite reserved, they were also good at observing and interpreting the general atmosphere of a meeting, for example. Finnish people, as inhabitants of a small country, have had to adjust to new situations and be capable of learning new things. The Japanese thought this to be very positive because although the Finnish could be much more direct than their Japanese colleagues, they were also capable of seeing things the Japanese way. Also the British recognised that the Japanese and Finnish shared some cultural traits but felt that sometimes that was unfortunately not the case between the British and the Finnish.

"I think that the Finnish see some similarities with the Japanese because we don't express everything we're thinking – this has helped in business meetings."

"Finnish and Japanese people have the same characteristics culturally, for example, honesty... It is more difficult [for the Japanese] to understand why the English think the way they do."

"Finnish people are very open-minded and they say what is good and what is bad, and the same is true for the Japanese. Because of this, it is easy for the Japanese to trust the Finnish..."

"UK and Finland are too far away from each other distance wise and culturally... Different language, different decision-making practices, different modes of communication, different levels of directness..."

4.3.3 Finno-Centricism

The European market has been the Case Company's biggest revenue-maker, which explains why people tended to regard it as the most prestigious and the best out of all the different market places. There was almost a level of snobbery about it at certain sites in Finland, and people tended to look at things from their own perspective without fully comprehending the Japanese market. Even some interviewees who had been working with Japan or the UK on products for the Japanese market still stated that they could not comprehend why Japan had not been as successful as the Case Company had been in Europe. Others, however, recognised that there was not enough understanding for the Japanese market and the differing requirements.

This type of mentality, naturally, complicates communication when people feel that they are not taken seriously. Some Finnish working outside Finland also stated that the sites in Finland tend to be suspicious of other sites and sometimes people jump into negative conclusions too quickly. For example, people who lacked understanding of the Japanese market thought that the UK had made too many mistakes and Finland could have done a better job, which has naturally created an atmosphere of distrust.

"There is a view in Finland that 'we in Finland know how to do this the best way'."

"With the UK, there still seems to be a wall that was built years ago and there is also a lack of trust [from Finland]. At the same time, the Finnish hold many preconceived ideas about the UK site..."

"Past influences the trust issue with the UK, impossible to start with a clean slate even in the framework of a new project... People are more hesitant to begin teamwork with the UK due to lack of trust."

Most people in the UK felt that the Case Company had a Finnish flavour and sometimes actions were a bit too centred on Finland. It was felt that true power resides in Finland, most challenging and interesting work is usually kept there and sometimes it is impossible to progress on one's career without spending some time in Finland. However, the Case Company being a Finnish company was mainly thought of positively. Several people remarked that it was the best type of a working environment that they had ever worked in due to the Case Company values, relatively low hierarchy, open management structure and people getting as much responsibility as they were ready to take on.

"I have been around so long that for me the Finnishness of the company isn't a problem. The company culture fits my own values and that is why I like it. Once you get used to it, I think that there are no barriers. The physical barrier or 'ice ceiling' is that for some positions you may need to move to Finland, which is quite natural since the headquarters are there."

"It [the Case Company] has always been an international company for me, especially with the amount of travelling. I don't see the Finnish influence, it is a global company."

"It is an international company but the roots are clearly in Finland, which is mainly positive due to openness of management structure, continuous improvement, flexible organisation and a lack of hierarchy."

4.4 General Information Flow

This section discusses an extremely important aspect of multi-site co-operation because information flow like communication influences all aspects of interaction. Several issues are addressed here i.e. formal and informal communication, communicating decisions and feedback. This section begins by describing how information is disseminated throughout the organisation, why certain channels may be more effective than others and what the cultural implications of those channels may be. With regards to communicating decisions, it is integral for managers to understand how to ensure that everyone has understood what was decided the same way because each site may have their own needs. Feedback is an important part in the information flow process and it is discussed separately due to its importance in the Case Company.

"Information flows but why something is important doesn't often go through because people from different cultural backgrounds do not use the same context for interpreting the information."

4.4.1 Personal Networks

The Case Company had a rather flat organisation and most information travelled through people's personal networks and other informal channels. When people had their networks in place communication was quite smooth, however, when someone was new to the organisation and did not know anyone it posed greater challenges. Teams that seemed to have relatively less communication challenges than the other teams were the ones where people had visited each site and had personal networks there. Visiting other sites was especially important for new employees so that they could establish their networks early on rather than having to rely on others to do the communicating for them.

"There is no way to track down who is responsible for what through any kind of a search function, you have to know people and to know whom to ask..."

"One has to have a strong personal network and there are many examples of how one gets the most accurate information through the network rather than more formalised communication channels."

"When people rotate and the network of contacts one has grows, stereotypes also tend to disappear."

"The way I get information is by calling people up and things come up during the conversation that I wasn't expecting to hear about."

4.4.2 Firsthand Experience

When people knew each other they trusted the actions of each other more. Consequently, when people had met, information flew much better because there was a greater commitment to help the other person. That is also why many interviewees emphasised the importance of visiting other sites and preferably working over there for a while. Being able to witness a working environment and observing the communication patterns was the only true way to understand why actions were being carried out and for what ultimate purpose. When that understanding did not exist, there was no trust either. When people had not had the opportunity to travel and to get to know each other on a personal level, they tended to feel us-and-them mentality more strongly than would have been the case otherwise. It manifested itself in terms of unhealthy competition between teams when they should have been working together towards a common goal.

> *"Every time that a new project manager comes on board or a new team leader who does not have a good comprehension of Japan, there is a lot of tension between Japan and England. Until they have been out here [in Japan] and seen it, they have a very biased view of the world based on the home-country technology... We are the king and we can never do anything wrong or if it is good enough for Europe it is good enough for the Japanese. This view of the world is something that causes great problems."*

> *"The most effective way to improve relations is to have people work in different sites and gain a better understanding for the local market."*

> *"I used to think that in Finland teamwork works really well, it was only after I moved to the UK that I realised that it may work internally in Finland but that it is a bigger challenge with other sites – knowing people on a personal level helps also in a professional context."*

> *"There is still slightly the kind of attitude in Finland that 'our way is the best way', which I have now realised to be incorrect, since I have seen the potential and a systematic way of working in the UK... I think that people just have to travel more instead of looking at things purely from their own perspective."*

> *"From what I hear in England, there are quite a few people who just don't understand Japanese culture and they have very fixed ideas about what Japanese people are like even though they have never been to Japan..."*

Having Japanese work abroad also helped because they then associated themselves more with the Case Company after having seen its full global impact. People working in the UK and in Finland emphasised that more Japanese should come to visit because then they get an opportunity to see how people work, on top of having established a network.

> *"...Difficult for Japanese employees who are new to this company because they may not realise its global impact or see the big picture, which may influence their trust on Finland."*

Out of the two product lines being studied, the product line with a more recent working relationship appeared to have learned from the older product line's mistakes because they emphasised travelling and organising face-to-face meetings to give people the opportunity to get to know each other and experience things firsthand. The main conclusion was that it is not enough to give people power point presentations, they need to experience the different culture and environment themselves to be able to appreciate the differences.

"We [the newer product line] have been able to learn from the mistakes and experiences of others [the older product line]... We have put more emphasis on travelling and cultural sensitivity."

4.4.3 Face-to-Face Communication

Almost every interviewee, regardless of location, nationality or rank emphasised the importance of face-to-face meetings, especially early on in the relationship. In the more recently established product line emphasis was placed on face-to-face communication as mentioned earlier, and generally speaking people were very happy with the overall information flow. Many people felt that it was or had been a great challenge to communicate with someone whom they had never met in person, especially when that person was several thousand miles away, did not speak their mother tongue and had a different cultural background. When people had met, they were more forgiving and understanding also when miscommunication occurred without jumping to conclusions too quickly.

"There is a marked difference between the people who have spent a lot of time out here [in Japan], and most of the time it just needs to be two or three weeks. People just go 'wow' when they see the things out here and get to talk to people and they realise that the people at the other end of the videoconference are just normal people... Meeting the other side on a human level and making it more human is helpful because you realise that people who give you grief over a videoconference do not do it on purpose."

"The best way to circulate more information is for people to see each other or to call, preparing another report or power point presentation is not the solution."

4.4.4 Social Events and Team Building

In Japan, there were various monthly social events for the Case Company employees, for example, a picnic or a beach party. In Finland, a similar function was met by the sauna evenings, which were a good opportunity for people to exchange information informally. However, in the UK these type of events were not organised for the whole site because there were too many people, instead it was up to individual programs and projects to organise a team lunch, dinner or some other event. Perhaps the need for such events was less than in other sites because although several people remarked that it would be nice to have more of such events, it did not seem to be a priority. This attitude may be due to the separation between professional and social life being more obvious than in other sites. However, people should be encouraged to organise social events because they also enhance working relationships.

"In Japan it is important to explain the purpose and aim of a teambuilding day well beforehand to get people excited about it and make them understand why it is happening. It is good to combine both formal and informal information, although it may be difficult to get the Japanese people to pay attention to the formal side because they are not used to it."

Generally speaking, it was felt that informal communication worked internally but there had not been enough emphasis on it on the cross-site level. There seemed to be an especially great need for this type of communication in Japan where personal networks were important and those were usually built during social events after work or during the weekends (organised by the company in the case of traditional Japanese companies). In Finland, a few mangers felt that team leaders were often promoted very quickly, and

some help from the HR in planning the team building events to fulfil their true purpose rather than it just being a fun evening may have been useful.

"There needs to be a regular forum for sharing ideas between Japan, UK and Finland because we can help each other focus on the most important issues for each centre."

4.4.5 Organizational Structure and Processes

When people can work under common processes it is easier to comprehend what is being done and why. This also diminishes communication problems and misunderstandings because then everyone understands what the discussion is about and disagreements occur less frequently.

