Losing the Translator

A Case Study of the Intercultural Communication of Swedish Business Expatriates in Japan

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Abstract

The purpose of this paper is to increase the understanding of how host-country language proficiency affects the ability of expatriates to manage business operations overseas. Therefore the relevant aspects of intercultural communication are identified, and then how these aspects are affected by a Swedish expatriate’s proficiency in the host-country language (Japanese) is examined. Subsequently, the effects of the identified aspects on the expatriate’s ability to manage business operations in the host country (Japan) is explored. Additionally, in order to achieve the purpose of this thesis, the following main research question will be answered: How does Japanese language proficiency affect the ability of Swedish expatriates’ to manage business operations in Japan?

The literature review includes theories and findings of previous research related to intercultural communication, and what effect language proficiency has on the different aspects of intercultural communication. Furthermore, the literature review elaborates on the role of communication in business, with examples from previous studies on expatriates in Japan, finally ending in the conceptual framework used for this study. The methodology chapter explains the approach, method and design used for this study, as well as introducing the respondents chosen for this thesis.

In the empirical findings the respondents’ responses are presented. This is followed by the analysis which includes a comparison of empirical data and literature and a discussion regarding similarities and differences. The analysis explains how language proficiency has a positive effect on the effectiveness of communication between the expatriates and their Japanese co-workers and business partners, as well as on building of trustful relationships, the ability to access information, and consequently work performance. The conclusions of this study are that language proficiency has a positive effect on intercultural communication and consequently on the expatriates’ ability to manage business operations, mainly in the form of trustful relationships, effective communication and access to information.

Keywords: Expatriates; intercultural communication; Japan; language proficiency; business relations.
Foreword

We have had much help during the process of writing this thesis and would like to take this opportunity to thank them. Firstly we thank our respondents: Magnus Nervé, Örjan Pettersson and our anonymous respondent without whom we could not have completed this thesis. We are very grateful that they took the time to answer our questions and we feel very lucky for getting in contact with respondents whose enthusiasm for our research topic has rivalled our own. Secondly, we would like to thank our tutor, Richard Owusu, and our examiner, Soniya Billore, for their insightful feedback and guidance throughout the creation of this thesis. Thirdly we want to express our gratitude to our opponents who have, with their feedback, made our thesis better than it would have been without them.

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1 Introduction

In the following chapter we define the chosen area of study: the role of language in intercultural communication and business operations. We explain the relevance of studying this topic and conclude the theoretical gap and describe the practical problems in the area before presenting the research question and the purpose of this thesis. The chapter is concluded with the delimitations and outline of this paper.

1.1 Background

Globalisation is explained as a process of reducing barriers that separates different regions of the world and that interconnects nations (Hamilton and Webster, 2012). This liberalisation stimulates exchanges in goods, money and people, and thus creates opportunities for business. However, these new business opportunities also bring new challenges for corporations to manage. Among these management challenges is the issue of cultural and linguistic differences.

Some researchers imply that globalisation leads to the wiping out of national cultures, creating a ‘mass culture’ (Bird & Stevens, 2003; Harrison & Huntington, 2002). However, this thesis takes a different outlook. Featherstone (1996) states that globalisation leads to the emergence of third cultures, which is a form of trans-societal institution existing independently from nation states, and that these do not eliminate national cultures. He claims that the assumption that these separate third cultures will produce a homogenising effect on national cultures, is overly simplified. The absorption/assimilation/resistance process of e.g. ‘mass market culture images/goods’ is highly complex and differs from nation to nation. Hence, there will never be a ‘global culture’ and cultural differences will always exist as a complex challenge for managers of international organisations to cope with when dealing with overseas markets and alliances. Smith (1990) also supports Featherstone’s view of the relationship between globalisation and national cultures.

