LUND UNIVERSITY • CENTRE FOR EAST AND SOUTH-EAST ASIAN STUDIES

Culture and Transnationalism:

Exploring the Effects of Perceived Cultural Difference on Business Operations Between Dutch and Japanese Professionals

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Abstract

The trend towards greater globalisation brings the matter of cultural identity to the foreground. Transnational corporations or business networks are culturally diverse places where cultural othering – simply put, the assumption that someone is fundamentally different from you based on the cultural identity projected on- or associated with them – can significantly impact operations across the hierarchy. This exploratory investigation seeks to reveal the lived reality of professionals in Dutch-Japanese corporate settings, and how they overcame challenges arising from cultural difference or the assumption thereof. Eight multi-sited interviews with employees, executives, and management consultants reaffirmed five categories of cultural difference in a professional setting: *work ethos, hierarchy, decision-making, language, communication style.* Through interviewee data we learn about the value of cultural sensitivity, and the role of experience-based knowledge in cultivating it. Further analysis reveals the value of deconstructing cultural identity into six components: *vocation, class, geography, philosophy, language, biology.* Examples are provided to illustrate the relevance of these components in a corporate environment. They are then used as the basis for a discussion on how they can be used to accelerate the development of cultural sensitivity by using identity components to contextualise your own behavioural preferences against those of your counterparty or colleague. For example, with the geographic component, how the relative directness of the Osaka communication style may make those businesses a better for partnerships with Dutch entities.

Culture is nuanced, dynamic, and diverse. Our understanding of it should be as well.

Key words: Transnationalism; cultural challenges; othering; sensemaking; schemata; identity; Japan; The Netherlands, Business and Management

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Research conducted in partnership with:

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1. Introduction

1.1. Background and importance of the topic

The deep interconnectedness of global economies poses an array of challenges to actors within these networks. Among them are the challenges that arise from cooperation between- and communication with foreign cultures within such networks. The focal point of the research for this project is, in short, to uncover the lived experience of international business as it relates to intercultural communication. More specifically, how the notion of cultural difference factors into business operations.

1.2. Motivation and previous works

Interest in this stems from having worked in a mixed Japanese and Dutch office environment. During this period, multiple situations were observed in which culture created subtle challenges for those involved. Therefore, the focal interest is the perceptions held by corporate professionals towards their supposed cultural counterparty, and the effect this has on the functioning of multinational business networks such as those involving Japan and The Netherlands.

The topic choice for this study is further motivated by discourses from academic disciplines such as Asian Studies, Organisation and Management, and Intercultural Business Communication as a subset of Business Anthropology.

The fundamental Asian Studies angle draws attention to Said's (1978) work "Orientalism" which became the seminal critique of Western intellectualism concerning Japan. More specifically, the outward-in generation of knowledge about Japan, by continental European and American writers (Said, 1978).

Additionally, economics and business management-minded authors writing about Japan's economic success in the 1980s often attributed it to some cultural uniqueness of Japanese people (Hein, 2008, p. 447). Similar essentialism can be found in Organisation and Management studies, such as Hofstede's ubiquitous early work on culture, in which nationality is equated to cultural identity (Baskerville, 2003, p. 5).

Lastly, scholars such as Bansal et al. (2012) have argued that there is a significant research-practice gap between management studies – or even intercultural business communication – and the professionals such works write about (Bansal et al., 2012, pp. 73–74). This investigation contributes to narrowing this gap while simultaneously aiming to be directly applicable and useful to those who participated or are in a similar professional position as interviewees.

1.3. Research gap and contribution

The pursuit of this research is rooted in the assumption that one's static understanding of a foreign culture will change approaches to communication and behaviour. Our assumptions on the 'other' culture therefore impact the course of a conversation or negotiation before a first meeting has even taken place.

Taking an anthropological approach to understanding how people function within a business addresses the notion that cultural difference is an under-investigated topic in management theory (McCreery & Yamaki, 2016, p. 271). Furthermore, authors such as Byun and Ybema (2005, p. 536) suggest that empirical studies of how culture affects business operations are not as common as they should be. Therefore, this paper contributes to narrowing that gap.

1.4. Research goal beyond answering the research questions

Among the primary indirect or underlying goals, is the need to avoid the same pitfalls as my Area Studies predecessors by not attempting to propose a characterisation of either Dutch or Japanese culture. Additionally, references to nationality do not hold an implication of national culture. Indeed, national identity affects cultural identity, but this doth not a national culture make. Additionally, a major underlying goal is to produce a body of work that is useful and insightful to the subjects of the investigation, and those in similar scenarios.

1.5. Structure outline

This investigation is structured as follows. Chapter 2 contains a review of the literature which forms the contextual theory for subsequent chapters. For example, discussing orientalism and the basics of how culture affects communication, which informs discussions in Chapter 3 on why a person's ability to interpret situations can be influenced by the existence of stereotypes.

Chapter 3 then introduces the core theories which form the practical framework upon which the later analysis is based. For example, Byun and Ybema's (2005) five categories of challenges arising from intercultural friction, also referred to as '*friction points*' in this project. Additionally, Osland and Bird's (2000) model for *schema*-based sensemaking, is used to analyse how interviewees perceive and manage cultural challenges. Lastly, Jameson’s (2007) reconceptualised cultural identity model aims to make it easier for professionals to develop a more nuanced understanding of culture.

Chapter 4 details the methodology used for the empirical section of the paper, such as the use of interviews for data collection, how interviewees were selected, contacted and confirmed for participation.

1.6. Key terms

Cultural othering is the process of constructing and maintaining boundaries between different cultures, often through orientalism (Western construction of the East as inferior), occidentalism (non-Western construction of the West as superior), and self-orientalising discourses (non-Western discourses that reproduce orientalist stereotypes). Together, these processes can lead to the construction of a "cultural other" that is seen as different, inferior, and outside of the mainstream, with potentially negative consequences.

References to “*friction*” points or dimensions in this research describe the points at which interpersonal cultural differences can generate friction and thus challenges for professionals. For example, frustration over culturally influenced decision-making patterns where one group may prefer open discussion and quick decisions, compared to another’s preference for a slower systematic process. Byun and Ybema (2005) describe five friction points, which will form the analytical basis for sub-question one as outlined below. Namely: *work ethos*, *superior-subordinate relationships*, *decision-making*, *language*, and *communication style* (ibid., 2005, pp. 540–548).

Schema-based sensemaking refers to a theory on how we as people interpret and make sense of our surroundings using mental knowledge folders called schema (or schemata depending on why you ask). Understanding this process is key to extracting as much information as possible from interviewee responses, as it may be used to interpret how they understand the matter of culture. This may explain why they did, or did not, experience cultural challenges. Notable scholars discussed in this study are Beamer (1995), and Osland and Bird (2000).

Lastly, this study steers clear of defining culture by providing a practical conceptualisation of it as “socially transmitted behaviour patterns, norms, beliefs, and values of a given community" (Salacuse, 1999, p. 218). Practically speaking this means the study perceives cultural differences as differing behavioural preferences, making the concept much more tangible/graspable.

1.7. Research questions

<u>Main:</u>

"To what extent does cultural othering impact transnational business operations between Japan and The Netherlands?"

The "to what extent" element of this question does not refer to the extent of operational losses incurred through challenges arising from perceptions of cultural difference. It asks whether operations being affected is a given. An essentialist understanding of cultural identity would suggest that corporate professionals experience these challenges as a constant or a given. Constructivist perspectives among interviewees would suggest that the level of nuance may increase over time, suggesting that the number of challenges experienced decreases as understanding of cultural counterparties improves.

<u>Sub-question 1:</u>

"How and where does cultural difference impact intercultural business operations?"

This question addresses the practical matter of whether cultural difference – or the perception thereof – creates challenges for transnational business operations. If yes, then where does it occur? This contributes to the main research question by establishing that cultural difference creates challenges in five distinct categories of interpersonal friction points, explained in detail in Chapter 3.

Sub-question 2:

"What do the responses from interviewees tell us about how they interpret or understand cultural counterparties in organisational settings?"

The second sub-question builds on the first question by investigating how interviewees perceive culture in professional settings. In other words, if culture creates challenges, then how do interviewees perceive it and overcome these challenges. Sub-question two contributes to the main research question by investigating how interviewees understand cultural identity through the degree of nuance displayed when discussing the topic.

Sub-question 3:

"How does the thinking of corporate professionals diverge from contemporary research?"

The third and final sub-question concerns itself with the alleged research-practice gap discussed at the start of Chapter 3. The assumption being that a large gap, in practice, will translate to a low level of nuance among interviewee discussions on the effects of culture as discussed in sub-question 2. This question contributes to the main question by comparing the level of nuance from question 2 against the perspectives of management consultants, and analysing interviewee nuance by applying methodological frameworks from contemporary literature.

1.8. Methods and scope

The key methodological features of this research project are a cross-sectional design – aimed at capturing a social phenomenon at a specific moment in time, rather than seeing how it changes over time – and an operationalisation of cultural difference as differing behavioural preferences. The latter means describing behaviour rather than interpreting the nature of someone's culture. Data is obtained from interview transcripts, allowing for the extrapolation of social phenomena from individual experiences, and reducing the limiting effect of sample size restrictions. Interviewees were selected based on current and past activity in a Dutch-Japanese intercultural corporate setting.

The scope of this study is limited by a variety of factors. First and foremost, it is limited to Dutch and Japanese due to the author's research interests and personal background. As further discussed in the methods chapter, interviewees were selected based on three categories, employees, managers/executives, and third-party specialists. This is to provide a cross-sectional understanding of how cultural factors affect business operations by including various levels of corporate seniority and thus experience. Furthermore, management consultant perspectives – representing third-party specialists – were included due to the implications of their de facto role as educators to transnational businesses.

2. Literature Review

The literature review chapter, discusses the cultural othering dynamic in relation to Japan and The Netherlands as a combined manifestation of orientalism, occidentalism, and self-orientalising behaviour, to position this study as part of the Asia-focussed school of Area Studies. Furthermore, it discusses how intercultural communication can be understood as a cognitive process. Lastly, this chapter provides critical discussions of past research concepts such as equating cultural identity to nationality, and how that affects someone's ability to correctly interpret cultural behaviour.

2.1. Orientalism, occidentalism, and cultural othering

Cultural othering conceptually describes an individual's assumption of difference in relation to an individual or group. Dervin (2012) defines it as follows: "Othering consists of objectification of another person or group or creating the other, which puts aside and ignores the complexity and subjectivity of the individual (Dervin, 2012, p. 187).

Before being able to delve into the various discussions surrounding this dynamic, it is important to acknowledge that the term itself is the product of scholarly works engaged in a process of iterative knowledge creation and self-critique. To this end, we can trace the discussions on EU-Japanese relations back to a time when *'The Orient'* was still a common way to refer to Asia.

Edward Said published his now ubiquitous book *"Orientalism"* on this topic. This work provides the first widely popularised critique of then-prevailing discourses and perceptions of Asia among continental European nations. He defines *Orientalism* as "a way of coming to terms with the Orient that is based on the Orient's special place in European Western Experience" (Said, 1978). This statement refers to philosophical attitudes towards Asia, as well as discursive patterns concerning the region. It is much more than a paternally condescending attitude. Indeed, *Orientalism* is a mix of colonial domination and perceived superiority over their subjects. Area Studies research at this time served to further consolidate the power dynamic of Asia as colonial subjects by exerting power over them through control of information production. *Orientalism* generated simplified, dehumanising, and stereotyped understandings of its subjects. Stereotyping is not novel. However, when directed at Asia it is important to be mindful of the intellectual legacy of orientalism in terms of creating stereotypes in intercultural understanding.

That said, this investigation is not limited to cultural othering from an exclusively Europe-to-Japan angle. There is a reciprocity to stereotypes. Occidentalism, inversely, refers to ways in which "the West" is presented and perceived. Buruma and Margalit, in a 2005 book titled "*Occidentalism*" in reference to Said, presented discussions on how the West is perceived as imperialistic, aggressive, materialistic, and individualistic (ibid., 2005). Reviewing *"Orientalism"*, Shlapentokh concedes that while it does not present particularly ground-breaking or original ideas, it is still a significant step towards the realisation that anyone can generate "hegemonic and aggressive discourses" (ibid., 2005).