It was felt by all sites that when roles were not clearly defined it was very difficult to communicate on the formal level because no one knew whom to contact about which matters. This was particularly true of Japan, where most people even internally felt that clear structure of the organisation was missing. It is impossible for everyone to know everything that is going on in the organisation but if the structure and processes are in place, then it is possible to have the informal network enhance the communication. However, if one has to rely on the informal network for all information then that can be negative, and this did seem to happen occasionally. People working in the UK site had fewer complaints about the formal communication structure.

"You have to understand how each site is structured to really understand what happens at those sites because each site is structured differently."

"When formats are different, then working habits are not compatible because everyone may understand the same document in a different way."

"Japan is a young site and they don't have all the structures and processes in place... For us their style seems quite chaotic and we see an absence of plans and reviews... Without processes there is no common language for how to communicate across sites, if you use different languages, you can argue over something for hours even when you may be talking about the same thing."

4.4.6 Meetings

The general impression was that there are many meetings in Japan, the meetings carry on for hours and people are often late. Meetings were usually places for exchanging ideas rather than reaching decisions, unless all the discussions had already taken place then the plan was just officially decided. Foreigners attending meetings in Japan should not use the argumentative style associated with the British nor should they question people openly because that may be uncomfortable and threatening for the Japanese – they may even lose *face*. In Japan, it was quite common for people to sometimes fall asleep, so the presenter should not assume that there is anything wrong with his/her presentation but just accept that it happens. During a meeting, it was found to be helpful to use transparencies or give handouts because of the Japanese' higher proficiency for reading than listening. It was also discovered that if possible, the Japanese would like to receive an agenda and an explanation as to why the meeting was taking place beforehand to be able to prepare for it.

"There are too many meetings in Japan because people regard meetings as places for exchanging information rather than places for making decisions... It is also difficult that meeting never start on time..."

"Foreigners should be careful not to question or push the Japanese too hard because they may find it uncomfortable..."

The Finnish also felt that it takes some getting used to when using the British confrontational style i.e. having all your ideas questioned because they felt it was sometimes too aggressive and it also felt too personal at times. Language was another important issue because it was felt that since the British speak English as they mother tongue, it is easy for them to rule a meeting verbally without even realising it – both with the Finnish and the Japanese. It is therefore important to use simple and clear English and to speak slowly because otherwise it may be difficult for the non-natives to follow. Lastly, it was important to follow-up on any actions or decisions taken because the Japanese may not have understood and it was unlikely that they would ask questions publicly.

"I don't think that people do it on purpose but they just sometimes forget that if you speak the common language as your mother tongue, it is easy to intimidate others and dominate the meeting..."

4.4.7 Videoconferences

Some interviewees liked this channel because they felt that it made the people at the other end more human. There were a few people who found that it was not a good medium because people ended up wasting time when they were participating just for a small portion of the meeting but had to be present the whole time. However, most people who had to participate in cross-site communication felt that the introduction of VC had improved the communication tremendously because it was possible to have regular visual contact.

"Videoconferences and e-mails don't work well, unless people have met each other and established a certain relationship."

The biggest challenge remained for people who did not speak English as their mother tongue. They found it difficult to communicate because words sometimes became distorted, and it was difficult to hear what the person at the other end was saying, unless they spoke very clearly and slowly using simple language. What this meant was that in practice, people often translated English into English i.e. repeated what someone at the other end of the link had said because the quality was often so poor that it was impossible to understand or hear properly. In Japan, many Japanese employees disliked participating in videoconferences because they were afraid of not understanding what was said and too embarrassed to ask someone else to explain.

"I've realised that sometimes my Japanese colleagues don't understand what our team member in the UK says over a videoconference, and I have to repeat most things..."

4.4.8 E-mails

Most people felt that there was too much reliance on this channel at the Case Company. Sometimes it would have been better to pick up the phone and call but that did not happen often enough, especially when people did not know each other. Whether this channel worked for daily problem solving and communication depended on the individuals involved. If people had met it was easier to rely on e-mail because then it did not come from a faceless person. Some people liked e-mail because it provided an easy medium for communication and replies were often prompt. Others felt that e-mail was too impersonal and getting people to reply to e-mails was a challenge. However, generally people felt that this medium worked well for people with a technical

background. Out of different national groups, especially the Japanese liked this medium because it gave them more time to think what to say and how to interpret messages.

> *"Electronic communication tools lack the ability to transfer emotions, which at times can be critical. ...Relationships cannot be build over e-mail but face-to-face..."*

> *"If people don't know each other, then there is no way of establishing a solid relationship and e-mails cannot replace actual meetings."*

> *"There may be an ignorance that sending an e-mail is enough to get a message through."*

> *"Context between different sites and different business units differs and sometimes it is difficult to interpret e-mail messages... At the same time, I like it because then I have time to think about my reply and make sure they get it first thing in the morning (time difference could delay telephone communication)."*

4.4.9 Databases

Information was usually always stored somewhere but it was rare that everyone who needed to get that information had access rights; there had even been a case when no one at the whole site had had access. There seemed to be a tendency for people to read over e-mail attachments more readily than going into Lotus Notes to look for the information but, in the end, it was a very personal choice whether someone liked using Lotus Notes or not. The disadvantage of a database like Lotus Notes is that it is a pull mechanism and many people will not take the initiative to go and look for that information, they would rather have it pushed onto them.

> *"Lotus notes helps with the information flow because all the information is there but the downside is information overflow."*

> *"Sometimes people are supposed to distribute important information but because they're on holiday they put it into a database – whether people look at it is another issue."*

4.4.10 Communicating Decisions

The following few paragraphs will discuss various ways of communicating decisions and the implications they may have for certain groups.

4.4.10.1 Formal vs. Informal Channels

A general comment was that there is often more informal than formal communication due to the flat structure of the Case Company. This worked well within specific departments or sites, but was not a strong enough force to bring all the sites and different departments internally together. Therefore, many desired more formal communication rather than having to rely on one's personal networks for information including some official information. The risk that was seen with the reliance on informal channels of communication in a multi-site setting was that some information never gets passed on because it is forgotten about. Another aspect of formal communication is that it increases visibility that was highly desired by many employees. When there are actual reports or presentations, it is easier to organise the information.

> *"We often find out about things through our informal channels since that is how much of the information travels. However, it would perhaps be nice to have more*

formal communication backing up the other information because otherwise there is too much reliance on the grapevine and rumours."

4.4.10.2 Documents and Monthly Reports

The UK utilised a monthly reporting system to describe and summarise the achievements and actions of the previous month. Interviewees in Japan found this to be quite useful because it gave them more visibility for events that they may not have otherwise known about or understood why certain actions were taken. Unfortunately, a similar process was not in place in Japan for people in the UK to utilise. However, it was also felt that having such a system was a lot of extra work, especially when not enough people read the reports. Therefore, the key was thought to be *how not what* was being communicated because people had different needs.

"The monthly reports are really helpful in keeping me up-to-date in Japan, and they also make me feel more like a member of the team in the UK."

4.4.10.3 Meetings

Having regular meetings was thought to be helpful in all sites but the challenge was finding the right balance. For large meetings, whether for the whole department or product line, content and presenter seemed to be key factors because the idea of having such meetings was deemed important.

In the UK, team Briefs were a format used regularly, and they were found to be very important and informative. They consisted of the head of the group communicating key issues to his/her key managers and then they would communicate those issues on to their subordinates while tailoring the information and adding relevant information for their group. Perhaps they were found to work so well because rather than digesting large quantities of written information people liked having the interactive forum where they could also ask questions. However, it was thought that it might be advisable to ask each team which format they prefer.

"Meetings are good because then there is an opportunity to ask questions afterwards... the problem with reports is that if you don't understand something, you need to track the right person down to clarify some issues..."

4.4.10.4 Cultural Differences

In the UK, people liked having everything in writing, the Japanese also seemed to like that even if they were not as active about producing documents as the British. The Finnish did not seem to be too concerned about written documents. Therefore, when communicating decisions in the UK, one should be able to back them up by written documents, e.g. show plans for how the goal will be achieved. The British also seemed to welcome the chance to ask questions, so an interactive medium may be good. In Japan, it may be advisable to use written material to support presentations and meetings, to ensure that everyone has understood. Also, there should be an opportunity for people to give feedback privately rather than in front of the group. In Finland, people liked focusing on their own task and 'reinventing the wheel' unless they had been involved from early on. Therefore, when communicating decisions, perhaps the preparatory work is more important than the medium. Over all, all sites liked having some kind of an interactive medium, for example, regular team meetings with an opportunity to ask questions.

4.4.11 Feedback

Feedback is an important part of communication in all organisations, and it can be a particularly challenging area when different nationalities are involved. Therefore, three different topics are discussed below to gain a better understanding for the Case Company's needs in terms of feedback.

4.4.11.1 Feedback within a Project

Interviewees in and outside Japan felt that if you have been working on a project for 2-3 years and the only feedback you receive is that the product did not sell, it is very demotivating. Management received perhaps more feedback from Japan than their subordinates did but those subordinates felt that they would have liked to know more about sales volumes, end-user characteristics, competitor offerings, advertising campaigns and efforts to increase brand awareness. This is information that was not kept on purpose, explained an interviewee, it had not been shared because it was not thought to be interesting. People recognised that positive feedback was not always possible but they felt that especially when that was the case, it would be nice to know why and what went wrong.

> *"I don't care if the feedback is negative as long as it is constructive...to know the product wasn't successful isn't helpful but if we know what should have been done differently, it is easier to accept the bad news."*

4.4.11.2 Regular Meetings and Informal Feedback

Interviewees in all sites felt that bi-annual performance evaluation was not sufficient on its own. Having regular meetings to track everyone's progress and to be given regular feedback were found to be very positive characteristics in one's working environment or team. There were also teams that had no regular meetings and the team members felt that it should be up to the management to make sure that such meetings take place. People should also remember their team members in other sites when providing feedback, although the distance and time differences may make it more difficult.