Having deduced that cultural differences will continue to exist for the foreseeable future, and thus continue to be a barrier to effective communication, the issue of how to deal with cultural differences becomes relevant to all internationally engaged
organisations. Several theorists (Fantini, 2012a; Saint-Jacques, 2012; Whorf 1956) indicate that understanding language may be the key to understanding culture. However, just as a ‘global culture’ is not within sight, Jandt (2013) argues that there will never be a world language; language needs to be rooted in culture in order to live. As a language gains life, cultures will colour it with their own values and the universal quality of the language fades. Today, English is largely accepted as the language of commerce, as well as diplomacy and science, but on the basis of what Jandt (2013) indicates; that a language cannot live without cultural anchor, neither English, nor any other language, will ever truly be a universal language. This would mean that the need to bridge the language barrier will remain an issue for firms engaging in business across nations.

In order for the reader to grasp the significance of languages’ role in intercultural communication a brief description of the Sapir-Whorf hypothesis, which in part sparked the creation of this thesis, will be given: The Sapir-Whorf hypothesis states that speakers of different languages perceive the world differently (Whorf, 1956). Language and culture influence one another; the concepts contained within a language limit the concepts available to the speaker. Linguistic determinists even claim that language controls thought and consequently, norms (Jandt, 2013). ‘If you can’t speak it; you can’t think it’. “As a result, the languages the speakers know and use, structure their understanding of the world and the way they construct messages” (Peltokorpi, 2007:70).

From this hypothesis sprung the thought that this thesis partly stems from: *If our understanding of the world is determined by the languages we speak; how can we be sure that we mean the same thing when communicating with a party that does not share our mother tongue?* In the context of business it is essential that the message sent is the one the speaker intended as miscommunication can be very costly (Bakić-Mirić, 2012). There is a point of no return in communication; a message delivered can never be taken back (Bakić-Mirić, 2012), and while technology has shortened the *psychic distance* between countries (Matthews & Thakkar, 2012), it is important that organisations remain aware of the limitations and consequences of using a third
language, such as English, that is not the mother tongue of either party. These issues will be further elaborated on in the literature review.

With the ongoing globalisation and the increasing number of internationally engaged businesses, the issue of communication is more relevant than ever. How much are we missing by putting our faith in a third language, like English, as a lingua franca\(^1\)? Even if we use the same words, are we really speaking the same language? Wouldn’t it be easier if we understood ‘their’ language? These questions lead us to the general idea for this thesis; *finding out what happens to the communication when you have knowledge of the host country language, in the context of intercultural communication in business.*

1.2 Problem discussion

1.2.1 The practical problem

We have listened to several lecturers\(^2\), speaking on the topic of international business, who have expressed that issues of culture and language greatly influence the success or failure of a company when conducting international business. From their narratives we can strengthen the conclusion that, despite the ongoing globalisation, culture and language still exist as regional barriers that need to be bridged if communication, and thus business, is to be effective. Matthews & Thakkar (2012) point out that there have been multiple examples within the business sector that demonstrate how failure to communicate effectively can lead to poor organisational performance.

Peltokorpi (2007) gives an example of a situation that arose when an expatriate\(^3\) president had limited knowledge of the local language and culture and thus little interaction with local employees. The outcome was that two parallel communication networks emerged, creating a dual organisational reality. One network was tied to the

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1 Lingua Franca: “A language that is adopted as a common language between speakers whose native languages are different” (Oxford Dictionaries, 2014).

2 Daniel Hedeböck investment manager at Forbus, guest lecture 11 March 2014; Martin Johansson professor at Mid Sweden University, guest lecture 5 March; Göran Edman director at Gadelius Europe AB, lecture 4 November 2012.

3 Expatriate: “A person who lives outside their native country” (Oxford Dictionaries, 2014).
expatriate president that had been appointed by the company headquarters, while the other was tied to the local managers whom actually controlled the operations. This example also demonstrates the drawbacks of relying on an interpreting party to deliver or receive messages. Both verbal and non-verbal messages are filtered through the interpreter and depending on their level of understanding of the subject it can lead to costly misunderstandings. As a case in Peltokorpi’s (2007) study showed, the interpreter can also use their linguistic skills to gain informal power within the organization by controlling information.