Given my positionality as a European researcher, it is important to critically identify some stereotypes affecting perceptions of Japanese society. Exoticized discourses present facets of Japanese society as particularly unique. This concept is well established in the context of classical understanding of orientalism. However, as Noma (2009) points out, Japanese writers themselves are also engaged in the process of *self-orientalising*, particularly since the post-war era. This discourse has come to be known as *nihonjinron*, focusing on the uniqueness of Japanese culture (ibid., 2009, p. 3). This trend presents a challenge for European researchers. We might be inclined to highlight self-imposed generalisations or 'inaccuracies' in the discourse, but denying a nation's ability to generate knowledge about itself has historically not aged well. Instead, Japanese authors such as Sugimoto (2002) should take centre-stage in tackling the self-orientalising effects of *nihonjinron*.

When combined, *nihonjinron* and orientalist discourses create a pattern of essentialising interpersonal understanding. This occurs dually through the imposition and projection of 'otherness' onto individuals. Sugimoto details four guiding assumptions shared by these discourses. First, that all Japanese people share the characteristics in question. Secondly, that no in-group variance exists regarding the extent to which individuals possess cultural characteristics. The third holds that strong in-group orientation is uniquely Japanese and features marginally in Northern-European societies. Lastly, it is assumed that said traits have existed in Japan throughout history (Sugimoto, 2010, p. 4). These assumptions are expected to be mirrored in what would now be called 'outdated' research discussing culture. Namely the notion of homogeneity which surfaces through influential Organisation & Management theory.

2.2. *Othering in Business anthropology*

Intercultural communications research, has historically prioritised a highly interpretive outward approach to intercultural understanding. Beamer's (1995) model – based on Howarth and Savage (1989) – describes the process as follows: Communication between person *A* and *B* is the process of culturally encoding and decoding a message. The message itself is a combination of code and meaning. While encoding, *A* may account for *B*'s code. Inversely, *B* may account for A's communication codes and meanings when decoding. Please see Figure X below for a visual representation of this process. This concept of 'code' is not unlike an encryption key, unlocking the meaning of the message. While encoding, A makes assumptions about what B's key looks like. Think of it as 50% A's key, and 50% B's key. B's decryption of the message depends on whether they can: correctly predict the shape of A's key; correctly predict what A thought B's half looks like.

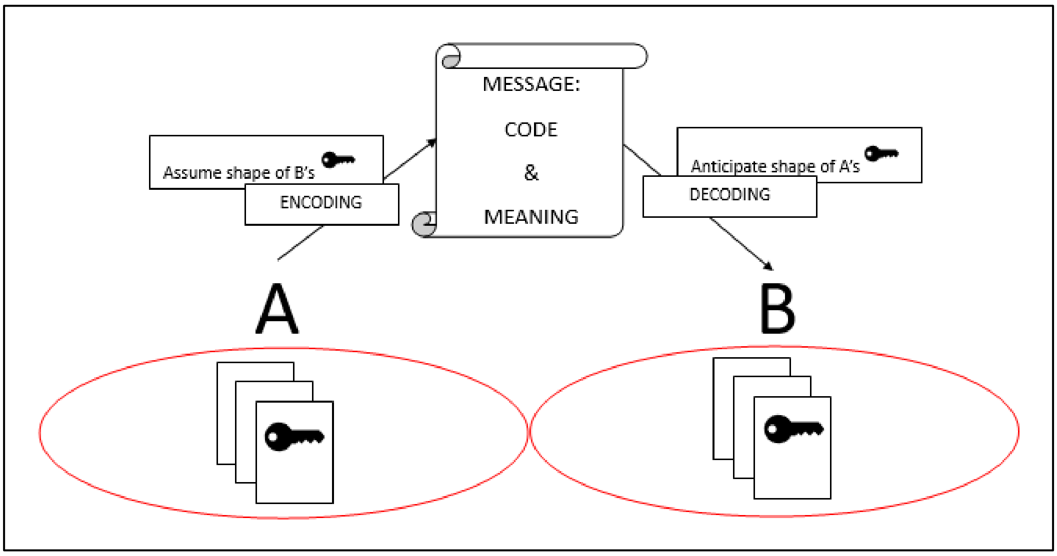

Figure 1: The intercultural communication process (Beamer, 1995)

Beamer extends this model by positing that communicator *A*'s knowledge of *B*'s culture is a projected "schema". That is, *A*'s generalised/stereotypical conceptualisation of *B*. This term borrows from sensemaking theory's "schemata" which refers to the cognitive process of creating understanding through categories and association (Beamer, 1995, p. 144). Schemata are therefore the components of one's en-/decryption key (see red highlight above). Cultural othering can thusly be understood as the cognitive process by which this projection is shaped. For example, through assumptions of homogeneity and equating culture to nationality. Dervin describes this as a trend that intercultural business communication has followed for some time (ibid., 2012, p. 182).

2.3. Hofstede's legacy in critical review

There is a further need to be aware of known flaws in influential literature such as Hofstede's "Culture's Consequences" (1984), and the effects they had on other disciplines. Business Anthropology and Intercultural Communication research may draw from established disciplines such as Organisation and Management theory. This creates vulnerability to the same pitfalls. For example, Hofstede's (1984) cultural dimension model became a ubiquitous framework for intercultural understanding in business environments. It holds that cultural understanding stems from institutional understanding based on five dimensions. Namely, *power distance, individualism V. collectivism, uncertainty avoidance, gender inequality,* and *long/short-term orientation* (ibid., 1984, pp. 11–12). This model is influential to the extent that it generates myopia, or tunnel vision, Scholars underline two key flaws in his model. Firstly, that the survey used by Hofstede focuses on one organization (Baskerville, 2003, p. 5). Consequently, conclusions drawn from it resemble Sugimoto's *first assumption* by implying universal applicability to international organisations. Secondly, critiques highlight the discrepancy between his provided definitions of culture – which are balanced and delicately phrased – and the amount of significance he attributes to the nation-state as a determinant of cultural identity. This narrow operational definition disregards in-group variance. Doing so theoretically allows for his framework to be applied to other nation-state contexts by changing the unit of analysis, but raises considerable questions of validity when doing so (Jameson, 2007, p. 205). This critical discussion has some key implications for the project. Most prominently that no attempts will be made to define any culture, rather focussing on perceptions of culture. Furthermore, that this investigation's goal is not to establish facts regarding culture, but to provide insights and skills with which to interpret and navigate intercultural business environments.

The dimensions highlighted in Hofstede's work are insightful. However, his assumption of homogeneity at a national level generates far-reaching assumptions in business applications. Byun and Ybema (2005) voice similar complaints by stating that, the simplicity of Hofstede's dimensions framework is convenient but overly monolithic. These assumptions in turn affects the cognitive schemata of actors in this space by influencing their cultural projections.

The reason for focusing on Hofstede in this regard is to show the vulnerability of human sensemaking when it comes to developing a balanced understanding of oneself and others in professional environments. His original book on cultural dimensions is among the most cited books in not just organisation and management theory, but the social sciences at large (Zhou & Kwon, 2020, p. 1). This underscores the idea that cultural othering in business practice is behaviour learned from literature with perceived significance. However, more importantly we should be aware of the orientalist undertones present in such homogenised conceptualisations of cultural identity, and how this essentialises the schemata upon which Dutch-Japanese business communication is based.

The framework for sensemaking schemata discussed previously, questions whether alternative approaches can sidestep similar essentialist characteristics. Ethnographic approaches exist, but are still prone to interpretive projections by the communicator. For example, Victor (1992) argues for intercultural business communication to be understood as applied ethnography. Using a collection of dimensions like Hofstede, he proposes an interpretive method of audience analysis. One key strength of this approach is its focus on sensemaking at the individual level, rather than perceiving international communication as an inter-organisation process. As supported by Varner, intercultural knowledge of communication styles is essential at an individual level. Intercultural business communication may occur between representatives of organisations, but it remains a performative process involving individual actors (Varner, 2000, pp. 43–44).

That said, the reliance on an outward-oriented method of audience analysis and adaptation signifies not only a disadvantage of this method, but a broader trend of intercultural business communication literature. Primarily focussing on understanding the counterparty without situating self-awareness within this conversation suggests that we are simply rephrasing the process of cultural othering. This is exacerbated by the overtly interpretive role of the communicator in this model. While the sensemaking process through schemata involves interpretation, it gains a more central position in an ethnographic methodology. The prominence of the communicator attributing cultural significance in turn presents a risk of fostering cultural othering through projections by the communicator. Note that cultural othering is the compound product of three discourses: orientalism, with how Europe views Japan; occidentalism, with how Japan views Europe; *nihonjinron*, with how Japan projects its own cultural identity.

This literature review chapter has provided a critical overview of the key concepts and theories relevant to the study of cultural othering in EU-Japanese business relations. The chapter has highlighted the importance of avoiding essentialist understandings of culture, and of being aware of the orientalist undertones present in homogenized conceptualizations of cultural identity. It has also critiqued influential literature in the field of intercultural business communication, such as Hofstede's work on cultural dimensions, for its reliance on simplistic and monolithic assumptions. Furthermore, effective communication and cooperation is essential in transnational business operations. This requires moving beyond outward-oriented methods of audience analysis and adaptation, and towards approaches that focus on sensemaking at the individual level. It also requires being mindful of the potential for self-orientalising projections by communicators.

3. Theoretical Framework

The issues raised in Chapter 2 underscore the risk of orientalist projections affecting intercultural business operations by negatively impacting communication. Moreover, they highlight the need for a reflexive approach to interpersonal understanding. The following chapter contains the theoretical framework through which interviewee experiences are analysed. The goal is to combine ‘business anthropology’ as well as ‘organisation and management’ theory to produce insights which are meant to be directly applicable and helpful to professionals in similar situations to the interviewees. The project takes a multidisciplinary approach to the study of business communication by focussing on how perceptions of cultural identity – defined in practice as patterns of behaviour – affect Dutch-Japanese business relations, with the aim of fostering efficient cooperation. Mentions of nationality in this context are used to indicate the operational scope of actors and organisations. They are not meant to imply nationality-based characterisations of culture.

This chapter is structured as follows. Firstly, the gap between management research and practice is outlined, followed by a conceptualisation of culture as patterns of behaviour. Then, the types of corporate challenges arising from cultural differences are outlined using empirical examples from Byun and Ybema (2005), and supplemented by Haghirian (2016). Furthermore, sensemaking theory is discussed, showing how mental knowledge categories affect our ability to accurately interpret situations. Sensemaking concepts are used to interpret how interviewees perceive the matter of culture and its effects. Lastly, Jameson’s (2007) model for reconceptualising cultural identity is discussed and proposed as a methodology to apply to one’s professional life, to expedite the development of *attributional knowledge*. The structure applied in this Chapter mirrors the empirical analysis in Chapter 5.

3.1. The gap between academic research and practice

When faced with a research-practice gap, the goal should not be to close that gap completely. Bansal et al (2012) posit that doing so risks compromising the researcher’s independence. We should aim to bridge the gap to protect academic integrity while simultaneously contributing to improved dissemination of contemporary research findings such as new insights or theory revisions (ibid., 2012, pp. 74–75).

The presence of the research-practice gap has multiple implications for this project. First, cultural othering may not hold the same position in the minds of professionals and researchers. Second, managerial strategies – to cope with negative effects of *othering* on communication and therefore cooperation – may not reflect the most up-to-date literature. Lastly, the experiences of management consultants may prove insightful. They can shed light on challenges experienced by their clients. From this we may infer the research gap's size by comparing consultant testimonies against corporate professionals. Being de-facto educators, one may expect the research gap to be reflected in a gap between these two groups.

3.2. Interculturality in Organisation and Management Theory

This sub-section explores how the matter of individual culture – rather than a company's internal culture – is discussed in organisation and management theory. More specifically, a business studies definition for culture is provided, in addition to an outlining of friction points at which cultural difference can create operational challenges for professionals active in Dutch-Japanese business environments.

3.3. Defining culture in a business context

This project investigates how organisational actors think about the effects of culture on business operations by focusing on how differing patterns of behaviour are experienced and managed. Salacuse (1999) defines culture as "socially transmitted behaviour patterns, norms, beliefs, and values of a given community" (ibid., 1999, p. 218). Two characteristics of this definition should be noted. Namely, that it does not seek to define or essentialise a group of individuals. Furthermore, the importance of behavioural patterns as the outermost layer of culture. Adopting this definition allows for the project's investigation to focus on perceptions of culture as reflected by patterns of behaviour.