> *"It can be very frustrating to look for information you have been expecting to receive, when the person at the other site has forgotten to inform you that they could not deliver it for some reason."*

One aspect that was mentioned by all nationalities regardless of product line was that there was not enough feedback on daily basis. For example, if someone had completed a job, it was felt that it would have been nice to hear that the manager was satisfied with it. This type of feedback can be motivating and encouraging because the regular performance evaluation is very formal and takes place only twice a year (frequent enough for that type of appraisal but not for all feedback). However, it did seem that those teams that had regular face-to-face interaction and personal networks in place were also relatively more satisfied with feedback than others.

> *"When things change from one week to the next, it is difficult to keep everyone up-to-date and to maintain credibility...meetings could be more regular."*

> *"Having regular meetings, especially face-to-face, is helpful because then I know what is happening in our project and I am aware of all the changes that may affect my work."*

4.4.11.3 National Differences

In terms of national differences, both Finnish and non-Finnish interviewees felt that Finnish people were not very good at giving feedback because it did not feel very natural to them. Many Finnish interviewees also felt that receiving explicit feedback was not as important to them as perhaps to other nationalities, because they knew when they had done something well or poorly. On the other hand, there were also Finnish individuals who wished for more feedback, while functioning in a Finnish site or under a Finnish manager; this was also true of some non-Finnish employees reporting to Finnish managers.

> *"Can't say if I give enough feedback because I am quite demanding...Personally, I need a goal and then reaching that goal gives me all the feedback I need. Feedback is positive if it is natural but when it is forced upon everyone, it can end up feeling uncomfortable."*

> *"Feedback doesn't play an integral role because acts speak..."*

The Japanese interviewees, on the other hand, said that they did not understand the use of the internal bi-annual performance evaluation system very well and would have liked someone to explain it in detail. They were not used to having a similar evaluation system in Japan, and that is why they found it difficult to use without proper explanations. As a result, some of the managers may not have been able to give feedback regularly due to their lack of understanding of how the system worked. Naturally, training about the use of the performance evaluation system had been provided but the Japanese felt that they needed more detailed explanations in Japanese and more explicit examples to comprehend fully. The Japanese seemed to have a greater need for detailed information than the British and Finnish in general, as stated earlier.

> *"I don't understand why we have this system or how it should be used... I think that informal daily feedback should be enough..."*

4.5 Management & Leadership

This section is important because the role of management was deemed very important and influential. Most issues apply for management in general but some are more specific to certain sites or groups of people.

4.5.1 Visibility

Visibility was an issue that came up most frequently in all sites when management was discussed, and furthermore, visibility was felt to be the root cause for several other barriers in multi-site communication and co-operation. Employees recognised that it was impossible for the top management to share all the information that was in their possession because of confidentiality and the sensitive nature of the information. However, on the other hand, it was felt that if employees at all management levels had little visibility, a clique was created that prevented the Case Company employees from comprehending why things were done differently somewhere else. Employees at all sites wanted to know what happens in other sites and why certain decisions are being taken. Naturally, the higher in the hierarchy the person was, the more they knew. However, even those higher in the hierarchy were not fully satisfied because their need for information was greater than the needs of people below them. The need for visibility was deemed critical because when it was lacking, it was more difficult to build

trust, understanding and closer relationships within the multi-site team. Having visibility of what happens in other sites facilitated co-operation. First of all, people gained a better understanding for why others worked differently in other sites. Secondly, they began to see how their efforts contributed towards the common goals.

If team members had little visibility, then they did not understand why certain decisions were taken and they tended to judge the situation and the choices from their own perspective. Secondly, not understanding why something was being done a certain way could be problematic when it created suspicion, which in return created distrust. People based in the UK felt that they had occasionally offered to help Japan but Japan had refused, which they assumed to be due to Japan being afraid that the UK just wanted to meddle in their affairs. If a higher level of trust had existed, perhaps people would not have been so suspicious. At the same time, Japan felt that there had been occasions when it had asked the UK to help without getting any response. When there is visibility in all directions, it helps everyone to understand the current priorities and overall goals, which would then hopefully result in better co-operation.

"There are too many people who cannot understand how demanding the Japanese market is and they probably think that the products in the Japanese market are not that different from the European one, and find it therefore hard to understand why the European technology isn't used more often."

"From the management point of view, people want to know general strategies and the big picture but at the end of the day, they go back to their desks and focus on their little tasks..."

"People don't have enough visibility even at the management level... How much people want to know and whether the push or the pull mechanism should be used depends on the culture."

"There isn't enough visibility as to what the management is doing and why they're taking certain decisions... Respect comes from visibility because if people know what steps were taken before something was done, then there will be more respect for that decision."

4.5.2 Clearly Defined Areas of Responsibility

Having responsibilities clearly defined and everyone knowing who had the final authority, was found to facilitate the challenging multi-site operations. When responsibilities were not clearly defined, people tended to assume two things. For one, since it was not always clear who was responsible for what, it was sometimes incorrectly assumed that someone else was taking care of a task when, in fact, no one was doing it. Secondly, people often assumed that everyone else was aware of their progress and actions, although that may not have been the case at all. Once people started making decisions without the proper authority, visibility and focus were lost and two teams that should have been working towards a common goal started going in different directions. However, it was not enough that the decision of who is responsible for what had been taken because it was also important to clearly communicate that decision on to everyone involved.

Regardless of nationality, many employees in the UK and in Finland felt that it was difficult to understand the structure in Japan. They found it very difficult to track down who was responsible for what due to lack of clear organisational charts. People working in cross-site projects in Japan also felt that responsibilities, communication channels and final authority should have been more clearly defined. In Japan, mangers sometimes had many overlapping responsibilities due to the fast growth of the centre, which may have caused some of the confusion about everyone's responsibilities.

"Co-operation between different departments could be improved by defining tasks clearly and by having everyone commit to those agreed tasks."

"It is important to establish who has the authority and responsibility to communicate to whom, sometimes the challenge is that people don't know whom to contact about certain issues."

"It is important to be able to identify a single point of responsibility in Japan who can make decisions... There are several people with overlapping responsibilities... I don't think anyone can do two demanding roles successfully, and no one should have to either."

4.5.3 Schedules and Goals

Many interviewees felt that there was very little trust between sites since there was so little faith in schedules. People often knew from the start that it would be impossible to achieve some of the set deadlines but due to pressure from management they were written into the plan. It was felt that plans were usually made according to when the product should be out rather than when it was feasible to have the product out. Furthermore, it was stated that there was virtually no slack in the schedules, which resulted in delays because it is not a perfect world. Some interviewees in the UK felt that they did their best but because they knew the schedules would change anyway there was "no reason to kill oneself over it".

Competition in Japan was fierce and by doing things the way they were done in Europe, it would have been virtually impossible to maintain market share, therefore more drastic measures were necessary. Demands may have been virtually impossible but upper level management had reasons for them. However, the cultural difference was that the people in the Japan office were willing to push themselves to the edge by working late and working over the weekend to meet deadlines but the environment in the UK or Finland was not as demanding. People in all sites were willing to work hard but the working habits people were accustomed to were quite different. The Japanese competitors could keep up with the market demands because people's work ethic was so strong and personal time was not as important as it was in Europe. As a result, those deadlines were perhaps achievable in Japan but not in Europe, which resulted in the staff in Japan trying to achieve them and their European counterparts taking a more relaxed attitude. Naturally, that difference in attitudes also reflected upon their working relationships and upon the formation of trust.

"Trust is directly related to schedules and when we're constantly late, then trust tends to deteriorate. However, if we're honest, then it has to be said that we have to battle with similar problems in Finland but it doesn't cause as many problems because the market is more forgiving of that."

4.5.4 Open Communication

Open communication was mentioned numerous times in large meetings in Japan but many interviewees felt that managers had not always been open and honest about their communication. There had been certain power struggles on the top level that had filtered down, competition between centres existed and there was a lack of consistent direction.

A few interviewees said that there may have been general trust but because of hidden agendas, people could not necessarily rely on the information they received because others sometimes kept information to themselves to have power – this happened in all

centres. In Japan, a few Japanese employees felt that they trusted the information they received from other sites but not the people unless they had a personal relationship.

It was also stated by several interviewees, especially in Finland, that it would be good to have open and honest communication and to have documentation matching it – at the moment, the unofficial and official stories did not always match. When people felt that they could not rely on what they heard from management, there was a risk that they would rely on rumours.

> "In the team framework, it should be made clear what can be told to people in other sites. If it isn't clear, communication won't be as good and people are not as likely to pick up the phone and call each other. If we can tell about our problems then the others can learn about our reasons for making certain decisions."

4.5.5 Trust

If there is no understanding and respect then there is no trust either. Over all, there appeared to be more trust in the more recently established product line than in the older one, although the weight of history also reflected upon the relationships within the newer product line in the minds of a few people. Among management within the newer product line, there seemed to be a tendency to think that trust had to be earned through a common success, which had not yet been possible due to the young relationship. Managers were in a key role to be able to emphasise that success can only come through common teamwork, which meant that it was important to try to understand others, respect their efforts and to trust them. Furthermore, in order to not let the past influence the newer product line too much, it was felt that managers have to work in building strong, trusting relationships across sites.

> "There hasn't been enough time to build trust because it has to be earned [within the newer product line]."

> "Trust can be maintained at the current level as long as there are clear ground rules and realistic expectations."

> "The level of trust can be improved by rotating people between different centres, by having cross-site team building exercises and by having more face-to-face meetings."

4.5.6 Role of Middle Management

This group was addressed separately because they have proven to be a very important and challenging link in the communication chain. When upper management did not have the co-operation of middle management, it was difficult to maintain schedules, follow through with decisions or filter down all the necessary information. Therefore, some of the challenges and attitudes of middle management are described and discussed below.