The host country that Peltokorpi studied in his research was Japan, which does not come as a surprise when the topic is intercultural communication since, although Japan is the world’s fourth largest economy (WorldBank, 2014), Japanese companies suffer from a lack of skills in the accepted language of commerce (English) in their employees (EF EPI, 2013). Japan’s TOEFL [Test of English as a Foreign Language] scores are the third lowest in Asia (ETC, 2013) and according to the English Proficiency Index (EPI) the country’s adult population has not improved in the past six years (EF EPI, 2013). Although Japan’s current EPI rank is 26 out of 60, Japan’s education system has little focus on oral communication in English, and the rank is dropping. We can thereby deduce that hurdles arising from language barriers must be especially noticeable in interaction with this country.

Japan can be considered a monocultural, monoracial and monolingual country (Peltokorpi, 2010), in addition to this, the low English language proficiency makes it an ideal research context for intercultural communication. Based on Hall’s (1981) writings, Japan should be a particularly interesting subject from a Swedish perspective, since the cultural differences between Sweden and Japan are significant, both in terms of communication styles, cultural values and leadership style. For example, Hall (1981) states that Sweden has a low-context communication style, which means that a lot of the messages are explicit and verbal, while Japan is characterised by a preference for high-context messages, meaning that a lot of what is communicated is done so via wordless cues such as body language (the context).
Japan is also Sweden’s second biggest export market in Asia and 15th biggest export market overall (SCB, 2014). Additionally, there is currently 137 Swedish companies located in Japan (Embassy of Sweden Tokyo, 2012). In a report by the National Board of Trade (2011) Japan is ranked in the top 5 countries that large companies want to create better trading with. This means that Swedish companies should be interested in finding out if there is a way to make business with and in Japan more efficient. The resulting conclusions of this thesis should therefore be relevant from a practical perspective as they may provide companies with some insight into the role of language in intercultural communication and how it can help or hinder performance at foreign subsidiaries. This study may also help expatriates in Japan, who are dealing with organisational or communicational issues, by providing them with a better understanding of linguistic-related aspects that might be causing or influencing these issues.

1.2.2 The scientific research gap

Language as a factor that influences business is a subject that is very neglected by business researchers (Haghirian, 2011; Harzing et al., 2011; Peltokorpi, 2010). Despite repeated reports from managers of multinational corporations about communication difficulties between head offices and subsidiaries due to lack of language skills, the issue remains largely unstudied. The reason for this is unclear, but Haghirian (2011) speculates that in international business, Westerners from English speaking nations have felt little need to learn other languages as English has de facto become the lingua franca of business. Organisations tend to assume that ‘most people speak some English anyway’ and the factor of language barriers is a non-issue.

Most research that studies intercultural communication in Japan has been made from an American perspective (Griffith et al., 2006; March, 1980) with the effect that it has been looked at from a point of view where one party has English as their mother tongue. A lesser amount of studies have been made where the researched group come from countries that are not America. This gap adds to the interest of looking at the relationship between Japan and a non-native-English speaking country like Sweden.
A quantitative study by Peltokorpi (2008) looked at how different determinants affected 110 expatriates’ cross-cultural adjustment process, also known as cross-cultural adaptation. As stated above, the biggest representation of expatriates came from the US although the UK and France were also represented. He looked at aspects such as gender, personality, language proficiency and what type of expatriate they were and how these aspects affected both their social adaptation and work adaptation. Here language was studied as an aspect that eased adjustment but not how it affected the expatriates’ communication.

Froese and Peltokorpi (2011), in another quantitative study, examined 148 expatriates’ work abroad to determine what factors lead to better job satisfaction. The nationalities represented that time were also mainly American, British, French and German. In a later study Froese and Peltokorpi (2013) studied different types of expatriates to determine which group is more successful in their work abroad. The sample for this study was also largely American, British, French and German expatriates. In both studies language proficiency was only studied as one factor as part of a whole and no focus was put on how it affected the expatriates’ communication with their co-workers.