3.4. Identifying friction points

The above leads us to question the following: Why are patterns of behaviour of particular importance here? In short, because intercultural business environments may experience operational challenges when behavioural mismatches occur in intercultural settings. Byun and Ybema (2005) present five friction points through which Japanese and Dutch organisational actors experience such challenges. These points are: *work ethos, superior-subordinate relationships, decision-making, language, and communication style*. Their empirical analysis of each friction point is elaborated upon using descriptions derived from employee interviews, which are based on the ascribed characteristics of the *other's* national culture (ibid., 2005, pp.

537–548). This can be understood as cultural othering in practice, and how it affects intercultural business environments. Chapter 5 of this paper tests Byun and Ybema's findings against a hierarchically diverse group of interviewees to see if they experienced similar challenges.

Work ethos

The first friction between Dutch and Japanese colleagues is summarised by Byun and Ybema as the difference between '*work-to-live*' and '*live-to-work*'. For example, Dutch employees express admiration for the commitment of their Japanese counterparts, but simultaneously perceive them as overly focused on work. Inversely, Japanese colleagues do not appreciate the Dutch nine-to-five culture. It is perceived as self-centred, and a characteristic of their individualist culture. Furthermore, frustration arises from alleged Dutch unwillingness to perform tasks outside of their job description (ibid., 2005, pp. 540–542).

Superior-subordinate relationship

Differing corporate hierarchy norms – this being flat and distinctly vertical for Dutch and Japanese standards respectively (Haghirian, 2016, pp. 354–355) – is another key friction point. For example, Japanese managers are perceived by Dutch colleagues as overly submissive towards their superiors within the office or towards head-office in Japan. On the other hand, Japanese employees accept egalitarianism as a characteristic of the Dutch management style. However, adapting to it can be challenging, especially at upper management levels. One manager from Byun and Ybema's research instead chose to primarily give orders to Japanese employees to avoid being questioned about them (ibid., 2005, p. 543).

Decision-making

Byun and Ybema (2005) describe how the corporate decision-making process is arguably the biggest source of discontent between their Japanese and Dutch interviewees. The Dutch do not perceive it as consensus-based. Decisions are made by going up the chain of command until a top-level actor makes a decision for which everyone shares responsibility (ibid., 2005, p. 544). This contrasts with the conventional understanding of Japanese corporate decision-making as a circular communication process in which participants contribute to the greater conversation rather than challenge each other on individual points (Haghirian, 2016, p. 354).

They believe this process takes unnecessarily long, hindering the company's ability to quickly respond to threats and opportunities. This creates a perception that Japanese actors are reluctant to take personal responsibility for decisions, and generates overall uncertainty when it comes to responsibilities. Additionally, Dutch employees felt as though Japanese colleagues actively excluded them from this systematic decision-making process, leading to growing frustration. Japanese colleagues may acknowledge the time-consuming nature of this process, but underscore the necessity of taking time to consider every relevant factor before a decision is made. Many Japanese employees contend that the process is often more top-down than consensus-based. On the other hand, the Dutch style of open discussion is often perceived by Japanese colleagues as overly focused on the short-term. This specifically relates to the relatively small amount of information required to make decisions compared to the more systematic Japanese method (Byun & Ybema, 2005, pp. 543–545).

Language

While the Dutch employees admitted to wishing their Japanese counterparts had a higher degree of English proficiency, they argued that language is not the main barrier to effective communication. Instead, they cite partial information and filtering of communication as the main issues, and express frustration that Japanese colleagues switch to speaking Japanese during strategic discussions. Some Dutch employees also believe that Japanese managers intentionally hold all communication with the head office in Japanese due to cultural biases, causing delays and confusion. Consequently, such choices are likely to cause in-group division in intercultural workforces (Byun & Ybema, 2005, pp. 545–547).

Communication style

The last major friction point discussed by Byun and Ybema (2005) concerns direct v. indirect communication style differences. It is widely agreed that the Dutch have a direct and open style. However, this may be interpreted by Japanese colleagues as inconsiderate, or insensitive. For example, directness at the risk of embarrassing their Japanese counterparts. That said, some appreciate this style for its effectiveness, with ‘yes’ and ‘no’ replacing the implications of ‘maybe’ and ‘probably’. It establishes a clear direction for everyone, and encourages reasoned explanation in support of negative answers. Japanese professionals, by contrast, are said to prefer an indirect communication style in which details are not discussed in-depth (ibid., 2005, pp. 545–547). Highirian (2016) cites that “It is incumbent upon the listener to decipher the parts that have been left unsaid” which contrasts Dutch conventions sharply (ibid., 2016, p. 354).

3.5. Sensemaking and Intercultural Business Communication Theory

The following section is centred around establishing the theoretical framework through which this project investigates the effects and framing of corporate actors' experiences regarding the impact of cultural othering on transnational business operations. The following section builds on how the previously discussed schemata factor into an individual's interpretation of a given situation.

3.6. Sensemaking in progress

Chapter 2 discussed how a person's cognitive schemata – or mental knowledge categories – are vulnerable to stereotypes. This can create a dynamic that Osland and Bird (2000) call 'sophisticated stereotyping'. This is the process of attributing characteristics to groups of people based on theory. For example, the discussion on Hofstede's beliefs on the significance of national culture. Such attributions generalise cultural identity to make it easy to work with in a theoretical model and lack the overtly negative claims of simple stereotyping. However, it fails to acknowledge in-group variance due to the lack of context-sensitivity at an individual level. The cultural dimensions prominent in these discourses are not inherently negative, and can be used with positive effect in personal sensemaking of a situation. However, the interpreter's awareness of their limitations is key in avoiding the internalisation of stereotyped interpersonal understanding through schemata-based sensemaking processes (ibid., 2000, pp. 65–66).

Osland and Bird (2000) go on to propose a model to describe individual sensemaking processes through the application of schemata. This study uses it to describe how transnational corporate actors interpret and navigate intercultural cooperation, and test the extent to which they display constructivist sensemaking. In other words, to understand whether – and why – intercultural professionals take an essentialist or constructivist approach to professional interpersonal understanding. The importance of developing a reflexive understanding of our sensemaking processes in business is underscored by the tendency of cross-cultural learning in business schools to ignore context and nuance (ibid., 2000, p. 67).

Osland and Bird propose the model visualised in *Figure 2* below, as a blank template for sensemaking at the individual level. One's to accurately navigate this process is dependent on context-sensitivity, and the ability to select correct schemata. Note that the use of 'schema' in this model is interchangeable with Beamer's schemata concept.

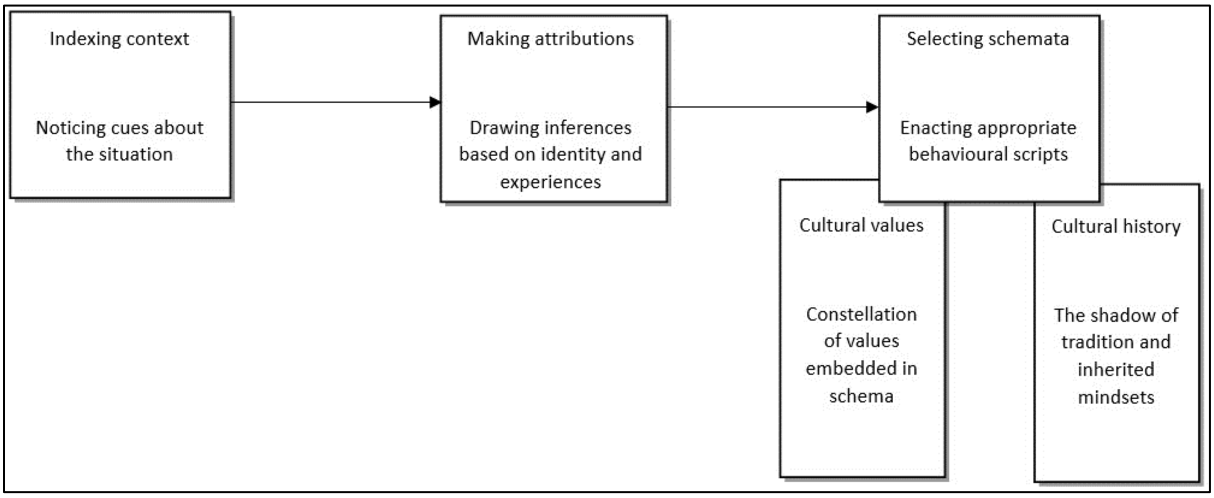

Figure 2: The sensemaking schema model (Osland & Bird, 2000, p. 70)

The stages of this model can be described as follows:

Indexing context: gathering cognitive data about the situation at hand.

Making attributions: interpreting the situation based on perceptions of identity and experience.

Selecting schemata: deciding on the appropriate course of action based on personal cultural values and inherited mindsets.

This model allows for a visualisation of what it means for intercultural communication to suffer from othering and stereotyping. More specifically, Osland and Bird (2000) explain how acting appropriately for your given situation is heavily dependent on one's amount of "*attributional knowledge*, and the awareness of contextually appropriate behaviour". In other words, the knowledge to appropriately attribute meaning to a situation, based on personal identity and experience. This is a distinct form of knowledge compared to factual and conceptual knowledge – which respectively target what something is, and how a certain group feels about something (ibid., 2000, p. 73). This is where cultural othering obstructs one's ability to select the correct schema. Cultural othering is based on conceptual knowledge – such as generalisations or stereotypes – which cannot substitute attributional knowledge. Furthermore, Osland and Bird explain that the only way to gain attributional knowledge is through experiences and cultural mentors. The latter gains significant importance in this project, with the introduction of management consultants as cultural mentors (ibid., 2000, p. 73).

The model presented above is used in Chapter 5 as the basis for how interviewee data is contextualised to see how exactly corporate professionals navigate this sensemaking process in intercultural environments.

3.7. Deconstructing cultural identity

The apparent prevalence of essentialist schemata – and the indications of where exactly they affect the functioning of Japanese and Dutch transnational business relations – calls for a discussion on what contemporary sources propose as a methodology to counteract or mitigate the negative effects of emergent friction points.

Jameson (2007) is one such example of a model allowing for the introduction of greater nuance – in the *indexing*, and *attribution* stages of sensemaking – by deconstructing the cultural identity of an individual into six broad categories (ibid, 2007, p. 211).

Vocation: occupational field, profession, employing organisation.

Class: economic, social, and educational class.

Geography: nationality, region/state/province/city, urban density; residence.

Philosophy: religious, political, or otherwise philosophy-based.

Language: first language, dialect, additional languages.

Biology: race, ethnicity, gender, sexual orientation, health, age.

Using these elements refines the basis for sensemaking schemata to better understand where you and your counterparty differ, while also giving room for recognising similarities. The latter is particularly important, given the previously criticised tendency for Organisation and Management theory to be preoccupied with outward approaches to understanding, rather than a reflexive approach targeting similarities.

Jameson’s model is a tool to manage the encoding and decoding process in intercultural business communication by focusing on the self as much as the other. It still features audience analysis, but is heavily contextualised by awareness of own behavioural preferences in an organisational setting. Its goal is to encourage developing understanding on a case-by-case basis rather than basing one’s approach primarily on overly generalising schemata. Rather than attributing exclusive significance to nationality as a determinant of cultural behaviour, we now observe that multiple identity components – such as language, class, and vocation – relate to corporate *decision-making* challenges, none of which being nationality.

Furthermore, individuals are encouraged to describe themselves using these components. Jameson holds that one must situate a thorough understanding of one's behavioural preferences within their understanding of their cultural counterpart. Practically speaking this combats the assumption that one's way of doing things is the norm, allowing for situational understanding through more nuanced schemata (ibid., 2007, pp. 200–203).