4.5.6.1 Direct Communication

It was important to build strong links between middle management in different sites by allowing or encouraging them to have their own forum of communication and establishing shared common goals. Some interviewees felt that some of the meetings they were involved in were too high level to discuss technical details but at the same time that was the only opportunity for bringing them up. Secondly, when decisions were made, there was not always enough discussion among the middle managers so that

they could comprehend why the upper level managers had taken a certain decision. The top manager would speak to each one of the middle managers separately and draw his/her own conclusions but the middle managers would often be unaware of the needs of the other middle managers and understanding the final decision was therefore difficult. The resulting solution seemed to be that middle managers should be encouraged to have their own forum for discussing issues in more detail, and they should be made aware of the needs of others to comprehend decisions better.

At the same time, the general consensus from the middle management was that they would prefer their subordinates to be in direct contact with each other, rather than having them always go through one communication link or a designated person, that was often the mid-level manager. This was particularly true of the expatriates in Japan because everyone from the UK felt more comfortable going through them when trying to get in touch with someone in Japan, and the same was true for the Japanese when they looked for contacts in the UK. It was important for the middle manager to be aware of what was going on but it was unnecessary for him or her to be directly involved in the detailed discussions. However, having said that, it was good if teams had one person as their contact point, so that when people did not know whom to contact, they could initially go through that person.

> *"People at each level should be directly in touch with each other because otherwise people become too focused on their own little task and they forget that they are supposed to co-ordinate their efforts with others."*

4.5.6.2   Informing Others about Changes

In a multi-site operation, it was very important for people to understand the scope of work they were doing and to comprehend how it affected others. Having everyone informed about changes made everyone's job easier and increased trust and the feeling of co-operation. It was suggested that there should be an e-mail list compiled at the beginning of a project, which would be updated periodically, so that everyone would be on the same wavelength. A couple of British interviewees based in the UK admitted that sometimes people forget to inform Japan about changes. A concern that was also raised was that middle management often participated in meetings and received information about necessary operations but they did not always remember or think it important to pass the information on to the rest of the team.

> *"People should be aware of how changes affect others because sometimes decisions are taken without any consideration for that or not everyone involved is informed of those changes."*

> *"The problem is not distributing information but I think that the biggest challenge is whether middle management passes on the information they have received from a colleague or in a meeting."*

4.5.6.3   Big Picture vs. Specific Task

Both in Finland and in the UK, a concern was raised about upper management giving vision to specialists about the future. It was felt as interference by the middle management because sometimes the vision about the general direction was in contradiction with the specialists' current tasks. A few of the mid-level managers felt that their responsibility was to take in all available information and make their decisions based on that without confusing the specialists with the parts that were not necessary for them to know about. The job of the mid-level management was felt to be particularly challenging when direction and people changed constantly, upper level management did not give consistent feedback and when timelines were extremely tight. Due to all these

uncertainties, some mid-level managers wanted to try to give the specialists as clear a picture as possible, which meant withholding some information that could change in the future. However, the upper level management found this frustrating because they wanted to give the big picture to the specialists, especially when the specialists felt that it would be helpful to them.

"I don't want to tell my team members everything when all those plans could change the following day... I think it is better to give people a concrete task and that way they remain motivated about their job."

"I feel that people want impossibly tight timelines but they are not willing to make decisions, however it is difficult with a constant change of direction and a constant change of people, which makes it difficult for middle management to cope."

"Middle management is always the key group for all communication because they are in between upper management who decides about the big picture and their subordinates who often do the actual ground work."

4.5.6.4   Bringing Together People from Two Sites

Most interviewees were willing to admit that all sites tended to think that they had the best people and they were the best at what they did in general. Everyone was guilty of that, and it was dangerous because it diminished respect. It was a challenge for middle management to try to bring the teams together and to share learning across boundaries rather than focusing on the efforts of one particular team. It was important for everyone to be linked together through some common goal, rather than falling pray to the NIH-syndrome ("not invented here"). Being in between the top management and the specialists, middle management was seen to be in a key role to communicate the importance of working together and achieving certain goals.

"Commitment cannot be gained through formal communication... I would emphasise the role of informal communication for a better information flow because if people do not understand the actual goals, then true commitment will also be lacking... Important for middle management to convey that information."

"Communication between two individuals from two different backgrounds is rarely the problem, however, it is usually harder to change the opinions of a group. It is up to the team leaders to get their groups to work towards certain goals in co-operation with others. Sometimes people use the enemy mentality to create internal unity by blaming other groups for all the problems."

4.5.7   Individualism vs. Collectivism

As has been described in the previous sections, the Japanese, Finnish and British differ in many ways, including work culture, role of management and feedback. Therefore, it was felt that expectations should be communicated clearly because in a multinational team it may not always be clear to the subordinates what is expected of them, especially if the manager has a different cultural background. As discussed earlier, a Japanese employee may expect the manager to check up on him, whereas in Finland, the manager would expect the subordinate to approach him if there are any questions or when the task has been completed. It is very important to clearly explain the differences in conduct and to express what is expected of everyone.

"The role of a Western manager in Japan is to complement cultural differences and to drive global strategies."

For example, the approach to problem solving in individualistic and collective cultures was quite different. Japanese approached problems and challenges as a group and everyone put other tasks aside. In the West, people seemed to get a task and divide it into distinctive parts. Everyone would work on his or her individual part and, at the end, those parts would be brought together. The Japanese would complete the whole task together, which meant that it took them a bit longer but the analysis was well thought out. A team that has both Japanese and Western team members should divide the tasks so that everyone feels comfortable with the role they have. A multinational team offers an excellent opportunity to combine the various strengths of each cultural group because then there will be people who excel at individual execution and others who excel at team work.

"If there is a task given to a group of three people, the approach towards it is different in Japan and in the UK. In Japan, everyone will generate ideas together and work closely to achieve them. In the UK, the task will be divided into three parts, which means that the task is completed quicker but the result isn't as well thought out."

5 CONCLUSIONS AND IMPLICATIONS

In this chapter, the results of the study will be discussed along with limitations and future research. In the Results chapter, Japan, the UK and Finland were discussed separately in the context of finding out what affects the communication of each site and nationality. However, the true goal was to discover how these three cultures can successfully co-exist and co-operate with each other, what influenced communication between the three sites, and what the roles of the national and task environment culture were on communication. Ideas and implications of the most important issues in the context of the three countries will be discussed in this chapter.

5.1 Basic Set-Up

The basic set-up was the influence Finland, Japan and the UK exert on each other (see Figure 5-1). However, one of the main findings was that although there are certain conflicts of interest or differences of opinion between the three countries, the main challenge is between Finland and the UK. There are many reasons that can be attributed to having caused the situation, for example, the fact that managers in key roles are mainly either Finnish or British, the role of history, lack of understanding, lack of trust and different modes of working. There are also positive aspects in the interaction between the two sites because once people had established a good working relationship or experienced the way of working at the other site in person, communication was comparatively smoother than perhaps with Japan. Having said the above, it should be remembered that clear differences in working styles, ways of thinking and interacting existed also between Japan and Finland, and Japan and the UK.
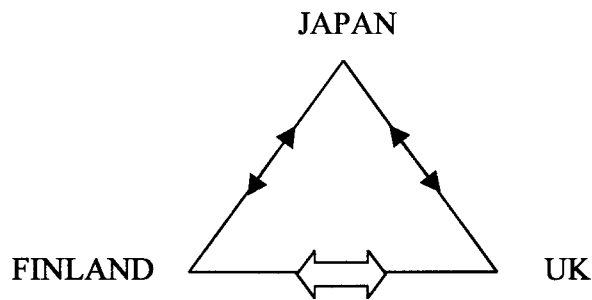
JAPAN

Figure 5-1 The Set-up between Finland, Japan and the UK

5.2 National Culture

National culture proved to be one of the key factors in distinguishing different modes of behaviour and communication between Finland, Japan and the UK. A closer look at the most important or most relevant issues will be taken below. A few interviewees expressed an opinion that as long as everything was going according to plan site location and nationality did not matter greatly. However, as soon as disagreements appeared there was a tendency for people to threaten the other group(s).

The following research questions will be answered in this section:

RQ 1: How do the expectations for subordinate-superior communication differ in Finland, Japan and the UK in terms of the need for information and feedback?

RQ 2: Do language proficiency and/or a lack of a common frame of reference influence co-operation between Finland, Japan and the UK?

RQ 5: How does communication vary between the three sites located in Finland, Japan and the UK in terms of cultural dispositions?

5.2.1 Superior-Subordinate Communication

One of Hofstede's national culture dimensions was power distance, and it can be used for predicting expectations employees hold for superior-subordinate communication. As predicted by theory (Hofstede, 1991), employees in Japan expected more guidance from their supervisors than their British and Finnish colleagues. Subordinates were accustomed to waiting for the supervisor to check whether they had completed a task and to come and see them to just ensure that everything was well. Traditionally, the supervisor would not be questioned and, as a result, when something was unclear the subordinates would try to figure out the answer by themselves or ask a colleague rather than approaching the supervisor. In Finland and in the UK, this was thought to be somewhat inefficient because the supervisors preferred that if anything was unclear, then the subordinate would ask for clarification, and also if a task was completed, then the supervisor preferred to be approached.

On the other hand, follow-up was an approach in which the British and the Finnish differed greatly. The Finnish were seen as very independent and reliable workers who would complete a task without too much follow-up, in fact, frequent follow-up tended to be seen as lack of trust. The Finnish felt that when interacting or co-operating with

the British, it was a different challenge because unless one would follow-up an e-mail with a phone call or regularly check-up on the progress of a project, then it was possible that the task would be forgotten. In this sense, the British were in between the Finnish and the Japanese because follow-up was important for accomplishing tasks but there was not as much reliance on the supervisor to take care of his/her subordinates as there was in Japan. The supervisor-subordinate relationship was also related to the level of hierarchy, which is traditionally high in Japanese companies, and that is why employees were used to such behaviour. The least hierarchy existed in Finland where people were treated quite equally regardless of the situation. This finding is rather interesting when viewed in the light of Hofstede's individualism-collectivism measure because according to that Finland should be located in between Japan and the UK, whereas here Finland seemed to be the most independent party and Japan the most collective one.