To our knowledge, only three studies have been made that focuses on expatriates from Nordic countries: (1) Clausen (2006), in her book, studies five Danish companies that has business relationships with Japan. The book mainly deals with how the companies set up their businesses in Japan and what obstacles they faced due to the differences in business culture between the companies. The book does not focus much on problems encountered in face-to-face communication.

(2) Peltokorpi (2007) studied 30 Nordic expatriates in Japan and how these expatriates handled the intercultural communication issues that arise when being the only, or one of few, foreigners in a Japanese subsidiary. He found that both due to Japan’s hierarchical company structure and the fact that very few people on the lower levels spoke English, the expatriate presidents had a hard time communicating with those workers. This, in turn, affected the expatriates’ abilities to manage the company as intended by the headquarters. Also, the local Japanese managers were
able to withhold important information from the Nordic expatriates which lead to them being unaware of problems within the company. Peltokorpi (2007) concluded that there is a need for language training for expatriates going to Japan, or to at least hire staff that can speak both English and Japanese in order to ease the work relations between the local staff and the expatriate.

(3) The only research that we have found dealing with Japanese-speaking expatriates from Scandinavia, was also a study by Peltokorpi. Peltokorpi (2010) looked at how the expatriates’ language and cultural competences influenced their intercultural communication in Japan. He interviewed expatriates from 58 Nordic companies to see how their different competences affected what strategies they used to handle the problems they faced while being a president or manager in a foreign subsidiary. Once again the study proved that lack of knowledge in Japanese made it difficult for managers to understand what was going on in the company because few of the employees spoke English. His researched showed that depending on the expatriates’ level of Japanese proficiency, the types of challenges they faced varied. Their level of Japanese also influenced the way they chose to handle these challenges.

As there is an overall lack in research that studies intercultural communication between people from countries whose mother tongue is NOT the lingua franca, we are of the opinion that this study will help with filling this theoretical gap. More specifically, we believe that this study will contribute with knowledge about the affects on communication when one party is using the host country’s language. Our thesis will be approaching this topic from the angle of Swedish expatriates communicating in Japanese in Japan.

1.3 Problem definition

We believe that there is a knowledge gap in the research done on the topic of language skills as a factor in intercultural communication in business contexts. The gap is particularly wide in the area of communication between non-native speakers of the business lingua franca, English, and research is almost non-existent concerning interaction between Sweden and Japan. We have established that there is a need for deeper theoretical understanding of the effects of language proficiency in
intercultural communication within a business context. We have also established that the subject is of great practical interest for multinational firms and managers intending to, or currently conducting, business in Japan. Therefore, in order to most effectively derive a deeper understanding of the affects of host-country language proficiency of Swedish expatriates on the business operations in Japan, we have chosen to divide the research question into: 1) one main research question, and 2) two sub-questions (A and B).

**Main research question**
The problem which has been defined and which we aim to research in this thesis, has lead us to the following main research question:

*How does Japanese language proficiency affect the ability of Swedish expatriates’ to manage business operations in Japan?*

**Sub-question A**
The first sub-question is posed for the purpose of identifying aspects of intercultural communication and then determine how these aspects are affected by an expatriates proficiency in the host-country language (Japanese).

*How does Japanese language proficiency affect intercultural communication between Swedish expatriates and their co-workers and business partners in Japan?*

**Sub-question B**
The second sub-question is the second and final step towards answering the main research question. This sub-question is posed in order to explore the effects of the identified aspects of intercultural communication on the expatriate’s ability to manage business operations in the host country, Japan.

*How does intercultural communication affect the expatriates’ ability to manage business operations in Japan?*
1.4 Purpose
The purpose of this thesis is to provide a deeper understanding of the function of language in international business conduction and give insight into how host-country language skills affect the ability of expatriates to manage business operations overseas. This will be done by examining the effects of language proficiency on different identified aspects of intercultural communication, that in turn, influence the expatriates ability to manage business operations. This influence will then be explored and discussed. The context for this study is Swedish expatriates located in Japan.