This theoretical framework has provided a systematic overview of the core concepts and theories used in Chapter 5 as the basis for this study's analysis. It prominently highlighted the alleged presence of a research-practice gap in management studies, before providing a working definition of culture in a business context as patterns of behaviour. Byun and Ybema's (2005) friction points are then discussed as the points at which challenges are experienced by transnational professionals. Further discussion on sensemaking – using Osland and Bird's (2000) model – showed how this process works on an individual level, using the mental knowledge classifications known as schemata or schema. This process informs how interviewee responses are interpreted in the later stages of this study. Lastly, a contemporary model and understanding of personal cultural identity was proposed based on Jameson (2007). These points of nuance are used in the analysis of Chapter 5 as indicators that interviewees display high levels of constructivism in cultural sensemaking.

4. Methodology

The following chapter will establish the methodology with which this project seeks to investigate the effect of cultural othering on Dutch-Japanese business operations. Most notably, this study adopts a cross-sectional design in which cultural difference is operationalised as differing behavioural patterns and preferences. The latter is meant to make culture more tangible and easier to work with, without creating a lot of room for interpretation bias. Data is obtained from interview transcripts across the corporate hierarchy, allowing the researcher to extrapolate social phenomena from individual accounts. This study is multi-sited and therefore splits participant selection between The Netherlands and Japan, with interviewees being selected based on Dutch-Japanese international business activity and level of seniority. Notable limitations include language and access to participants prior to the NCCJ's endorsement of this study. Key ethical considerations are the assurance of informed consent, and upholding the accompanying European Union data protection standards.

4.1. Research design and operationalisation

Researching culture is exceptionally difficult, almost paradoxically so. Due to its conceptual nature as a social construct, and thus prone to changing over time. It is for this reason that this study does not attempt to characterise the cultures being discussed. Instead, it focuses on how individuals perceive culture as part of their own identity, and those of individuals they interact with. In other words, the place it occupies in people's minds, and how it affects behaviour in intercultural corporate settings.

The subject of this investigation warrants an interpretivist epistemological positioning. More specifically, the complexity and context sensitivity of culture as a topic requires a tailored methodology. Studying culture is studying human behaviour, which interpretivism argues to be distinct from natural sciences. As such, the actions of humans – bound by socially constructed cultural boundaries – should be studied from their perspective (Bryman, 2012, pp. 28–30).

The reasoning above mirrors the ontological positioning of this investigation. Social constructivism posits that social realities and their interpretations are constantly being created and negotiated by people in their interactions with each other. This means that social realities and categories are not fixed or static, but are instead fluid and dynamic. (ibid, 2012, pp. 33–34) This means that the analysis of Chapter 5 is focussing on helping to interpret cultural behaviour in professional settings, rather than proposing a way to characterise Dutch or Japanese culture. The latter relates to an acute awareness of previously discussed critiques of Hofstede's tendency to practically equate culture and nationality (Baskerville, 2003, p. 5).

The positioning as outlined above naturally leads to the conclusion that this project conducts qualitative research in which a greater focus rests on generating theory from data, and the rejection of natural science models in favour of studying people's interpretations of the world (Bryman, 2012, p. 36).

The goal is to gain an understanding of the lived reality of how international business operations are affected by culture, and to understand how this phenomenon can create potential points of friction within these corporate settings. Therefore, this study focuses on the contextualised interpretation of people's views (Luker, 2008, pp. 167–168).

4.2. Data selection

The research conducted in pursuit of this goal is performed through a series of interviews. More specifically, interviews in which employee, executive/managerial, and management consultant perspectives are gathered across the corporate hierarchy. In doing so, the project adopts a cross-sectional design. This is due to the potential insights gained from comparing the perspectives of employees and executives to identify patterns between them (Bryman, 2012, p. 59). The selection of interviewees is discussed below in greater detail.

The choice for interviews as the primary means of data collection is inspired by the ability to tentatively extrapolate social phenomena from individual experiences (Luker, 2008, p. 167). Furthermore, the format is semi-structured, using Byun and Ybema's (2005) friction points as thematic talking points. This allows the interviewee to frame their answer such that it best reflects their experience or interpretation. Additionally, they are given the freedom to spend as much time as desired on each theme. The idea being that insight can be gained from spending most of the interview time on *Communication Style*, while largely glossing over *Language.* Another key advantage of choosing a semi-structured design is the ability to focus in on topics of perceived significance (Bryman, 2012, p. 212). Close attention was paid to not leading the interviewees on to say what the researcher wanted to hear, rather than what the interviewee would have naturally spoken about.

Recording interviewee answers through note-taking would be more suitable for a rigidly structured interview (ibid., 2012, p. 219). Therefore, interviews will be conducted on-the-record, with transcripts being produced at a later stage. This has several benefits, such as reducing the need for note-taking which allows for more attention to be paid to answers. Furthermore, transcribing the conversation after the fact preserves the manner of speaking, which can often be equally as insightful as that which is spoken about (ibid., 2012, p. 482). Furthermore, recording and transcribing will reduce the possibility of researcher bias through interpretation. That is, the full text in the interviewees' words is available, so inferences drawn from it will have greater validity.

Transcripts are used as data sources in conjunction with the NVIVO software for processing purposes, which is chosen for its user-friendliness and ability to code and display instances of 'topic x' being discussed across all interviews. Transcripts are generated using Otter.ai software due to the resource-intensive nature of manual transcription. The software choice was based on verifiable GDPR compliance (Otter.ai, 2023). Otter uses AI to automatically generate transcripts from interview recordings. However, this still requires correction, which was performed for every interview in full.

4.3. Sample selection

Interviewees would have to meet various criteria. Namely, being currently active in a transnational Dutch-Japanese corporate environment. Furthermore, they should fit into one of three categories: employee, executive, and third-party specialists (consultants).

This project is designed as a multi-sited investigation, with interviews being conducted in Japan and The Netherlands as part of fieldwork research, made possible by the partnership between Lund University and Waseda University in Tokyo.

Interviewee selection was heavily affected by the location. Seeking a balanced representation of Amsterdam and Tokyo-based participants, the author set a four-to-four target. It was quickly found that gaining access to executive-tier professionals would be very challenging, with very narrow avenues to contact them. Without proper introductions made by a third party, even employee-level interviews were challenging to arrange in Tokyo. The author had originally intended to contact various Dutch-Japanese trade-facilitating institutions in Tokyo. Of these institutions, one took a particular interest in this project. The 'Netherlands Chamber of Commerce in Japan' (NCCJ) whose chairman became an early supporter of the project. Using the NCCJ communication channels, participation in the project was proposed to members, as well as the Board of Directors. This proved to be invaluable with regards to contacting executives. Mind you, executives could also speak to earlier employee-level experiences, thus fulfilling both roles for data collection. The final interviewee selection in Tokyo consisted of two executives, and two high-level consultants with executive backgrounds.

Interviewees in The Netherlands were selected through different means. The author leveraged his network to contact a manager, and an employee of a financial institution they had previously been employed by. Furthermore, two high-level consultants were contacted who are both part of "Japan specialist" groups within major consulting firms. Some interviews in either country would be conducted digitally due to scheduling, COVID considerations, or other such factors.

The interview process started with a casual off-the-record chat, in which the researcher introduced himself, and provided some basic contextual information. The interviewee would then be presented with an informed consent form, created by the researcher to safeguard the participant's personal and potentially sensitive data in accordance with the GDPR (GDPR, 2016) and the European Code of Conduct for Research Integrity (ALLEA, 2017). The participants had seen this form before during pre-meeting email contact. Then the recording was initiated, followed by the semi-structured interview. Conversations concluded with another few minutes of casual off-the-record conversation on how the process was experienced by both parties.

4.4. Limitations,

This research project has several limitations, with varying degrees of impact. First and foremost, English was chosen as the primary language. The motivation for this was that the participation criterion of working in an international business environment would ensure sufficient English proficiency for participants to express themselves fully and coherently. This was the case, but it should still be noted that conducting interviews in the native language of the participant would have been preferable. Furthermore, sample selection was severely limited by the uncertainty of the snowball effect. Without the NCCJ's backing, the challenge of finding relevant and interesting participants would have been an order of magnitude greater. The sample size is not considered a limitation, given the considerable resources required to conduct, transcribe, and analyse the data. Nevertheless, curious minds wonder about the potential for different or additional insights gained from conducting this work on a larger scale.

Lastly, it should be noted that the act of recording interviews may affect how open participants are to sharing information. Furthermore, due to the anonymity and data protection clause of the consent form, I will not be able to share the interview transcripts as appendices. This is a limitation in terms of transparency, but contributed to people's willingness to speak openly.

4.5. Reflexivity

There is now also a need to address my positionality as a European researcher. This specifically refers to the subject choice being The Netherlands and Japan. Mentions of these labels in relation to cultural traits are in no way implying the existence of a distinct national culture associated with that nationality. For example, overly commanding superiors exist in any corporate setting, regardless of country of origin. Furthermore, any discussions surrounding cultural traits are not meant to imply that these patterns of behaviour are unique to the discussed groups. Neither were the relevant countries chosen based on some expectation that they would contrast the most.

4.6. Ethical Considerations

During my research and particularly fieldwork, I am constantly mindful of the ethical implications and myriad ethical considerations of my work. First and foremost, I will respect and adhere to the core principles of the European Code of Conduct for Research Integrity. Namely, reliability in ensuring the quality of research, academic honesty, respect for participants, and accountability for my research (ALLEA, 2017).

Data protection is also of the utmost importance (Lund University Ethics Council, 2019), considering that interviewees are asked to disclose potentially sensitive information. This means that I will only use GDPR-compliant software, subject to supervisor approval.

Lastly, I will always be cognizant of the fact that during fieldwork I am a representative of my country, Lund University, and Waseda University. I am a privileged guest while on fieldwork. As such, I am to conduct research with the utmost care and professionalism so as to not damage the reputation of either institution or my country. This applies to every facet of doing research abroad, from research quality and preparation, to adhering to appropriate dress-codes and personal presentation and etiquette during my visits to the companies and institutions that are so graciously facilitating my work.

5. Findings and Analysis

This chapter presents the findings and analysis of interview data gathered in collaboration with eight different participants. Each interviewee touched on at least one of three perspectives: employee; managerial/executive; specialists. In total, eight interviews were conducted, of which half were conducted during fieldwork in Tokyo and half were conducted after returning to The Netherlands. Relevant details of participants can be found below. Furthermore, the decision to anonymise all participants was made after the majority requested anonymity.

This chapter is structured by research sub-question, with interviewee data being grouped thematically in relation to their respective sub-questions. The first section discusses how and where cultural difference impacts international business operations. To answer this, Byun and Ybema's five friction points were used as thematic guidelines (ibid., 2005). Findings confirm the impact of cultural difference at these points, while exposing some of the more intricate dynamics at play. The second section focuses on what the responses from interviewees tell us about how they interpret or understand cultural counterparties in organisational settings. Answering this question involves references back to section one, and brings in interviewee data regarding management strategies to facilitate effective corporate multiculturalism. In short, section two uses data on how the phenomenon in question is experienced and managed. Findings suggest that constructivist cultural understanding is prevalent across the interviewees, regardless of status as employee, executive, or consultant. Section three asks how the perspectives of the interviewees compare against Organisation and Management research. It builds on section two by combining the response framing of employees and management consultant perspectives, representing third-party specialists. It mirrors a high degree of constructivism in corporate actors against similar patterns observed among consultants. Section three also uses various recurring patterns among interviewee responses to demonstrate the application of a proposed methodology for intercultural understanding, combining elements from cultural studies and organisation & management.

Interviewee	Background	Relevant perspective(s)
Mr. JANSEN	JP/NL	Executive/Managerial; Employee
Mr. VISSER	NL	Employee
Mr. SMIT	JP	Third-party specialist
Mr. BOS	NL	Executive/Managerial; Third-party specialist
Mrs. YAMAMOTO	JP	Employee; Executive/Managerial
Mr. SAKAMOTO	JP	Executive/Managerial
Mr. PETERS	KR/NL	Third-party specialist
Mr. DEKKER	NL	Third-party specialist

Figure 3: Interviewee characteristics table

5.1. Sub-question 1:

"How and where does cultural difference impact intercultural business operations?"

Works from scholars such as Byun and Ybema (2005) suggest that cultural differences or the perception thereof can generate interpersonal friction. Moreover, friction occurs due to differences in five distinct behavioural categories (ibid., 2005, pp. 540–548). These categories – namely *work ethos*; *superior-subordinate relations*; *decision-making*; *communication style*; *language* – were used during interviews as thematic guidelines, with participants deciding how much time to spend on each topic. This aims to address the lack of empirical studies regarding corporate friction from cultural diversity.