Jack Gibb (1961) stated that it was possible for managers to send messages throughout organisations without realising how they were being interpreted. This is particularly true of managers who work in a different cultural environment or manage people of other nationalities. Beck and Beck (1996) found the primary communication challenge to be in the superior-subordinate communication. In the Case Company, subordinates from different cultural backgrounds saw the role of the manager differently, as did the managers. However, an interesting finding was that the need for feedback and information was perceived to be relatively the same among managers and subordinates, although literature predicted otherwise (Downs, 1988). At the same time, the argument that different levels of management interpret each situation differently due to the various amounts of information at their possession, and therefore have different frames of reference (Staley & Staley II, 1996) was found to be accurate. The variations in the expectations and needs for feedback were found to vary according to nationality. The British were seen as most active in giving feedback, whereas the Finnish were not always generous enough with it. Not many Japanese were in managerial positions, and therefore it is difficult to make accurate predictions about their behaviour.

To answer RQ 1 about expectations for superior-subordinate communication, we can therefore say that each nationality had different expectations as explained above. The Japanese wanted clear direction and guidance from their supervisors and they rarely questioned or challenged decisions in order to maintain group harmony. The British, on the other hand, wanted clear documentation, regular meetings and feedback and follow-up periodically. Thirdly, the Finnish wanted to know the big picture and general plans after which they wanted to focus on their work without too much supervision or too much further planning. Naturally, not everyone belonging to one of the three national groups fell on these exact categories, they are here only to show that the needs and expectations differed and should be taken into consideration when superiors and subordinates from different cultural backgrounds interact. For example, the Japanese subordinates should take more initiative when working for a Finnish manager than when working for a Japanese manager. At the same time, the Finnish manager should try to build a closer relationship with his/her Japanese team members and give more frequent feedback than he would have to with Finnish team members.

5.2.2 Verbal and Non-verbal Communication

Factors relating to communication in the intercultural context have been the focus of the study. Therefore, the key findings that fell under verbal or non-verbal communication in the context of national culture differences will be addressed in this section.

5.2.2.1 Use of English

One of the factors that influenced all types of interaction directly was the use of verbal and non-verbal language. To begin with, the ability to fluently communicate using the

common language facilitated co-operation because then it was easier to comprehend the assigned tasks and goals of the project and to discuss daily actions. The British were in a very strong position since English was their mother tongue and also the official language of the Case Company but, simultaneously, they may not always have been perceptive enough about the language proficiency of others. For example, many Japanese felt that it was difficult to understand what was being said by their British colleagues in videoconferences. Furthermore, they felt that the British were not always aware of how difficult it was because the language used was not spoken clearly and slowly, using simple vocabulary. The Finnish spoke English relatively well and did not usually have many problems understanding others like the Japanese did, although it was stated by a few interviewees that the British had the ability to rule meetings due to their fluency in English. The Japanese found English a more challenging language and due to relatively good levels of written and read English they preferred to communicate through e-mail or other non-verbal mediums.

Therefore, in addressing RQ 2 about language fluency, we can draw the conclusion that it played a role in influencing co-operation but was not a major factor internally due to the Finnish and British being in key communication positions. However, language fluency certainly influenced external interaction with the client because only those who were fluent in Japanese could be in direct interaction with them. Furthermore, language seemed like a strong unifying force, especially when two quite unique languages like Finnish and Japanese were involved. As a result, all information was filtered through certain people and their frames of reference. Secondly, there was less market information available in English and therefore transferring information took longer when it had to be translated and not all the information was ever translated in writing because that would have been too much trouble.

5.2.2.2 Indirectness

Another factor often discussed is the meaning of 'yes'. Especially in Asian cultures, if someone answers 'yes' to a question it does not necessarily mean that they agree, in fact, it probably means that the person was just showing that he/she was listening. This type of back-channelling is often referred to as *aizuchi* in the Japanese context (Goldman, 1994; Piirainen-Marsh, 1995; Donahue, 1998). Not understanding the implications of the word 'yes' or other indirect verbal techniques aimed at maintaining group harmony and *face* caused some frustration in the Case Company. Some interviewees felt that they rarely received direct answers from the Japanese and that it was never clear when someone had understood something since the answer was always 'yes'. However, the key for the British, Finnish and other non-Japanese interacting with the Japanese was to find other ways of checking comprehension, for example, asking someone to repeat what was just agreed, giving written notes and learning to interpret the non-verbal cues. People who had worked in Japan and had learned to interpret the more indirect communication style used in Japan said that they could see when someone was unable to understand by interpreting facial expressions and tones of voice, among other things, even when they verbally stated that they understood. However, interpreting the less direct communication is a difficult task and can best be learned through experience.

Linked to the indirectness of the Japanese was another feature that was not directly linked to language. Due to the indirectness of verbal communication, the Japanese have a need for confirmation of facts to ensure that others understood them and that they understood others. As a result, the Japanese would ask their British or Finnish colleagues to confirm in an e-mail that they had understood something correctly but were frustrated when they received no replies. For the British and the Finnish, on the other hand, it seemed an additional and unnecessary step to confirm something that clearly seemed to have been understood correctly, naturally without realising the implications. The implications were that the Japanese would wait for the reply and get

frustrated because they would not feel comfortable moving forward without the confirmation.

5.2.2.3   Perceptions and Interpretation

Perceptions and interpretation also play a key role in understanding a message because they play a big part in determining encoding and decoding match. Context is one of the most important intercultural filters, as are the meanings we assign to the phenomena we see and experience around us. An initial assumption was that cultural misunderstandings would cause some problems in the communication across sites, but although there were instances when miscommunication could be contributed to language problems, cultural misinterpretation seemed to be a minor problem on the conscious level. However, it can be argued that many of the challenges are linked to people not understanding each other's cultural backgrounds and therefore behaving inappropriately in certain situations without even realising that miscommunication had taken place, for example, the Japanese desire for confirmation.

During the interviews, the interviewees were asked to discuss their perceptions of other sites and cultures by focusing on the strengths and weaknesses. Most interviewees found it difficult to discuss this out of context and would pick up some of the typical examples, such as, Japan is detail-oriented, Finland focuses on doing, and the UK on planning. These examples were not necessarily always in agreement with the answers to the later questions, and therefore not discussed in detail. However, it should be noted, that most interviewees found it easier to discuss weaknesses than strengths because noticing something that does not function smoothly or is different from one's own way of doing things, is easier to notice. People who had not had personal experiences tended to rely of hearsay and stereotypes to some degree but others were able to take a more objective stance. Interviewees even admitted to having changed the image or perception they had had of a particular site after having experienced the contradictory evidence against their previous beliefs in person.

Due to the national conditioning people get by growing up in a certain culture, they also have different frames of reference, and all perceptions are filtered through their cultural lenses. We all have cultural blinders and we interpret many situations based on our own culture's norms. Secondly, the lack of cultural self-awareness may contribute towards cultural misinterpretations. Therefore, when communicating with other units, one should be careful not to draw hasty conclusions and also to take into account how the others may see us as communicators. However, although our cultural blinders contributed to some differing opinions, employees at the Case Company were able to see the other approaches even if they were not willing to accept them, after having been able to witness why people had different perceptions while working at other sites. Therefore, having different frames of reference did influence co-operation at the Case Company because people wanted to do things differently, but those differences in opinion were not obstacles that could not be overcome (in reference to RQ 2).

5.2.2.4   Introversion

It was felt that some nationalities feel more comfortable with communication than others and the Finnish were seen by other nationalities and by themselves, as not focused enough on communication. In the international interactions it can be in part contributed to shyness about using a foreign language. However, even in terms of feedback, the Finnish seemed to think that feedback was not as important as it was to the British. This was due to the belief that everyone knows when he or she has done poorly or well, without someone stating it explicitly. As a result, it is possible that when co-operating with the UK, the Finnish did not provide enough feedback about the stage of the project they were working on, which would have been important to the

British. With Japan, a similar problem did not exist since most of the contact people at the top level were Finnish. Secondly, in terms of pure feedback, the needs of the Japanese seemed to be closer to those of the Finnish than the British, although they did require more practical guidance.

5.2.3 Commitment and Punctuality

In terms of punctuality and details, there were some clear differences to be seen. For the Japanese, keeping promises was extremely important, which can perhaps be explained in part by the high uncertainty avoidance ranking given by Hofstede (1991). There was a greater need for rules amongst the Japanese and a desire to do things according to some set standard. The importance of keeping promises was also probably linked to the concept of *face* because the Japanese employees in Japan were the direct contact points to the customer, and not being able to deliver what was promised would have ended up in the employee losing *face*. However, there seemed to be a lack of understanding for why this issue was so important to the Japanese by the other nationalities. Secondly, the Japanese were very keen on receiving specific information. The British and the Finnish found this frustrating at times because they felt that this information was not necessary, and not available at all times. Again, uncertainty avoidance probably played a role because a few Japanese employees stated that they would rather have too much than too little information, in case the client asked them any direct questions. Another contributing factor is the way the Japanese analyse information. It is the opposite to how the Finnish and the British do it i.e. the Japanese first look at all the details and form the big picture that way, whereas their European colleagues preferred to have the big picture before focusing on the finer details. As a result, the British and the Finnish did not always provide the Japanese as much information as the Japanese would have desired, and the Japanese gave too much information, which would result in the non-Japanese readers losing their attention.