1.5 Delimitations
This empirical study does not consider the interaction between any other nations aside from Sweden and Japan. Additionally, the thesis will not explore the experiences of non-Japanese speaking expatriates based on the reasoning ‘you can’t miss what you never had’. Thus asking an expatriate about the effects of not having language proficiency would be unproductive, since they may not be able to perceive what particular effects on their communication are caused by their lack of Japanese language skills. Finally, the data collection for this thesis will not be done by face-to-face interviews. The reasoning behind this delimitation will be discussed in the methodology chapter.
1.6 Outline

Here we present the outline of this thesis in order to give an overview of its different parts and what they include.

- **Chapter 1**
  - Introduction
  This chapter introduces the subject area and the relevance of studying it. The research question and the purpose of the study is presented, followed by the delimitations of the study and outline of the thesis.

- **Chapter 2**
  - Literature review and conceptual framework
  In this chapter previous research on the chosen topic is presented. The chapter is concluded by a conceptual framework that is used for conceptualisation and analysis.

- **Chapter 3**
  - Methodology
  This chapter introduces the structure and methods of the research conducted, and presents our motivations for the choices made regarding the methods of this study. Limitations and criticism regarding the study is also presented here.

- **Chapter 4**
  - Empirical findings
  The respondents are introduced and the empirical findings of the case study is presented in a comparative form.

- **Chapter 5**
  - Analysis
  In this chapter we present our analysis, in which we connect the empirical findings to the theoretical framework and discuss the theoretical and managerial implications. We compare the similarities and differences that have appeared during the course of this study.

- **Chapter 6**
  - Conclusions
  In this chapter we sum up the theoretical and managerial implications that we have discussed in the analysis, and the answer to our research question is presented. Practical recommendations are given, theoretical contributions are concluded and suggestions for further research are made.
2 Literature review and conceptual framework

In this chapter the theoretical framework will be presented. The chapter begins with defining communication and intercultural communication in business. This is followed by a presentation of different aspects of intercultural communication and how these relate to business operations. Further the chapter continues by describing previous research done on expatriates in Japan and their results. After that the Language Proficiency Scale used for this thesis is introduced and explained. Finally the chapter ends with a presentation of the conceptual framework for this thesis.

2.1 Communication

2.1.1 Communication, culture and language

Andersen (1959:5) described communication as: “the process by which we understand others and in turn endeavour to be understood by them”. Further, Warren (2012) defines intercultural communication as communication that occurs when cultures come in contact while Varner and Beamer (2011:28) defined it as the communication that “occurs when people from two or more cultures interact”.

We cannot learn intercultural communication without also acquiring intercultural understanding (Saint-Jacques, 2012). Maude (2011:4) states that “culture is indistinguishable from language”. Further, he explains that it is logical to start studying intercultural communication by understanding the term culture as people do not communicate in a vacuum but rather are influenced by their culture’s values, beliefs and practices. Saint-Jacques (2012:51) gives four different meanings to the word culture:

“(1) High culture, the achievement of a society in terms of the most esteemed forms of literature, art music. (2) Culture as behaviour, the way people agree to behave, act, and respond. (3) Culture as ways of thinking: modes of perception, beliefs and values. (4) Culture as language, the close link between language and culture”.

“Culture starts when you realize that you’ve got a problem with language, and the problem has to do with who you are” (Agar, 1994:20). Meaning that your cultural framework determines how you formulate and interpret messages. Language plays a
big part in international communication as it is related to our identity, the groups we belong to and our place in society (Martin & Nakayama, 2010). As Saint-Jacques (2012:53) phrases it; “A language is a window into the culture of people speaking this language”. Maude (2011:78) connects language to culture by saying that “language reflects the underlying culture, each language is a lens offering a unique world view” or as Agar (1994:28) phrases it: “culture is language, and language is loaded with culture”. From this reasoning we can conclude that we cannot separate language from culture and thus we cannot study either without including the other.