5.1.1. Work ethos

Interviewees were asked for their thoughts and experiences on the underlying stereotypes that Japanese transnational corporate actors 'live-to-work' whereas their Dutch counterparts live by a more nine-to-five mentality. Interviewee responses revealed a more nuanced dynamic present in intercultural corporate environments.

For example, Mrs. Yamamoto – who holds a managerial position at the Dutch office of a Japanese corporation – described the Japanese *work ethos* as wanting to get work done as soon as possible, even if this means working overtime. Friction arises from the observed Dutch tendency to leave the office at closing time regardless of completion status, creating anger among Japanese colleagues, who then complete the task outside of business hours. That said, she also states that Dutch labour laws restricting overtime positively contribute to Japanese employees adopting a more work-life-balance approach to work.

Mr. Jansen – who holds an executive position at a Tokyo office with Dutch headquarters – described a majority-Japanese office setting in which Dutch colleagues conformed to Japanese standards, which may explain the lack of intercultural friction. Mr. Visser – who is an employee at the Dutch office of a Japanese corporation – suggests that the Japanese *work ethos* is further shaped by strict adherence to rules and procedures, and supports Mr. Jansen by describing how he feels a social pressure to adhere to Japanese standards to avoid potentially being perceived as underperforming or uncommitted. Mr. Sakamoto – an executive at a large Japanese corporation with strong Dutch ties– instead suggests that the driving force behind the Japanese tendency to work long hours is a practical consequence of the time-zone difference between Japanese and Dutch offices – combined with a desire to complete requests as soon as possible – rather than an inherent cultural trait.

The overarching narrative among interviewees who addressed the matter of work ethos suggests that frustration arises from employees not finding a behavioural middle ground. For example, Dutch employees leaving the office before work is completed. It raises the question of whether they know or care that it puts their Japanese colleagues in a position of having to work overtime to complete tasks in the originally set timeframe. That said, interviewees were careful to not attribute quality to either approach. Instead stressing that both are valid and that a cultural hybrid environment would alleviate much of the experienced cultural friction.

From a sensemaking perspective, it is important to address the stereotype of working overtime. The interviewees suggest that the guiding principle of Japanese *work ethos* is not just the normalisation of overtime. Instead, the rapid completion of tasks as well as time-zone challenges arising from operations between Japan and The Netherlands create circumstances in which overtime becomes prevalent.

5.1.2. Superior-subordinate relations

Differences in hierarchic norms within one-, or between multiple corporations create challenges at the employee level as well as managerial and executive. The matter of hierarchy is best summarised as the contrast between Dutch egalitarianism and Japanese vertical hierarchies.

Interviewees described how Japanese corporate environments indeed tend to have strict vertical hierarchies, with executives often physically separating themselves from employees. Many acknowledge the constricting effect of hierarchy on open communication but concede that creating circumstances to mitigate this effect is challenging. Mr. Jansen described a scenario in which a Dutch executive at a Tokyo-based company made a conscious effort to "walk around every day" to make himself available to employees. However, this did not have the desired effect, instead causing people to stop conversing when he walked past. The interviewee attributes this to the Japanese politeness norm towards superiors, exposing the fact that creating the circumstances for Dutch-style open discussion across hierarchies does not mean this norm will be adopted.

Dutch business culture tends to favour flat hierarchies, in which employees can share opinions with colleagues and managers alike. One interviewee at the employee level described challenges arising from working at a Japanese company in The Netherlands. Mr. Visser described feeling uncomfortable requesting action from a Japanese colleague who outranked them, due to the interviewee's intimate understanding of hierarchy in Japanese corporate practice. The same would not apply for requesting action from a Dutch superior.

Furthermore, Japanese management faces considerable challenges when entering the Dutch market. Flat Dutch hierarchies prevent them from being able to simply instruct Dutch employees, who favour an open dialogue before acting or reaching a decision. Overcoming this challenge requires a localisation of cultural business practice by adjusting your approach to the culture at hand. Inversely, Japanese employees are described as looking up the hierarchy for superiors to indicate direction.

Lastly, Mr. Sakamoto provided an anecdote regarding the challenges of transnational Dutch-Japanese hierarchies at the executive level. He is operating from Japan, with a direct superior back in The Netherlands, who in turn answers to his superior in Japan. Mr. Sakamoto must balance the need to be available for communication with his Japanese superior, against the need to respect existing hierarchies by not excluding his Dutch superior. He highlighted the convenience of a native shared language and communication style, but held that the most prominent challenge relates to the paradox of respecting hierarchy. He cannot ignore the wishes of his Japanese boss, but must also be mindful to not undermine his Dutch boss.

The broader implications of differences in hierarchy norms are twofold. Firstly, transnational corporate actors experience operational challenges when faced with uncertainty due to the presence of both Dutch and Japanese norms within the same company or business network. Secondly, it underscores the importance of cultural understanding at an executive level when operating in an intercultural environment.

Interviewee responses suggest that the matter of hierarchy is not prone to stereotyping in the same way that perceptions of *work ethos* are. The challenges regarding sensemaking at an individual level are instead exemplified by situations where Dutch and Japanese norms coexist in the same environment. It is however important to note that such responses are not guaranteed or inherent, and that experiential learning is paramount in ensuring the effective navigation of culturally diverse environments. The latter is discussed in-depth in the management strategies section below.

5.1.3. Decision-making

Japanese and Dutch *decision-making* processes differ, potentially causing friction between colleagues or business partners. The Dutch perceive the Japanese process as consensus-based and time-consuming, while the Japanese perceive the Dutch process as short-term focused and lacking in information.

When it comes to *decision-making,* Dutch perceptions of the Japanese standard often describe it as slow and collectivist, whereas Japanese perceptions focus on Dutch short-term focus and individualistic opportunism. Cultural difference in *decision-making* processes is almost unanimously considered by interviewees to be the biggest challenge faced by those working in an intercultural Dutch-Japanese corporate setting. Interviewee responses emphasise several key friction points relating to cultural differences in *decision-making* between Dutch and Japanese counterparties.

Corporate meetings can give rise to several forms of friction between Dutch and Japanese *decision-making* cultures. Multiple interviewees described how Japanese business practice favours extensive information gathering and *decision-making*. This allows for consensus during the meeting, reflecting a certain risk avoidance. The implication is that coming to agreements through discussion carries a greater risk factor than pre-meeting evaluation of all available options. It does however create the possibility that Dutch colleagues who are not intimately familiar with this behaviour feel excluded from the process.

The Dutch, by contrast, often make decisions during meetings through open discussion and individual contributions across hierarchies. As Mr. Yamamoto stated: “If you are in the meeting then you are allowed to talk, whereas you would be beholden to the hierarchies in a Japanese setting.” Mrs. Sakamoto described the Dutch process as requiring commitment before action can be taken. Commitment in turn requires team-wide communication and agreement, involving employees and managers. The consensus in Japanese *decision-making* reflects largely unchallenged execution of top-down instructions, stating “of course people will have their own opinion, but they still follow the leader.”

Interviewees contend that the Japanese process takes more time than Dutch d*ecision-making*. For example, in describing how looking up the hierarchy for direction – and a typical lack of delegation – relates to long circulation and approval lines before action can be taken. This links back to Dutch employees potentially being uncomfortable with sending reminders to high-ranking Japanese employees within the approval chain, when such messages can be sent to Dutch colleagues with little similar concern.

Multiple interviewees believe that the education systems of The Netherlands and Japan are key to understanding the reasons for this difference. In Japan, students are tested through multiple choice, implying the existence of one correct answer in any given situation. The Dutch system features more open questions, with students having to argumentatively support their answers.

Finally, related to intra-office friction, Mr. Jansen described how the Dutch headquarters of a Japanese branch office tried to push through standardised strategies with no attempt to localise them for the Japanese market. This put him in a position of having to push back against headquarters and “defend the Japanese way of doing things.” This may cause frustration or discontent on either side of the conversation.

When considered in sum, interviewee responses reaffirm the notion that differences between Dutch and Japanese *decision-making* cultures do constitute a significant challenge or friction point to transnational corporate actors across existing hierarchies. Mitigation strategies for the potential negative consequences – such as employees feeling excluded, intra-office frustration, or general miscommunication – are discussed later in this chapter.

The *decision-making* factor supports the notion that perceptions of difference are in practice often experientially generated, rather than pre-existing. That said, we must not assume that our cultural counterparts will universally display the characteristics commonly associated with them, further underscoring the need for experience-based learning in creating nuance at an individual level. Dutch corporations do not universally feature open discussions in *decision-making*, and not all Japanese companies rely solely on top-down approaches. The core challenge at hand for Dutch and Japanese counterparties is the navigation of cultural behaviour standards in multicultural environments. Be that within the same office, or between headquarters and international branches.

5.1.4. Language

Summarizing earlier discussions, language presents obvious challenges through commonly imbalanced English language proficiency between Dutch and Japanese partners. However, more significant challenges arise in the way language is used. Namely, colleagues from either side reverting to their native language for important strategy discussions etc (Byun & Ybema, 2005, pp. 545–547). Such decisions can have widespread effects on your workforce by excluding certain individuals from key conversations, undermining cohesion.

The interviewees who discussed language as a significant challenge to intercultural business operations did however not focus on this effect. Instead, highlighting challenges relating to the interpretive element of language, proficiency, and learning language as a method for building cultural understanding.

The interpretive element refers to descriptions of correctly interpreting meaning from English communication by Japanese colleagues. Mr. Visser described how it is not always clear to him what Japanese colleagues mean in English emails. Dutch colleagues who experience the same challenge regularly approach him with clarification requests due to his understanding of

Japanese communication. Mr. Visser additionally experiences some discomfort in asking for clarification from the sender as they may be sensitive about English proficiency.

The matter of English proficiency also affects Japanese managers in Dutch-Japanese business environments. Mrs. Yamamoto stated “As a Japanese manager it can be difficult to adjust to the Dutch preference for explicit and argumentatively supported communication. This requires high-level English proficiency.” The challenge expressed here links back to *decision-making*, where the effect of Japanese education not fostering the development of argumentation skills as much as the Dutch system was proposed.

Lastly, multiple interviewees highlighted the notion that Dutch and Japanese counterparts not learning each other’s language will obstruct their cultural learning. More specifically, culture is coded into language. For example, Japanese is perceived as a relatively non-expressive language compared to the Dutch being more overtly expressive. Being able to read between the lines allows Dutch professionals to better understand communication from Japanese colleagues or partners.

Interviewee responses suggest that language is not prone to stereotyping in the same way that other cultural elements of behaviour are. Instead, proficiency appears to be the driving factor for effective sensemaking in transnational corporate environments. This includes mutual English proficiency, and Dutch-Japanese understanding of each other’s languages.

Additionally, it should be noted that the potentially divisive effects of language choice within or between offices may still be a significant point of friction in intercultural business operations. Interviewees did however not raise this point, so no claims can be made pertaining to that dynamic based on language alone.

5.1.5. Communication style

The discrepancy between Dutch and Japanese business culture in *communication style* is best summarised as direct versus indirect. More specifically, it is widely agreed that the Dutch have a direct and open style, which may be interpreted by Japanese colleagues as inconsiderate or insensitive. Inversely, Japanese employees appreciate the effectiveness of Dutch direct communication, particularly the use of "yes" and "no" instead of more ambiguous terms like "maybe" and "probably" (Byun & Ybema, 2005, pp. 537–548).

It was one of the most prominently addressed topics by interviewees, together with *decision-making*, indicating its perceived significance as a source of challenges. Mr. Peters –

working for a large consultancy firm – stated outright that *communication style* is the biggest challenge faced by Dutch-Japanese intercultural workforces. The significance is further exemplified by cultural differences in communication being the primary reason why the interviewee's company established a Japan specialists business unit tasked with helping clients overcome this challenge.

Interviewees support the difference being characterised as direct vs indirect communication. For example, Mr. Visser and Mrs. Yamamoto underscore the importance of understanding that Japanese communication is highly indirect or implicit. Mr. Visser draws on an example where he received an email from Tokyo head-office in response to a proposed course of action, which included the phrase "I think then that is possible, isn't it in this way?". Based on this response he stated: "I would not feel comfortable with acting upon such a confirmation." Mrs. Yamamoto expanded on this by emphasizing the importance of "reading your boss' mind". She argues that the ability to act without instructions by anticipating the desired outcome of a given situation is regarded as a valuable skill and a characteristic of Japanese business culture.