Countries with high uncertainty avoidance (Japan) have an innate drive to be active all the time and masculine cultures (Japan) tend to think that one lives in order to work (Hofstede, 1991). These attitudes or orientations may have contributed to the willingness by the Japanese to work long hours and be highly committed to their targets and deadlines. The Japanese employees of the Case Company who were based in Japan and had not worked in any of the other sites felt that they were working longer hours and much harder than their colleagues in other sites. However, those who had travelled felt that the British and the Finnish also had strong work morale but that work was approached in a different manner. In Japan, people worked long days but there was also room for people to be social with one another, whereas in the UK, it seemed that people came to work to only work. Building networks was important for the Japanese and that is why the social activity and after-work drinks were very important. However, in Europe people valued their personal time and often socialised with people from outside work. Employees, who failed to see the different orientations towards work, felt that the relationship between the different sites was unbalanced. The Japanese thought they worked harder than others, and the British saw that as lack of planning because they felt that if everything had been planned properly, then there would have been no need for such behaviour. Planning was not the only factor affecting the long working days in Japan but lack of understanding of the working environment by people outside Japan can probably explain the attitude in part.

It is clear that different nationalities have different approaches to work and it is unreasonable to assume that those preferences can be changed. For example, if the British or the Finnish were expected to work as long a days as the employees based in Japan, they would probably switch employers, whereas in Japan all the employers would expect similar commitment. However, what clearly came up in the interviews was the expectation by the UK that Japan should be at their 'beck and call' while not being willing to lend the same level of support when it was needed in Japan. It can be

argued that although a MNC has a set of values, it is impossible to maintain exactly the same working practices and the same culture in each site, and it would probably not be beneficial either (Francesco & Gold, 1998).

5.2.4 Continuity and Planning

Japan has a long-term orientation to the future, and Finland and the UK have a short-term orientation, which may explain some differences. The Japanese employees greatly valued continuity in terms of relationships because for them the knowledge and the trust was based on the relationships; when a contact person changed, the relationship had to be build up from ground zero again. It was very difficult for the Finnish and the British to sometimes comprehend how long it takes to establish relationships and how the lack of a long working relationship can hinder the exchange of information and knowledge. Interestingly enough, the same perception seemed to be true by the Finnish i.e. they felt that the UK could not always be trusted since people changed often and commitment was not at the same level as in Finland. There was a desire by the Finnish to assign a task and have everyone complete the task without personnel changing in the middle of the project, which the Finnish thought happened in the UK sometimes.

At the same time, all sites felt that the UK excelled at planning and documentation, which contributed to continuity by producing consistent documentation that could be referred back to or distributed to all necessary parties for increasing awareness. The British would go so far that they would fail to trust decisions that were not documented well, because then the process was not fully in place. This may seem contradictory to theory because high uncertainty countries are usually very rule driven, but Japan was not the best at processes and documentation. However, this can be explained by the fact that Japan is the youngest site of the three and most of the managers were non-Japanese. Finland may have had a higher uncertainty level than the UK but they simultaneously were a very feminine culture focusing on equality.

As Finnish and British managers were in key positions, the main challenge was between them and their orientations towards planning and doing. The general tendency was for the British to focus too heavily on planning and for the Finnish to not plan enough. However, when these two sites or nationalities collaborate, the ability to combine these two approaches is a great strength. Some British teams had, in fact, tried an approach with their Finnish colleagues whereby they got the basic information and made a plan based on that, which they would then review with the Finnish. As a result, the British were happy because a plan was in place and the Finnish were happy because they did not have to make the plan and they could get straight to work. Furthermore, that probably saved some time because due to the existence of the plan some basic mistakes may have been avoided. The Japanese are also known to be very detail oriented, so executing a plan would then be their strength, whereas doing one could be a challenge since they want to have all the information before forming the big picture.

RQ 5 has been answered throughout this section because each one of the above paragraphs describes different cultural dispositions that contribute or explain communication of each national group.

5.3 Operational/Task Environment

The previous section focused on the national differences that manifest themselves in communication, behaviour and co-operation between the three sites. In this section, however, the focus will be on the operational or task environment. The culture that exists in the operational environment influences everyone who works in that

environment regardless of their national culture. There are certain expectations the customer may have that have a bearing on the behaviour of the Japanese but also on the other nationalities. This section will analyse the impact the customs of the local culture have on the behaviour and communication of the employees.

The following research question will be addressed:

RQ 6:   How does the culture of the task or operational environment influence communication between Finland, Japan and the UK?

5.3.1   Firsthand Experience

Whenever employees from a site had visited another site several times, they began to gain more understanding for why processes were different or why people chose to execute tasks in a certain manner. Without that personal experience it seemed like an impossible task to learn about the needs of another site due to strong existing views or perceptions about how things should be carried out. For example, people based in Finland seemed to often believe that since the Case Company had been successful there and elsewhere in Europe, they were doing things the right way. As a result, failing to sometimes see that there were very different cultural environments from the European ones, where it would be impossible to execute tasks in the exact same manner. It was only after people had been to Japan and witnessed the competition, client relationships and the lifestyle and working style of people that they were able to comprehend better why differences existed. Most interviewees, in fact, argued that once someone had been based in another environment for six months or more, they would change their thinking to be completely in favour of the way things were done over there. This is because people often realise that the current way is the best way for that environment. As a result, although nationality is a very strong unifying force, it seemed that people based in one site regardless of nationality, tended to favour that site in terms of practices and some attitudes. Naturally, they still displayed some characteristics of their own cultural background but the operational environment and culture made them often also modify their opinions and behaviour. Those employees who had worked in another site and returned to their home site were therefore in a key position to enhance co-operation and understanding since they had the experience from both environments.

5.3.2   Finno-Cetricism

A very dominating attitude in one site can influence all the employees based there. Many Finnish and non-Finnish employees stated that there was an attitude of superiority that was reflected in the behaviour of Finland at times. This was due to the success in the local markets, as explained before. However, this arrogance made it difficult to transfer knowledge about differing cultural or task environment approaches because people who had had no personal experience tended to think that since we have been able to do it, there are no excuses for anyone else. This made the task of the UK and Japan quite challenging because the Case Company was not as successful in the Japanese marketplace as it was in Europe, and sometimes people were accused of doing things the hard way when that was the only way for the Japanese market. Lack of visibility and true understanding were in part due to this misperception that people in Japan and in the UK (where the products were developed) were not truly trying. Therefore, the task environment influenced people's thinking and behaviour because they based their views on what they saw and heard around themselves.

5.3.3   Customer Relationship

Customer relationships are very different in Finland and the UK when compared with Japan because in Japan the customer is in a position to request certain specifications that

in Europe the Case Company could decide by itself to include or exclude. Secondly, in Japan, the customer is considered to be the king and therefore whatever the customer asks should traditionally not be questioned. In Japan, the customer is in a special position and that has to be accepted because if the Case Company were to attempt to function as they do in Europe, they would get no business. People in Finland but especially in The UK were very frustrated at times because they felt that plans changed too often at last minute due to customer requests. This is one way in which the culture of the operational environment influenced communication because the customer wishes had to be considered but perhaps there was also room for more flexibility from the Japanese side rather than accepting everything that the customer proposed at face value.

There seemed to be a lack of understanding for the working practices of a local environment where one did not work because people tended to judge things from their own perspective without even being aware of the various circumstances. For example, the quotation below demonstrates lack of any kind of understanding for local conditions and the bigger picture. The reason people in Japan often have to work late is not only due to planning but, among other factors, due to a different client relationship (last minute changes from the client side are allowed in the Japanese setting) and due to constantly changing trends in the market (Europe is not as volatile and competition is less fierce).

> *"The Japanese people seem to be happy for things to go badly wrong and then work mad until midnight the last months or something. English managers have learned that they shouldn't do that and that they should pick up the problems early and to deal with them and to make sure they know how to deal with them [the problems] so that it [last minute panic] doesn't happen... In Japan they seem to fall for the same thing again and again and get out of it by working crazy hours at last minute..."*

5.3.4 National Culture

National culture was discussed in the previous section and, as mentioned, as an individual moves from one environment to the next one, his/her communication also changes. Therefore, the national culture in Japan influenced the expatriates working there. For example, people based in Japan learned to be less direct and interpret non-verbal communication and back-channelling messages to a greater degree than before. At the same time, a Finnish interviewee said that a Japanese employee who had worked in Finland for several years and since then returned to Japan was the only Japanese person in Japan with whom he could have a 'normal' conversation without any misunderstandings. Most people based in site x behaved in the same manner in the sense that they had a good understanding for why tasks were executed differently. Furthermore, non-natives learned to modify their communication to better accomplish their goals with people from different cultural backgrounds. However, those same people still maintained their networks in their home site and the ability to communicate to their countrymen, although they sometimes became much more critical and even took the side of their local staff members. According to Smith (1996) plant location was more important than ownership, which was also the case with the Case Company in the sense that although the Finnish influence always remained there, the local culture contributed to the development of a local organisational culture and processes.

5.3.5 Verbal Communication Styles

Verbal communication styles varied between different countries, the Finnish being the most direct and the Japanese being the least direct. However, the Finnish were quite observant of the non-verbal communication at times due to their quiet nature, which the Japanese found very helpful. Secondly, the British used an exacting style, which uses a

moderate quantity of talk, whereas the Japanese used a succinct style where the quantity of talk is relatively low and silence can be used to convey meaning. Although Finland falls under the exacting style, they were probably somewhere in between the UK and Japan due to the quiet nature of the Finnish and the use of silence. The other two differences were that Japanese used a more contextual style whereas the Finnish and the British used a personal style and the Japanese also used an affective as opposed to the instrumental style used by the British and the Finnish. However, as an employee worked in another cultural environment, he/she would also modify his/her verbal communication style to suit the needs of others around him/her. Therefore, the environment would play a great role in that because the Finnish and British would learn to use a more affective and succinct style when interacting with the Japanese in order to maintain harmony and good working relationships, and the Japanese would adjust to their foreign colleagues. It was interesting to observe that when the Japanese employees had been working for the Case Company for more than a year, they would begin to interact with the non-Japanese in a more direct and exacting style. However, as soon as they would interact with each other again, they would switch back to the 'Japanese way' of communication.