Varner and Beamer (2011:57) write that “Cultural learning must accompany language learning”. Agar (1994) states that you cannot use a new language unless you let go of the grammar and way of thinking you used while speaking the old language. You cannot communicate without culture even if you know the grammar and every word in the dictionary.

Lambert (1963) writes that a person acquiring a second language will also adopt various aspects of behaviour that are found in the characteristics of the members of that linguistic-cultural group. Whorf (1956) writes that linguistic knowledge leads to seeing what you thought was alien in a new light and it becomes intelligible. Kim (1991a) writes that because language barriers have been determined to make intercultural communication more difficult, the effect of language differences should be studied more thoroughly.

We can see that there is a need to look at the issue of language competence not as a separate factor but as a part of a host country’s culture and that we can therefore expect cultural understanding to play an equally big role in successful communication as language proficiency does.

2.1.2 Intercultural communication in business

Kim (1991b) writes that in today’s world, where we are seeing unprecedented movement due to globalization, we are also more often in situations of intercultural encounters. Tan (1999) states that business people more often find themselves in positions where they need to communicate with people from other cultures.
Therefore the way intercultural communication is managed will determine their competitiveness and survival.

Maude (2011) writes that differences in culture affects the quality of communication and that the larger the differences, the more probable it is that the communication will be impeded by misunderstandings, misinterpretations and psychological discomfort.

Hofstede et al (2010) write that communication using trade languages (e.g. the lingua franca, English) limits exchanges between partners to what they know words for. They therefore stress the importance of learning the host language to be able to reach intercultural understanding. Further, damage caused by incompetent or insensitive expatriates is significant (Hofstede et al., 2010). According to Maude (2011) expatriates are in risk of contravening the communicative norms and expectations of the host culture which can lead to tension and bad relationships with local staff.

Hünerberg and Geile (2012) showed in their research that the satisfaction level between buyers and sellers in the context of understanding and interest in communication was the highest when the two parties could speak a common native language and the lowest when both parties had to use a non-native language. Kim (1991a) writes that the non-native person's ability to communicate in the host language changes their partner's impression of them. The higher skills of the non-native person the more likely it is for the partner to view them in a positive light.

2.2 Cross-cultural adaptation

Cross-cultural adaptation is a term that can be defined as:

“The phenomenon in which individuals who, upon relocation to an unfamiliar cultural environment, strive to establish and maintain a relatively stable, reciprocal and functional relationship with the environment” (Kim, 2012:233).
This is a process which all individuals who enter a new culture experience (Kim, 2012). When first entering a new culture an acquisition of knowledge takes place and this knowledge translates into an acculturation\(^4\) of traits from that culture. Following the acculturation, a deculturation process takes place where one loses old cultural habits. Finally one goes towards a state of assimilation, which is when the highest degree of acculturation and deculturation has been reached (Kim, 2012).

The process of cross-cultural adaptation is driven by the force of stress (Kim, 2012). Stress compels individuals to adapt and learn so that they can handle their daily living with greater efficiency. Parallel to the adaption process the individuals grow in terms of ability to perceive and understand more complex aspects of the host culture (Kim, 2012).

One of the most important factors in cross-cultural adaption is the individual’s communication activities (Kim, 2012). Kim (2012:236) identifies three subcategories for host communication competence\(^5\):

1. **Cognitive competence** – “[…] knowledge of host language and culture, history, social institutions and rules of interpersonal conduct”.
2. **Affective competence** – “[…] emotional and motivational capacity to deal with the various challenges of living in the host environment”.
3. **Operational competence** – “[…] the capacity to express outwardly by choosing a ‘right’ combination of verbal and nonverbal acts in specific social transactions of the host environment”.

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\(^4\) Acculturation: “The change in individuals whose primary learning has been in one culture who take over traits from another culture” (Marden & Meyer, 1968:36).

\(^5\) Host communication competence: “The capacity of strangers to receive and process information (decoding) appropriately and effectively and to design and execute mental plans in initiating or responding to messages (encoding)” (Kim, 2005:385).
Shi and Franklin (2014) found that the expatriates who were able to adapt well to the host country also have a better level of performance and Caliguri (2000) found that expatriates who do not adapt tend to fail at their designated task. Shi and Franklin’s (2014) research also showed that host country language proficiency contributed to better adaptation to the host country and better job performance.