The directness of Dutch communication, by contrast, is perceived by Mr. Sakamoto as "a product of their individualist culture." However, he does not see this as an insurmountable obstacle. He draws on the idea that Dutch directness makes their business practice more compatible with Osaka-based partners, who are known to be more direct than their Tokyo counterparts. This response shows a significant amount of nuance through localised understanding of cultural compatibility and friction minimisation.

The challenges arising from cultural differences in business may also be exacerbated by the willingness of expats to integrate with the host country's cultural behaviour such as directness in communication. This implies that a certain degree of integration or adaptation is required to mitigate said challenges. For example, Mr. Peters described how some Japanese expats in The Netherlands are unwilling to integrate into Dutch culture. This applies to both the executive and employee levels. Such situations may hinder the development of personalised nuance in intercultural understanding.

Cultural differences in *communication style* affect cooperation between Japanese and Dutch partners in three key ways. Firstly, in general cooperation where Japanese managers experience challenges navigating the communicative norms discrepancy. For example, Mrs.

Yamamoto described how the ability to "read the mind of your boss" is often associated with intellect. She was surprised to find that 'smart' Dutch colleagues do not necessarily possess this skill, requiring clearly outlined instructions. Doing so can make Japanese managers feel as though they are patronising towards colleagues. Mrs. Yamamoto described how successfully navigating this scenario is a product of time spent in intercultural settings, and a personal eagerness to culturally adapt where necessary. The matter of employee skill also features through willingness to take on personal responsibility according to her. The Dutch are very confident, jumping at the chance to take on individual responsibility. By contrast, even the most skilled Japanese employees do not display this outward-facing confidence.

Secondly, Mr. Jansen and Mr. Peters describe how corporate meetings are affected by *communication style* discrepancies. More specifically, Mr. Jansen states that a combined Dutch-Japanese meeting will likely see the Dutch dominate the conversation, with Japanese colleagues agreeing without meaning it or not getting a word in. Mr. Peters adds that this is at least in part due to the counterproductive Dutch urge to fill in silence during meetings. "They misunderstand Japanese silence as an opportunity to speak, when they should give their counterparty time to formulate thoughts and present them. In the worst cases this results in not having learned very much about the Japanese company when that was the point of the meeting to begin with." He further suggests that these points lead to miscommunication in meetings. For example, when Dutch managers ask if Japanese colleagues understand and agree, they confirm. However, this may not be the case. In other words, saying you agree or understand to save face.

Thirdly, Mr. Jansen and Mrs. Yamamoto discuss the effect of *communication style* differences on professional communication. As previously discussed, Dutch employees may not feel comfortable acting upon highly indirect confirmations from Japanese superiors. That said, Mrs. Yamamoto suggests that communication between Dutch employees and Tokyo head-office does not inherently create challenges. Failure to adhere to Japanese politeness norms in communication – such as naming conventions or directness – is tolerated when Tokyo knows it is coming from a non-Japanese person. Dutch employees are thus not held to the same standard as their Japanese colleagues.

Differences in *communication style* between Dutch and Japanese partners can have a significant impact on their cooperation. Interviewees indicated that Dutch directness can be misinterpreted by Japanese colleagues as rude or aggressive. Simultaneously, the indirectness of Japanese communication can confuse or frustrate Dutch colleagues. Either way, this has the very real potential to negatively impact productivity through misunderstanding, miscommunication, and conflict. Nevertheless, Mrs. Yamamoto nuances our understanding by underscoring that non-Japanese colleagues or partners are often not held to the same communicative norms as mutually Japanese individuals.

5.1.6. In conclusion

Returning now to our central question: "How and where does cultural difference impact intercultural business operations?" Interviewee responses reaffirm the general accuracy of Byun and Ybema's (2005) five categories for corporate challenges. They then continue to add detail to our understanding of how exactly they navigate them.

Firstly, *work ethos* revolves around the 'work-to-live V. live-to-work' binary, with Dutch professionals being perceived as caring too little due to a relatively strict adherence to the nine-to-five. Japanese professionals are conversely perceived as disproportionately committed. Finding a cultural middle ground – as will be the case with all friction dimensions – is crucial to avoiding in-group division. For example, encouraging Dutch employees to stay late and assist Japanese colleagues with urgent tasks, while encouraging Japanese employees to not stay after business hours unless the task at hand is critical and/or otherwise time-sensitive.

Secondly, the *hierarchy* factor is characterised as 'flat V. vertical' between Dutch and Japanese corporate hierarchies. This element of culture is difficult to navigate and more difficult to change. One norm cannot be grafted onto another, and even de-facto cultural experts struggle to navigate it effectively. For example, requesting action from a superior, or expecting your team to "read your mind" and anticipate your wishes and act accordingly. The latter would not be unusual in an all-Japanese setting, but is incompatible with the Dutch preference for cross-hierarchy consultation. Failing to adapt to your cultural environment may needlessly damage your professional relationships, and negatively impact workforce cohesion.

Thirdly, *decision-making* presents a core source of difficulty. The Dutch are described by Japanese as short-term oriented, favouring individual contribution in discussions, and being eager to take personal responsibility for a proposed course of action. The latter should be noted for its positive effect on accountability. They describe their Japanese colleagues as long-term, favouring meticulous data collection prior to decisions, and overly focused on collecting cross-hierarchy approvals. Japanese employees themselves agree that the latter creates diffused responsibility, making it difficult to identify root causes of problems and improve standard operating procedures. In other words, poorly managed cultural differences in *decision-making* will at least hinder the efficiency of individual employees, and at worst keep a company from addressing systemic issues due to diffused responsibility.

Furthermore, language barriers are a self-evident challenge for Dutch-Japanese business, with English becoming a middle-ground. That said, interviewee responses showed how crucial communication is often still conducted in the native language of the group involved, leading to workforce division and dissatisfaction. This highlights a need to not simply find a common language, but to make an effort to learn that of your counterparty to understand the cultural elements ingrained therein. Failing to do so can cause significant material losses, with one interviewee referring to their company losing millions of euros due to cultural miscommunications.

Lastly, the Dutch *communication style* is direct and open, while the Japanese style is indirect and implicit. This difference can lead to misunderstandings, miscommunication, and conflict. For example, Japanese colleagues may interpret Dutch directness as rude, while Dutch colleagues may find Japanese indirectness frustrating. Meetings can be particularly challenging, when Dutch colleagues dominate the conversation while Japanese colleagues may be hesitant to speak up. Inter- and intra-office communication is also affected by *communication style* differences. For example, Dutch employees may not feel comfortable acting upon highly indirect confirmations from Japanese superiors. However, it is important to note that non-Japanese colleagues or partners are often not held to the same communicative norms as mutually Japanese individuals. Additionally, employees who are willing to adapt and integrate into the host country's culture may be better able to navigate these challenges.

In sum, cultural diversity in Dutch-Japanese corporate settings can create five types of challenges, with their consequences ranging from operational inefficiencies to systemic inabilities to implement meaningful change.

5.2. Sub-question 2:

"What do the responses from interviewees tell us about how they interpret or understand cultural counterparties in organisational settings?"

Sensemaking stands at the core of how we as humans interpret and indeed make sense of existence. It is therefore a core element of cultural othering. More specifically, stereotypes are applied in the sensemaking process as described by Osland and Bird (2000). Their model holds that knowledge gets stored in mental categories, or schemata. The cognitive process of sensemaking then follows a pattern of indexing context, making attributions, and selecting a schemata.

This study builds on their model by positing that schemata themselves can be essentialist or constructivist, and that analysing interviewee responses may prove insightful towards understanding the dynamics of Dutch-Japanese intercultural understanding and cooperation in professional settings. This in turn informs the overarching research question aimed at understanding the effects of cultural othering on international business environments. Othering, to restate, is defined in this project as an exoticized, essentialist, or otherwise stereotype-based understanding of someone who is perceived as culturally different.

The second sub-question is answered by looking for emerging patterns in new perspectives. Namely, strategies used by executives and managers to mitigate the effects of cultural friction.

5.2.1. Management strategies

It was previously discussed how and where cultural differences and our understanding of them can affect international business operations. This raises questions regarding the strategies used by managers and executives to avoid challenges arising from combined Dutch-Japanese professional environments. Sensemaking theory will be used in the latter half of this section as an analytical lens through which to analyse response framing and emerging patterns.

The first and foremost pattern observed here is the agreement among interviewees that one's approach to intercultural business should be tailored to the person or context involved. This includes approaches such as considering the other person's cultural background, personality, and level of openness to different perspectives. For example, Mr. Jansen describing the importance of following-up with Japanese colleagues after a meeting involving both

Japanese and Dutch participants, to offset the potential participation imbalance during said meeting. This allows him to gather feedback in a setting where they would be more willing to speak freely. Mr. Sakamoto supported the importance of knowing how to tailor one's approach to an intercultural business setting. As previously discussed, he highlighted the importance of tailoring through localising or deciding the best course of action by considering where your counterparty is from.

Mr. Jansen describes another example of localising culture in his organisation. Specifically, how upper management at his firm is hired locally, but flown to their Dutch headquarters for Board approval and training. Such actions aim to instil a strong sense of company values in upper management and thus the foreign branch office. The result was previously discussed through the example of Japanese executives, trained in The Netherlands, making themselves available for open communication, but having the opposite effect on Japanese employees.

Interviewees further agreed on the significant role of learning through experience as a strategy to mitigate the discussed challenges by fostering cultural sensitivity. This is believed to be exceptionally difficult to teach. Interviewees such as Mr. Sakamoto among others imply that "you have it or you don't." The essentialism of this binary statement is hyperbole to illustrate the difficulty of cultivating sensitivity. Nevertheless, gaining this sensitivity is crucial, as per Mr. Visser's example, who describes a situation where emails from Japanese colleagues may "say X, but implicitly mean Y." Dutch colleagues who lack Japanese cultural sensitivity will likely misunderstand and act based on X. It should be noted that he has a university-level understanding of Japanese cultural identity components, allowing him to efficiently navigate such situations.

Experience is of such importance because the gains from conventional methods are finite without being contextualised and supplemented by real world experience. Mr. Bos, speaking to his experience at the executive level of a major Dutch multinational, questions the value of the one-day training seminar prepared for him before his time as a Dutch expat in Japan. He was subsequently stationed with little to no fellow Dutch colleagues. He attributes much of his cultural sensitivity and international mindset to this full immersion method, discovering a strong affinity for the so-called Japanese cultural identity in the process. Mrs. Yamamoto added that, like Mr. Bos' situation, many Japanese professionals receive little to no training before being sent to Dutch offices. In describing this she speaks to her own past experiences at the employee level, as well as her managerial observations as a team leader.

Lastly, most interviewees recognise the necessity of receiving cultural training. However, depth and scope limitations often undermine their efficacy. Open communication & collaboration is the favoured strategy in Dutch-Japanese intercultural environments. This includes being open to feedback, being willing to compromise, and finding ways to build trust and rapport. For example, Mrs. Yamamoto suggested that Japanese managers should make a conscious effort to encourage intercultural group cooperation and knowledge-sharing.

In conclusion, the goal of managers should be to facilitate the creation of sensitivity. This trait is perceived by multiple interviewees as pivotal in determining one's professional success abroad or in an otherwise culturally diverse corporate setting. This applies to expat employees, executives, or entire corporations in Dutch-Japanese business relations.

5.2.2. Sensemaking in relation to cultural othering

The above discussion on management strategies reveals patterns that warrant further analysis from a sensemaking perspective. Namely, the fact that interviewees unanimously highlight how cultural understanding is constructed through experience. Cultural sensitivity, or a culturally compatible internationalised mindset, is perceived as the product of this process. It is described by interviewees as the key to efficient intercultural business operations, implying it to be the counterpoint to cultural othering. Similarly, interviewee responses underscore the immense value of experiential learning. In layman terms, spending time with a culture that is different from your own, to construct an understanding rather than adopting a static one from other sources. Consequently, this project argues in favour of the following line of reasoning:

Cultural othering is based on essentialism, while *experiential learning* is equal to the social construction of cultural knowledge. The latter is therefore a constructivist methodology. *Cultural sensitivity* – being the product of experiential learning – is understood as the internalisation of constructivism as a mindset. Therefore, *cultural sensitivity* is the counterpoint to *cultural othering.* When interviewees discuss the importance of said sensitivity, they are making statements in favour of constructivism in cultural understanding.