5.3.6 Working Environment

It seems that in order to function efficiently in a different operational environment one has to adjust his or her behaviour. There were several interviewees who had felt that the way tasks were executed in another site was not appropriate but once they themselves began to function within that environment, they became to understand why those tasks were executed in that manner. People most likely still have tendencies that originate from their national culture but they also learn to adjust their behaviour. However, when the answers to different questions were compared, there were also clear similarities between people of the same national group regardless of location, with the exception that they did not reject the local ways of conducting business.

A few interviewees felt that there are cultural differences between sites rather than nationalities. This may be due to the different organisational cultures and processes that are in place. It was also stated by a couple of Finnish and British interviewees that the Finnish who worked in the UK, for example, seemed to behave more like the British than the Finnish working in Finland. Clearly, their behaviour was still not exactly the same but they had adjusted to local working habits and processes to be more effective. It was also interesting to hear a Finnish interviewee state that before having worked in the UK, he could not understand the reason for certain processes that were different from Finland but locally it became clear why they were there.

In Japan, people knew each other outside work and tended to be closer even in the working environment due to the extremely long hours and many weekends spent there. In the UK, the attitude was that one comes in to do his/her job and leaves as soon as possible. Since most people in the UK lived quite far away from each other and commuted by cars, evening get-togethers were not as common as in Japan or Finland. There were several social events organised in Japan and the same was true of Finland (sauna evenings). However, people in the UK may have been more efficient and worked in a different mode, which is not better or worse, just different. As a result, unless one has an understanding for the differences in the working environments that exist between the sites, it is quite difficult to truly pull together as a global team.

Expectations also greatly influenced how one fit into a certain environment and how one approached other team members. It was interesting to hear a Japanese person comment that the British were less concerned about networking than the Japanese because their priority after work was not to go out drinking with colleagues. The two things may not have been related to a British person but for a Japanese employee, who

was used to building his/her networks through social activities, the British behaviour may have seemed very bizarre and disconcerting.

Therefore, in reference to RQ 6, it can be said that being familiar and understanding the reasoning behind behaviour and processes in different task environments makes information flow smoother. It changes the nature of communication as well, because people with knowledge and understanding of the operational environment were able to interact more effectively with people from that site or culture. It should also be emphasised that the task environment influenced working practices and the local organisational culture, which in return influenced communication.

5.4 Transfer of Information

This section focuses on the use of different communication mediums by the three sites. The most important differences and similarities are discussed but a more detailed description and discussion can be found in the Results section.

The following research questions will be addressed:

RQ 3: Does the amount of networking between Finland, Japan and the UK affect the quality of communication?

RQ 4: How do the three sites use and interpret different communication mediums?

5.4.1 Networking

Due to the flat hierarchy of the Case Company most information was found to travel through people's personal networks in a rather informal manner. This system worked well for those who had been with the company for long enough to establish a solid network but was more challenging for newcomers unless they were working closely with someone who already had his/her network in place.

Two important factors contributing to the formation of a network were face-to-face meetings and team building events. Solomon (1995) found that once a relationship has been established in person, in a face-to-face meeting, it is easier to use electronic mediums for communication and the formation of trust is also greater. This was also true for the Case Company employees who felt that if they had had an opportunity to meet their colleagues face-to-face, then it was easier to pick up the phone or ask for some information. Some interviewees felt that as long as the person they had never met before was of the same nationality, then it was still possible to take the step to communicate with him/her. However, if the person was from a different cultural background and did not speak the same language, then they would rather go through another person. This proved to be especially challenging in Japan initially where both the local staff and people from Finland or the UK preferred to go through the expatriates whom they knew. However, once people had met and established a relationship that way, information flew much more smoothly.

Flatherty et al. (1998) found that computer-mediated communication like e-mail or videoconference can not replace face-to-face communication because of the feeling of personal closeness in a face-to-face situation. Stock et al. (1996) further found that face-to-face communication is the best medium for the transfer of scientific information, especially in international groups. In the context of the two product lines being studied, the more recently established one had focused heavily on face-to-face meetings and team building events, which had enhanced the development and maintenance of a strong

network. As a result, the working relationships and the level of communication seemed to be at a better level than in the older product line that had not focused on those means as much. Therefore, there is evidence to support the findings of Ghoshal et al. (1994) that a positive relationship exists between networking and communication. We can suggest, as a result, that the more the Case Company can allow for face-to-face meetings and networking opportunities, the better the communication works between Finland, Japan and the UK (RQ 3). Networking was particularly important to Japan, where personal and professional networks were highly valued and the transfer of information was virtually impossible without them.

5.4.2 Use and Interpretation of Different Communication Mediums

All sites and nationalities liked face-to-face meetings because they allowed for an opportunity to get to know the participants in person, for clarification of issues and for immediate feedback. The usage of electronic mediums like e-mail were found to be extremely useful when communicating with people in different time zones but the possibility for miscommunication was higher than in face-to-face meetings because there was no context and no opportunity for clarification. However, out of the three nationalities, especially the Japanese liked using e-mail because it gave them an opportunity to read the messages enough times and think about their replies, whereas in a videoconference it was sometimes hard to understand what was being said.

One area where the different sites differed was how decisions were being communicated. In the UK, people wanted to have written documents and plans to ensure that everything had been taken into consideration and regular meetings were found to be a good forum. The British also welcomed the opportunity to ask questions and challenge decisions. The Finnish, on the other hand, were not as concerned with written documents, although they were naturally very important. Furthermore, meetings were again found to be a good forum for discussing decisions but sometimes people preferred to ask their questions privately after the meeting as opposed to in front of everyone. The Japanese wanted to have all possible details whenever a decision was being taken, and asking questions in front of everyone was found quite embarrassing. The Japanese also wanted to have some time after a meeting to think about what was being discussed and review all the information in case they had questions.

Therefore, to answer RQ 4, each site liked face-to-face meetings and e-mail was thought to be quite practical. However, in terms of the videoconference, the Japanese found it quite intimidating, and the Finnish and British thought it to be a useful medium for having a more personal interaction than was provided by e-mail. Monthly reports and regular meetings were more important to the British than to the Finnish, and the Japanese liked having as many details as possible. As a result, the groundwork is important i.e. important to convince the British by providing them enough written plans and documents, and by giving the Japanese as many details as possible and having well established relationships. The Finnish trusted results, therefore having a good working relationship was the best guarantee for good co-operation because if people had proven in the past that they were worthy of their word, then the trust was there. Also, due to the Finnish not necessary excelling at communication, it was felt that having met the people in person made things much easier.

5.5 Leadership and Trust

Trust was an element that emerged as a key factor in the co-operation between the three countries. According to Tsai & Ghoshal (1998), trust can be seen as an antecedent to co-operation. Distance plays a significant part in creating mistrust, the phenomenon is

also influenced by lack of personal contact and cultural differences. Cultural difference is a significant factor because according to theory, people have a harder time trusting someone from another culture because they are different from themselves (Adler, 1997). Mistrust does not usually result from dislike but miscommunication, which is culturally influenced. Adler (1997) stated that lack of trust is inevitably rooted in some communication difficulties and that culturally diverse teams possess higher levels of mistrust than their more homogeneous counterparts.

The following research question will be answered in this section:

RQ 7: How does the level of trust influence co-operation between Finland, Japan and the UK?

5.5.1 Role of History

In the context of the two product lines, the older one did not possess high levels of trust due to past miscommunication and mistakes, although it was at a much better level than it had been a few years earlier. Within the more recently established product line, the feeling was that since the relationship was so new, there had not been enough time and opportunities to build trust because the perception was that trust has to be earned. However, there was no distrust either, except perhaps the weight of history in part, but overall the situation was very good. One of the big reasons why the relationship between Finland and the UK was perhaps more critical than the relationships between Finland and Japan or The UK and Japan was due to trust. In the early stages of their working relationship there had been very little understanding of the varying working environments, tasks and processes. Mistakes had been made, and people had tended to point fingers rather than accept the blame. Also, since people were not used to co-operating closely with another cultural group, there was some natural suspicion and perhaps not enough focus on communication and relationship building. Furthermore, as mentioned earlier, during the early stages people had little understanding of the market in Japan for which the UK site developed products, and Finland was functioning amongst a certain atmosphere of 'we know it all' due to the success in Europe.

5.5.2 Common Processes and Face-to-Face Communication

Having common processes in place facilitated the building of trust because then there was less room for misunderstandings. Then, as stated earlier, face-to-face meetings were seen to be a key success factor for establishing personal relationships and through those relationships the development of trust. O'Hara-Devereaux & Johansen (1994) supported this because they found that face-to-face meeting are virtually irreplaceable when building trust. The general feeling was that whole sites rather than individuals were distrusted either due to past experiences or due to lack of understanding for how something could be accomplished under very different processes. Although simultaneously, there was no particular reason to trust an individual with whom one had not established a working relationship either, especially from the Japanese point of view.

5.5.3 Understanding of Market Requirements and Working Environments

It was interesting to discover that 'hard information' had been exchanged in all directions between the three sites but the 'softer side' had been ignored almost completely. It is not enough for people to have only information about processes, they also need informal discussions and training about the intercultural aspects of their co-operation with other sites. It is difficult to discuss similarities and differences without a facilitator because the topic is a very sensitive one. However, especially since we know from theoretical perspectives that our perception is selective and looks only for things

that will reinforce our earlier beliefs and stereotypes (Greenberg & Baron, 1995), it seems imperative to have discussions about the topic of intercultural co-operation.