Knowledge of the host language is the main conduit for adaptation as it enables individuals to access information about the host culture and to understand how to communicate with natives in an appropriate way (Kim, 2012). Gudykunst and Kim (2003) emphasize that when moving to a new culture, the first thing you should do is acquire the host language. It is necessary not just to be able to communicate, but also to meet challenges and become acculturated. Further more, Maude (2011) states that acculturation leads to more effective communication with host country members. In Kim’s (1991b) study it was concluded that non-natives that were competent in the host language were better liked by native individuals than those who were less competent. We can, based on stated research, therefore argue that cultural adaptation is necessary to perform well as an expatriate and that language proficiency plays a big role in the process.

Other factors that influences an individual’s ability to adapt and communicate successfully are environmental factors such as (Kim, 2012:237):

1. *Host receptivity* – “[…] the degree to which the receiving environment welcomes and accepts strangers into its interpersonal networks and offers them various forms of informational, technical, material and emotional support”.

2. *Host conformity pressure* – “[…] the extent to which the host environment challenges them, implicitly or explicitly, to act in accordance with the normative patterns of the host culture”.

3. *Ethnic group strength* – “[…] the relative status or standing of a particular ethnic group in the context of the surrounding host society”.

From this we can conclude that cross-cultural adaptation concerns not only language proficiency but also with the expatriate’s personality, how well they can deal with
the challenges that living in a new culture brings and also with environmental factors that expatriates cannot do anything about.

2.3 High and low context cultures

Andersen (2012:298) defines context as “the degree to which communication is explicit and verbal versus implicit and nonverbal”. Hall (1981) differs between high context communication (HC) which is when most of the information in a message can either be found in the physical context or is not verbalised by the speaker, and low context communication (LC) which is when most of the information can be found in the verbalised message. Andersen (2012) explains that in HC cultures messages are sent combining the verbal messages with information from the environment, context, situations as well as nonverbal cues. LC messages however contain very little context and the verbal information must thus be very detailed and specific to not cause misunderstanding. Lustig and Koester (2013) write that HC cultures are, for example, Japan and Mexico while examples of LC cultures are Sweden and Germany.

2.4 Miscommunication

The term miscommunication is defined as (Banks et al., 1991):

“[…] a label for a particular kind of misunderstanding, one that is unintended yet is recognized as a problem by one or more of the persons involved. It can but does not necessarily lead to dissatisfaction or a breakdown of interaction.

The term miscommunication should be distinguished from the term misunderstanding which also includes situations where the speaker wants the listener to interpret their message in a certain way to intentionally create a misunderstanding between them, as well as situations where neither the speaker nor the listener are aware of the fact that a misunderstanding has taken place (Banks et al., 1991). Gass and Varonis (1991:139) list six different outcomes of miscommunication:

1. “Immediate recognition of the problem but no comment […]”
2. “Immediate recognition of the problem and makes comment, i.e., negotiates […]”
3. “Later recognition of the problem but doesn’t comment”
Maude (2011) claims that miscommunication is a frequently occurring phenomena in intercultural interactions since people from different cultures interpret messages in different ways. When two people speak the same language, ambiguous messages can be understood through knowledge of the language and culture. However, when the listener’s mother tongue is different from the speaker’s, which is the language they are communicating in, the listener often fails to understand ambiguous messages since they do not speak the language very well and have limited knowledge of the culture. The listener often blames themselves for not understanding and therefore do not make an effort to clear the misunderstanding (Maude, 2011).

A common cause of miscommunication is people’s habit of committing pragmatic errors. Pragmatic errors are defined by Riley (1989:234):

“Pragmatic errors are the result of an interactant’s imposing the social rules of one culture on his communicative behaviour in a situation where the social rules of another culture would be more appropriate.”