The difference in sensemaking between Osland and Bird's (2000) original model, and the proposed constructivist revision outlined above, can be found below in Figures 4 and 5.

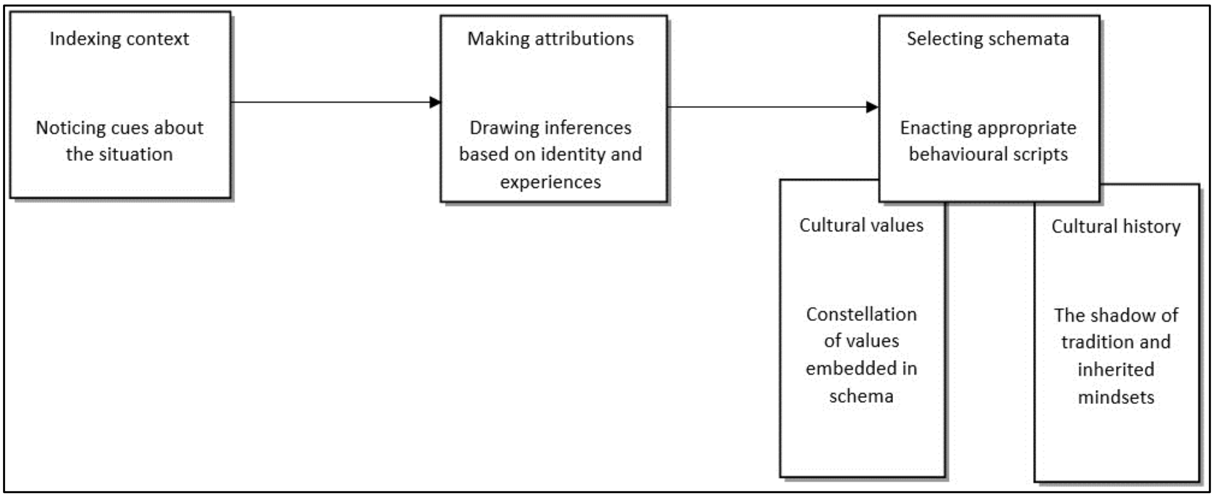

Figure 4: The sensemaking schema model (Osland & Bird, 2000, p. 74).

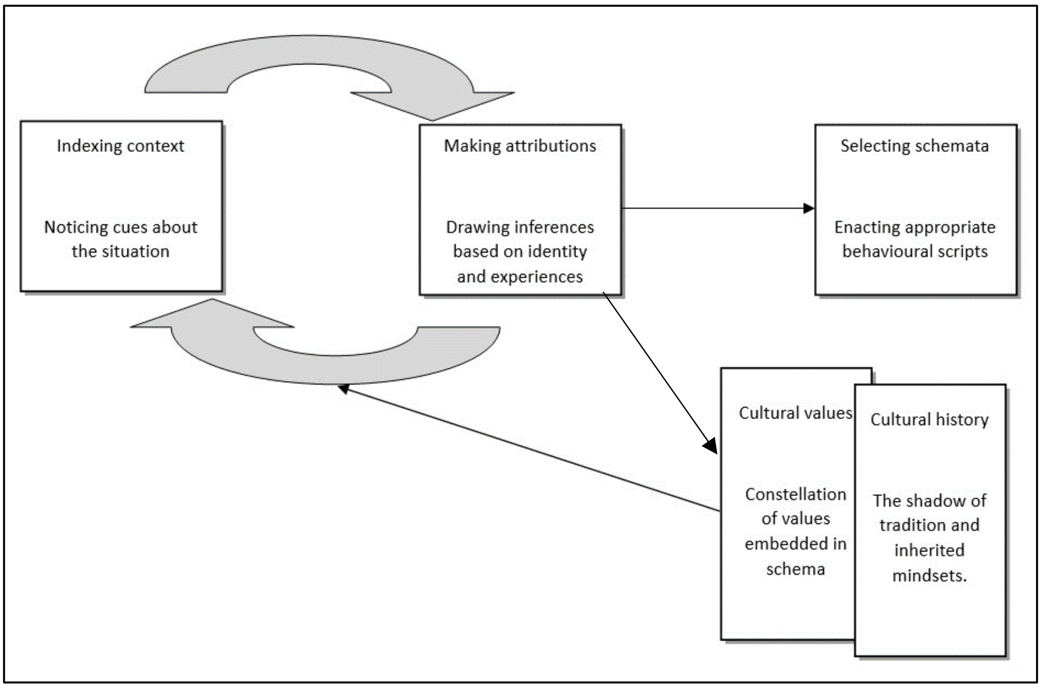

Figure 5: The constructivist sensemaking process.

Figure 4 serves as a reminder of sensemaking theory's typical model. For example, someone with an essentialist understanding of culture may notice clues about the situation (indexing context), but will likely fail to attribute accurate meaning to their observations, leading them to take actions that are loosely applicable but tend to 'mis their mark' either partially or completely. This is due to a lack of attributional knowledge. Correctly selecting schemata in this example is a compound product of cultural values and history.

Figure 5 represents an attempt to show how constructivist thinking – and thus relying on experiential learning – may serve to improve the sensemaking process. In this model, indexing context and making attributions of meaning are circular, as accurate understanding of meaning (making attributions) will allow for greater accuracy during the indexing context stage. This cycle of continuous improvement is then called on when action must be taken (selecting schemata). Cultural values and history are interlinked, and informed by the attributions of meaning. Accurate attributions of meaning will contribute to someone's understanding of cultural values and history. This allows one to accurately index context, or interpret one's surroundings. Understanding of cultural values and history – also known as cultural sensitivity – grows due to attributional knowledge, and positively impacts your ability to *notice cues about the situation*.

5.2.3. In conclusion

Returning to sub-question 2 – "What do the responses from interviewees tell us about how they interpret or understand cultural counterparties in organisational settings?" – the patterns discussed above provide multiple conclusions. First and foremost, a *social constructivist* mindset was prevalent among interviewees, who had all spent considerable amounts of time abroad or in intercultural environments.

Secondly, becoming what interviewees described as an internationalised person, with inherent cultural sensitivity, is challenging to the extent that it may sound impossible. This concept of an 'internationalised person' is understood in this study as someone with high *attributional knowledge*.

Thirdly, *experiential learning* – or the adoption of a constructivist mindset and learning through experience – is the best way to gain cultural sensitivity. For example, a Dutch or Japanese executive can control whether to seek cultural immersion during their work abroad. Similarly, a team lead can actively decide to have various cultures in their team work together and share knowledge.

5.3. Question 3:

"How does the thinking of interviewees compare against contemporary research?"

While interviewees all shared stories of experiencing cultural challenges, the prevalence of social constructivism in the collected responses suggests a small gap between them and contemporary academia. Consultant perspectives are introduced in this section to test if similar trends can be observed. Consultants fulfil a de-facto educator role towards their clients. Therefore, the gap between contemporary academia and their perspective on cultural othering should be relatively small compared to expectations set by sources discussing said gap such as Bansal et al (2012, pp. 74–75). Lastly, this section draws on Jameson's cultural identity model – as an example of contemporary academic literature – to guide the implementation of individually tailored nuance in cross-cultural business environments, reducing the 'othering' phenomenon and thus the potential for intercultural friction.

5.3.1. Consultant perspectives

Consultants hold an advisory or even educational position with their corporate clients. As such, their perspectives provide insight into the challenges faced by clients involving multiple of the above-discussed intercultural friction points. Furthermore, their perspectives can shed light on the state of contemporary management practice and its implications for the gap between research and practice. This project has thus far focused on the effects of cultural difference, identity components, and the need for cultural sensitivity to effectively navigate Dutch-Japanese business environments. This is underpinned by cultural othering, exoticism, or projecting your cultural expectations on someone regardless of validity or relevance.

However, in discussing the topic with management consultants, they raised a contrasting pattern. Namely, that an abject disregard for cultural difference can be equally if not more problematic than assuming fundamental difference exists. For example, Mr. Bos discussed circumstances in which Dutch multinationals send executives abroad to set up Japanese branch offices. It is then not uncommon to have parent offices force a 'business as usual' approach on their Japanese branch, not providing them with enough autonomy to localise their strategy. The branch office in turn fails, with employees being moved back to the parent office. The parent company then blames the branch failure on perceived peculiarities of Japanese business culture, perpetuating stereotype-based understanding. This highlights the notion that cultural sensitivity is needed to realise that localisation is important to begin with. To be clear, localisation in this context means adapting your way of working to fit one's host country.

Similar patterns to those above are observed in the Japanese consultancy sector regarding the importance of cultural sensitivity in effective corporate multiculturalism. For example, Mr. Bos – speaking to his experiences as a consultant in Tokyo – describes a paradox in which two types of companies exist. Those with culturally sensitive leadership, and those without. The latter will arrive in Japan with their pre-determined strategy, business as usual. These companies are unlikely to seek the guidance of a senior consultant such as Mr. Bos, even though he implies their success likely depends on it. Conversely, companies with appropriate cultural sensitivity realise the need for expert guidance. In short, those who need it most do not seek it, while those who would have been fine without help do know to seek it.

Interestingly, Mr. Smit – a Dutch former executive, and current Tokyo-based consultant – echoes this sentiment by recommending that companies try to enter the Japanese market by themselves before enlisting his services, stating that he has to say will not be taken to heart until they experience the friction points from cultural difference. To this end, we can observe a pattern between consultants, employees, and executives. Namely, the overarching focus on experiential learning as a coping strategy for intercultural challenges.

Mr. Bos and Mr. Smit are Dutch freelance advisors in Japan, among fulfilling other professional roles. Mr. Peters and Mr. Dekker are by contrast both employed at major consulting firms in The Netherlands. They operate differently from small-scale consultants. Namely, they position themselves as an involved party with respect to their client's operations. For example, sitting in on negotiations between Dutch and Japanese partners, or providing ongoing guidance to high-executive staff. This is, as Mr. Peters describes, because clients who are cooperating with Japanese partners often struggle to recognise cultural differences in the first place, let alone understand them.

Their institutional support means that consultants at large firms can create specialised teams to better support inbound Japanese clients. Mr. Peters operates in such a team, serving Japanese clients entering the Dutch market. He explains that common challenges such as language and *communication style* are sidestepped by hiring Japanese colleagues to his team, with a strong ability to 'read between the lines' or as Mrs. Yamamoto would say "read the mind of your boss".

Mr. Peters further discussed various observations displaying a highly nuanced cultural understanding, compared to the stereotype-based understanding that this investigation aims to rectify. For example, the idea that younger Japanese professionals tend to be more relaxed in adherence to traditional business practice stereotypes. One such stereotype is that conventional

Dutch understanding of Japanese colleagues often depicts them as introverts. "This is us projecting our norms on them to create a perception of differing from the norm."

Speaking to the intricacies of a consultant's role as educator, Mr. Peters discusses the challenges of working with high-executive Japanese clients. They need to adjust to fit the Dutch business environment, but may not be receptive to guidance. For example, his company organises informal training sessions with high-executives. However, this may clash with the client's *vocational* – read as professional – identity where it relates to hierarchy and rules of formality. This has occasionally caused agitation or even offense, making the executives less willing to internalise guidance. Mr. Peters adds that Japanese business culture holds consultants in a lower regard than Dutch culture, where the job carries some prestige. This adds to the potential unwillingness of executives to localise their behaviour and strategy. Lastly, he shows further nuance and understanding of culture's intangible nature by contending that the conversation we had will likely be completely different in thirty years. This reflects an internalised understanding of culture as a temporal set of behavioural patterns and preferences, rather than something set in stone.