The interviewees in Japan felt that it was difficult for them to trust people at the UK site because they did not usually reply promptly to questions, and sometimes they did not even deliver what they had promised. This was a cultural problem, not only because the site in Japan was dealing with the British or Finnish but also because the cultures of the operational environments in the two locations were very different. In Japan, one would always make sure that the internal deadlines were rather too early than too late. Therefore, in the British setting it may have been all right to be a little late but in Japan it was very unprofessional, especially if a local client was involved. According to Hofstede (1991), the UK is more capable than Japan in handling uncertainty. Therefore, it is understandable that Japan needs exact rules and timetables, whereas the British only want to get the big picture. The cultural environment in Japan affected the site's operations, which may have manifested itself by everyone following rules and agreements more tightly than in the UK. As a result of these culturally bound ways of behaviour, it may have been difficult for the Japanese site to trust the UK site, unless they understood why things were late and learned to accept it or calculate that into their plans.

Another key factor directly correlated with trust seemed to be the level of commitment. Interviewees in Finland, for example, mentioned that they knew the Japanese were committed and could therefore trust them, whereas the British lacked the same level of commitment and were therefore less trustworthy.

5.5.4 Clearly Defined Roles and Responsibilities

Communication climate is a very important phenomenon in how we perceive all the relationships in a work setting, and it influences such factors as motivation and productivity (Gibb, 1961). If the subject of motivation is approached from this perspective, then culture influences the communication climate, which in turn influences how motivating work is perceived to be. An important factor in the communication climate is having clearly defined roles and responsibilities, so that everyone is aware of who has the final decision-making power. When roles are not clearly defined, it can be very demoralising because you are not aware of who is doing exactly what and you may end up assuming that someone else is performing a task you were supposed to do, or perhaps both of you do it in different ways. When roles are clearly defined, there is less double-checking and people can focus on their tasks more efficiently.

5.5.5 Visibility and Schedules

Visibility was an issue raised at all sites. It was felt that at all levels people wanted to understand better what was happening at other sites and why certain actions were being taken. Naturally managers at higher levels had more information than their subordinates, but everyone still felt that in order to build better relationships more visibility was needed. If people had more visibility and understanding for different practices, then trust would also be at a better level because then it would be clear why certain actions were being taken.

Many interviewees stated that they felt that the lack of trust between sites was due to unrealistic schedules. People often knew from the start that the schedule or plan was unrealistic, and as a result, there was no true co-operation to achieve the set deadlines; instead people would look to see whose fault it was that the schedules were unrealistic or that they were delayed. There was also a cultural difference in people's approach to schedules because regardless of how impossible the deadlines seemed, people based at

the Japan site would try to achieve them, whereas people in the UK or Finland would work hard but not with the same commitment (partly due to cultural conditioning). However, the results were demoralising for trust at times because the Japanese and others based in Japan would come in during the weekend but people in Europe would not.

5.5.6   Middle Management and Open Communication

Middle management is addressed separately because they were in a key role to bring their team members from different sites together or work closely with other team leaders in other sites. Having direct communication between team leaders and keeping everyone up-to-date about changes were seen as critical tasks for middle managers. Trust existed at top levels because people knew what the goals were and why certain actions were being taken but middle management who was responsible for the people actually doing the work were not always in agreement with one another. Therefore, having trust and better co-operation between the middle managers and between middle managers and their team members were key to increasing levels of overall trust.

Open communication was also stressed because if people cannot trust what they hear from their managers, then they have to rely on rumours, which is not good. Making clear that everyone receives consistent messages from different people would help in disseminating information upon which people can rely on.

To address RQ 7 about the influence of trust on co-operation, it can be said that trust has a very big influence. Due to history and different focuses, there was less trust between Finland and the UK than between Finland and Japan or UK and Japan. Within the framework of the newer product line, where the relationship between Japan and The UK was very good and Finland had to rely on the UK for their knowledge of the Japanese market, there was still a shadow of doubt left over from the past. As a result, this lack of trust or a low level of trust between Finland and the UK reflected on the whole relationship between the two sites and served as basis for the main challenge being between the two sites.

5.6   Limitations

The research project that was carried out satisfied the first stage of mapping out the needs for intercultural co-operation and understanding in the Case Company. However, the limitations of the study are that it may be only applicable to this particular Case Company, although due to the large sample size, some of the findings are probably generaliseable to other similar multinational or intercultural organisations. Furthermore, the study gives information about a variety of different issues from different perspectives, which is what the Case Company wanted but perhaps having fewer topics discussed in more detail would have been more useful for other researchers. In terms of the actual research process, I believe that the methods and the approach taken have been well documented, as are the reasons behind certain conclusions having been drawn.

5.7   Future Research

I think that each organisation is different and therefore has its own challenges. However, as the operations of most corporations are becoming more intercultural in their interactional nature between people, there needs to be more systematic studies

looking at how similar the challenges those organisations face are. It is important to study phenomena independently but as we have discovered here, many of those phenomena are interconnected in actual fact. How we use communication mediums depends on the national culture of the employees and the operational environment of the corporation, as well as, on the management structure. Therefore, to study only a single phenomenon brings us no closer to understanding how multinational or intercultural organisations function in relation to one another.

Secondly, in the case of the Case Company, a helpful next step, after certain improvements based on this study have been carried out (outlined more closely in the Case Company report), would be the examination of some topics in more detail and the involvement of employees in the development process. I believe that this study was a good first step for mapping out what is working well and what needs to be changed. However, in order to gain deeper understanding and accomplish the desired changes it may be necessary to conduct more detailed studies involving fewer topics or, at least, to monitor how the communication climate is evolving or developing over time while involving Case Company employees in the process.

As a concluding remark, I would like to return back to Adler's undramatic comment that, "All business activity involves communication." I hope that this study has shown that in order to be successful in business, as the Case Company is, communication as such is not enough. Communication must take place using the right medium, applying the right style and taking into account the right cultural context. But when taking all that into consideration, we can achieve miracles, perhaps even move mountains. As Archimedes (Senge, 1990: 3) said, "Give a lever long enough and single-handed I can move the world."

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APPENDICES

Appendix 1:

THEMATIC INTERVIEW GUIDE

General Communication Atmosphere
- ➤ Do you have a good working relationship with your colleagues?
- ➤ Do you feel you can communicate effectively?
- ➤ What works well in communication between the different units internally and between different sites?
- ➤ What are the biggest communication challenges internally and externally?

Team Dynamics and Prioritisation
- ➤ How does your team function i.e. does everyone have a separate task, is work performed in groups, how are decisions reached, who takes care of cross-functional communication, etc.?
- ➤ Do you think that the people you work with have the same priorities and goals as you do especially when a team is split between different sites?
- ➤ If you realise half way through a project that not all the team members have the same goal, how do you adjust the situation?

Perceptions
- ➤ How do you see the sites in Finland, in the UK and in Japan from the communication point of view?
- ➤ What are the strengths and weaknesses of each site?
- ➤ Are the differences between sites strengths or weaknesses?
- ➤ Does the site location influence people's thinking and way of acting?
- ➤ Do you think that people of the same nationality behave the same way?

Formal and Informal Communication
- ➤ What is the role of informal communication in your work?
- ➤ Do you know the people you work with on a personal level – in your site and abroad?
- ➤ Do you think that the current role of informal and face-to-face communication is sufficient or should it be adjusted (more/less)?
- ➤ What is the role of formal communication?
- ➤ Do you get all the information you need, in order to do you job efficiently?

Respect/ Understanding
- ➤ Do you think that people in other sites value the work you do?
- ➤ Are people willing to adjust their working habits or do they prefer to do things "their way"?

Miscommunication
- Do you think that miscommunication takes place?
- If it does, is it intentional (information hiding) or unintentional?
- What is the role of culture in miscommunication situations?
- Give examples of miscommunication situations.
- How would it be possible to minimise miscommunication?

Mistrust
- What do you think about the level of trust between the different business units internally and different sites externally?
- Is it easier for you to trust people in your own site than the people elsewhere?

Motivation and Feedback
- Do you feel motivated by your work?
- Are the people you work with motivated?
- Do you get/give frequent enough feedback about your/others' work and performance?
- Are there some changes you would like to see take place?

Finno-Centricism
- Do you see this company as an international or a Finnish company?
- Does the fact that this is a Finnish company influence your work i.e. make it easier/harder/somehow different?
- Do you see each nationality as its own group or do you just separate between expatriates and locals or not at all?

The Role of Management
- How do you see the management as communicators?
- How do they influence your work?
- Do you think that the visibility of management is sufficient?
- What kind of changes would you like to see in the attitudes or actions of the management?

Improvement ideas
- Are there any ideas you have for how to improve the current multi-site communication?
- Is there anything else you would like to add, perhaps an important topic I have overlooked?

Appendix 2:

BACKGROUND VARIABLES

Date   /   / 1999

1. Gender   *Male   Female*

2. Age group   *20-35   36-50   51-65*

3. Nationality   *British   Finnish   Japanese   Other* _____

4. Business unit   *R&D   Sales   HR   PM   Other* _____

5. Site location   *UK   Finland   Japan*

6. Responsibility   *Line Management   Project Management   Specialist*

7. Number of years with the company   *<1   1-2   2-5   5-10   10-15   15<*

8. Time spent in Japan, UK or Finland   _____ *years &* _____ *months   or* _____ *visits*
   (depending on site location)

9. Frequency of communication with   *Several times a day*
   other sites

   Once a day

   Couple of times a week

   Once a week

   Couple of times a month

   Once a month

   Less frequently

10. Communication takes place with the   *UK*
    following sites

    Finland

    Japan

11. Product line   *Product line 1 *   Product line 2 **

*Specific information withheld to maintain the anonymity of the Case Company.