Mr. Dekker also works for a major consulting firm as part of a specialist team serving Japanese clients in The Netherlands. He echoes the idea that communication with Japanese clients is preferably done by a Japanese team member, while adding that Dutch companies should seek to understand their cultural counterparties and vice versa, rather than adapt to the point of trying to embody their cultural identity. In other words, show a baseline understanding and respect while remaining authentically yourself. Such statements mirror interviewee testimonies outlining how non-Japanese colleagues are not held to the same communication and formality standards as Japanese colleagues. Agreeing with fellow interviewees, Mr. Dekker agrees that cultural sensitivity is best fostered through extensive time abroad, rather than exclusively relying on training sessions.

5.3.2. Bringing in contemporary methods for intercultural understanding

The preceding analysis of interviewee testimonies highlights the need for a reconceptualised approach to understanding cultural identity, as it relates to intercultural business operations. More specifically, the need to understand cultural behaviour without attempting to make assertions about that culture at large. In layman's terms, a user-friendly process that can be applied to one's professional life, aimed at fostering cultural sensitivity or what various interviewees described as an 'internationalised mindset'.

Jameson's (2007) model of cultural identity in professional settings represents what sub-question three labels as contemporary research. A scholarly source that breaks away from the impulse to essentialise culture for the sake of easy comprehension, in favour of analysing both oneself and your counterparty in the context of six cultural identity components. These components are:

Vocation
C*lass*
G*eography*
P*hilosophy*
L*anguage*
B*iology*

Deconstructing cultural identity serves three purposes. Firstly, it encourages self-reflection as a countermeasure to cultural othering by counteracting the exclusively outward understanding of your counterparty, and encouraging professionals to consciously think of their own behaviour as the product of cultural components. For example, in the Dutch-Japanese dynamic, not to perceive *communication style* as 'normal versus timid' or 'normal versus bombastic'. Instead, realising that people's behavioural preferences fall within a spectrum in which you are not the centre point. In short, letting go of the assumption that any form of behaviour is 'normal.'

Secondly, cultural identity is intangible and therefore difficult to grasp. By deconstructing cultural identity, we are given specific predefined categories relevant to our own lives, by which to analyse cultural behaviour at a personal level. In other words, it makes culture a more approachable concept.

Lastly, doing so allows us to focus on identifying shared values as much as intercultural differences. For example, Japanese professionals may observe differences in linguistic identity compared to Dutch ones, while being surprised to find they share the same views on *work ethos* as was the case with Mr. Bos.

Note that Jameson (2007) separates culture from nationality, instead focussing on personal behavioural preferences. This internalises the notion that not everyone who is associated with a certain culture due to nationality will uniformly display every trait stereotypically associated with that culture. For example, Mr. Sakamoto highlights the *geographic* component of cultural identity when discussing cultural compatibility between Dutch and Japanese businesses. He explained how, as previously mentioned, the Dutch *communication style* may make them more compatible with Osaka-based businesses where communication is more direct than in Tokyo. He also stressed that similar cultural diversity exists in The Netherlands, where local custom varies significantly between the North and South.

Mrs. Yamamoto addresses education – being an element of the class identity component – in her description of how trends in Japanese and Dutch education foster specific skills. Namely, the popularity of multiple-choice exams in Japan. She suggests that such tests create a mentality of "only one correct answer". The Dutch frequently use open essay questions in exams, requiring students to craft arguments and support them in the absence of one correct response. She holds that this is in part responsible for the trend in *decision-making* where Dutch employees tend to favour open discussion in contrast to receiving one clear direction from their manager. Mr. Bos discussed *work ethos*, focussing on cultural similarities between him and his new colleagues following expatriation to Tokyo from The Netherlands. He described identifying far more with Japanese *work ethos*, compared to Dutch business culture.

The conversation with Mr. Peters revealed multiple cultural identity factors contribute to their nuanced views on Dutch and Japanese cultural behaviour. Speaking to his experiences of helping Japanese companies enter the Dutch market, he addresses the *biological* identity in his observation that younger Japanese expats tend to be more relaxed in their adherence to cultural behaviour related to *hierarchy*, *communication style*, etc.

Mr. Peters also addressed the *linguistic* identity component through his insightful remark that conventional understanding of Japanese transnational professionals depicts them as introverts. “This is us (direct, extroverted) projecting our norms on them to create a perception of differing form the norm”. This is insightful because it aligns very closely with intercultural business communication literature such as Jameson (2007). Simply put, ‘we only see them as highly introverted because we do not realise how extroverted we are.’

Lastly, Mr. Peters discussed experiences with providing training to high-executives, which related to the *vocational* identity component. More specifically, Dutch consultants with high-executive Japanese clients host informal training sessions. However, this clashes with formalities associated with Japanese hierarchy norms, making clients less receptive to advice. This effect is exacerbated by the fact that in Japan consultants have a relatively low hierarchic status, whereas the job carries prestige in The Netherlands.

Mr. Dekker also alludes to the *vocational* element of cultural identity in the description of his approach to working with a new Japanese company as a Dutch consultant. For example, he asks himself whether it is a ‘traditional’ company. If so, expect more of the typical Japanese business traits like long approval and reporting lines and strict vertical hierarchies. Traditional companies are also less likely to give up control over operations or delegate tasks internally.

This can be read in relation to the *biological* component, with interviewees arguing that young professionals often distance themselves from traditional corporate behaviour.

These examples show how interviewees were able to nuance their cultural understanding by focusing on specific aspects of it, rather than attempting to understand it in sum. Professionals often develop the knowledge of how to apply such a level of nuance through experience. Put simply, trial and error. By consciously engaging with this project’s simplified interpretation of Jameson’s model as outlined above – and observing how interviewees applied it – professionals will be better prepared for the potential challenges of intercultural business operations. The idea being that, if approached carefully, they may be able to bypass some of the growing pains that come with for example expanding your business abroad or joining a corporation with a dominant culture other than your own.

6. Discussion and Conclusion

This thesis has aimed to answer the main research question by uncovering the lived reality of intercultural business. However, at a philosophical level, the aim has been to create a final product that is useful to those being written about and professionals in similar situations.

Research began with the assumption that cultural othering would be a significant obstacle to effective intercultural operations. This is still the case to some extent. However, interviewees suggested that an assumption of similarity or a 'business as usual approach' can be much more harmful to your success. From the bombastic Dutch CEO going to Japan without knowing he should localise his behaviour, to the Japanese executive in The Netherlands who does not give consultants the time of day.

It is because of this shift that the focus changed over time. Specifically, if cultural othering is the assumption of difference, then surely it would be interesting to uncover the actual perceived differences and to see how those in managerial positions mitigate potential challenges arising from said differences. The result of this study is therefore not to quantify the operational losses incurred from cultural challenges, but to focus on how the individual is affected, how they learn, and how they avoid challenges in the future.

"To what extent does cultural othering impact transnational business operations?"

Answering this project's core research question is challenging and warrants a restatement of what cultural othering is. Particularly, the idea that it can be understood in practice as an exacerbation of the perceived difference between individuals. In short, cultural difference and how we interpret it.

Perceptions of cultural difference – based on interviewee responses – indeed affect five significant elements of business operations. Namely, as listed by Byun and Ybema (2005) *work ethos*, *hierarchy*, *decision-making*, *language,* and *communication style*. The data gathered first and foremost supports the idea that, yes, the perception of cultural difference affects business operations.

There was a positive dichotomy among interviewees. Specifically, in how they all shared stories of themselves or colleagues being negatively affected at some point by cultural challenges. This would support the notion of a rift between practice and literature when it comes to Organisation and Management, Business Anthropology, and Intercultural Communication Studies.

Simultaneously, interviewees showed a considerable amount of tailored nuance in their approaches to understanding and adapting to culturally significant behaviour. This would in turn suggest that the gap between practice and research is smaller than expected.

Throughout our conversations, interviewees suggested that cultural sensitivity is the most important factor in determining how well someone can function in a Dutch-Japanese intercultural environment. This raises questions as to what exactly this sensitivity is. This study argues that this concept is closely linked to 'attributional knowledge' in Osland and Bird's (2000) sensemaking model. Attributional knowledge directly affects your ability to accurately interpret and attribute meaning to cultural behaviour, and can only be cultivated through cultural mentors or immersion (Osland & Bird, 2000, p. 74). To this end, consultants fulfil the role of cultural mentors, and time spent abroad constitutes cultural immersion. In sum, either learning through your own or someone else's experience.

It is due to this value of experiences that a concerted effort was made to include many examples and anecdotes of professionals who were at some point challenged with cultural differences. Their statements show that cultural assumptions do affect their operations, but only up until the point where you gain enough experience to notice the actual differences for what they are. This further underscores the importance of accumulating attributional knowledge.

The conclusion to this study is however not simply to "gain experience if you want to be better at intercultural operations". Cultural immersion should go hand-in-hand with a re-evaluation of your sensemaking process as Jameson (2007) points out. More specifically, professionals need a reconceptualised understanding of cultural identity as being made up of six elements: *vocation*; *class*; *geography*; *philosophy*; *language*; *biology*. This demystifies the concept of culture and will reveal behavioural similarities where differences may have been expected, linking back to the importance of not assuming that everyone fully displays the cultural behaviour associated with them.

Interviewees showed how it is likely that professionals will develop a similar understanding of these identity factors after years of cultural immersion. The small contribution this study is able to make – in terms of ensuring that insights from academia are transferred to professional life – is in the identification of these identity components so that those who are active in Dutch-Japanese business environments may use it to gain more detailed insights from cultural immersion at an early stage in their career. The many anecdotes and experiences shared in this investigation hopefully serve as a form of cultural mentorship, showing the types of challenges faced by professionals and how they overcame them.

This investigation has been cross-sectional and exploratory. That is to say, the aim was to provide a big picture understanding of cultural othering and challenges across the corporate hierarchy. The preceding chapters have featured detailed discussions and analysis of the underlying dynamics of cultural understanding and othering, while undoubtedly creating many questions for further research. For example, a large sample-size study on the correlation between attributional knowledge and challenges faced, or a case study on how internal company culture affects the degree to which challenges are experienced with comparisons to other sectors or industries.

Let us learn from experiences, and from each other. At the same time, let us be mindful of the immensely valuable insights hiding within the realm of academia.

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8. Appendices

Appendix A: Informed consent and interview participation agreement.

LUND UNIVERSITY

Research Participation Consent Form

WASEDA University

Graduate Thesis Research Project by Olivier Duineveld
Institution: Lund University, Lund Sweden
In partnership with: Waseda University, Tokyo Japan

I. Introduction

This research project investigates how the functioning of international business networks is affected by cultural differences between the actors participating in it. This includes employees as well as executive staff, and third-party specialists.

II. Purpose of Research

The purpose of this project is as follows:

- To identify where and when perceptions of interpersonal difference generate friction during international business operations.
- To identify how executive staff navigates the challenges arising from interpersonal cultural differences.
- To identify the best-fit strategies to overcome the effect of cultural difference, from the perspective of third-party specialists.
- To critically analyse the extent to which the reality of personal experience, and prevailing coping strategies resemble contemporary literature on the phenomenon in question.

III. Data Collection and Duration

Data collection is carried out through the use of semi-structured interviews based on themes from prevalent literature. Interviews are on-the-record and last for one hour, with the option to extend if the participant's schedule allows it.

IV. Data Protection and Right to Anonymity

Information gathered during the interviews is protected under the European General Data Protection Regulation, and Article 8 of the Charter of Fundamental Rights of the European Union. Interview transcripts/raw data will not be shared with third-parties constituting legal persons, excluding the researcher's supervisor at the institution of origin. Participants have the right to request anonymity by indicating this below. Details of anonymity can be discussed with the researcher based on the needs of the interviewee.

V. Right to Withdrawal

Research participants have the right to withdraw from the project up until and including April 7th 2023.

_______I confirm that my participation in this research project is voluntary.

_______I acknowledge that I will not be receiving any payments in regard to my participation.

_______I confirm that the duration of the research wherein I will participate is 1-2 hours only which includes recorded interviews.

_______I acknowledge that I have the right to decline or discontinue my participation in this research when I have a valid reason to do so, until the specified deadline.

_______I have read and understood what the research entails and how it will affect the target audience.

_______I understand that the researchers may publish their research material in written or audio-visual format. Including but not limited to academic journals, periodicals, books, videos, podcasts, and magazines.

_______I request to be an anonymous participant in this research project.

VI. Participant Information

Name: ______________________________________

Date: _______________________________________

Signature:

____