According to Gudykunst and Kim (2003), examples of pragmatic errors are: using too much force when uttering statements in a culture where humbleness is normal; using expressions viewed as greetings in your home country which may be seen as rude in the host country, or not understanding how other cultures use and value silences when talking (Gudykunst & Kim, 2003).

Gumperz and Tannen (1979, referenced in Gass & Varonis, 1991) state that the more a native speaker of a language and a non-native speaker knows about each other the less likely it is that miscommunication will occur. The inverse is also true: the less they know about each other, including knowledge about the other’s culture and language, the more likely it is that they will face communication difficulties. We can therefore argue that the more an expatriate knows about the host country’s language and culture the smaller the chances are for miscommunication.
2.5 Interaction and access to information

Peltokorpi (2008) found in his study of expatriates in Japan, that language proficiency influence how much and how often expatriates interact with host country members. This in turn influences how well expatriates adapt to the new culture and thus how effective their communication will be (Maude, 2011). He also found that expatriates who had sparse knowledge of the host country language were limited in their interaction to those who were fluent in English (Peltokorpi, 2008).

According to Froese and Peltokorpi (2011) part of this limitation in interaction stems from the fact that people prefer to communicate in their native tongue. This isolation does not only affect the expatriates cultural adaptation process, but also their ability to gain access to information that is shared socially among employees within the work space as well as outside it (Peltokorpi, 2007). This situation results in a lot of informal power being placed in the hands of those host-country members who speak English and are thus able to act as information nodes between the expatriate manager and the local employees. In this way language has been recognised as an important source of power as it provides a means of limiting expatriates access to information (Peltokorpi, 2007). Furthermore, in Peltokorpi’s (2007) study several experienced expatriate presidents expressed that verbal agreements during official meetings did not always indicate the commitment of the local managers to an idea. The expatriate presidents emphasized the importance of using informal communication to reach consensus with local managers.

Charles and Marschan-Piekkari (2002) found in their study that foreign employees with a higher level of proficiency in the company-majority language had better access to information, and thus were in a power position over those without language proficiency who often felt powerless. As mentioned previously, a lack of a common language also limits the conversation to what both partners can say in the established trade language (usually English) (Hofstede et al., 2010). This in turn has an effect on how much information they can share with each other as the concepts and thoughts they can express are limited.
Kim (2001) states that to be able to interact with natives, there is a need for a certain degree of host language proficiency since communication is important to secure information and insight into how natives in the host country act. Peltokorpi (2008:1602) supports Kim’s statements, pointing out that: “[…] the more expatriates interact with Japanese people, the more information they receive about behavioural norms and the rationale for why people behave in a certain way”.

We can therefore conclude that the degree of language proficiency will influence interaction with members of the host country which in turn will have an effect on how quickly the expatriate adjusts and gains cultural competence. This will in turn affect how well the expatriate communicates, creating an upward or downward spiral of positive or negative effects with the triggering point being the degree of language proficiency.

2.6 Trust

Peltokorpi (2007) found in his study that a lack of a common language between expatriates and their Japanese co-workers hampered the creation of trusting relationships. On the topic of trust building, Thomas et al. (2008) found that the quality of the information being exchanged, that is the accuracy of information, played an important role. Furthermore, trust has been identified as a fundamental element in order to achieve successful business relationships in any context (Döscher, 2014; Kingshott, 2006) and trust has proven to have a positive impact on alliance performance (Rekha et al., 2006).

Peltokorpi (2007) states that uncertainty in communication increases anxiety and decreases trust. This, in turn, decreases communicative interaction from in-group members with out-group members. The degree of uncertainty in communication is directly related to the level of language skills, according to Gudykunst and Nishida (2001). Due to factors such as low English proficiency and cultural and racial

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6 Trust: “One party’s confidence that the other party in the exchange will not exploit its vulnerabilities” (Dyer & Chu, 1997).

7 When Peltokorpi refers to in-group he is indicating a social group to which a person psychologically identifies as being a member. By contrast, an out-group is a social group to which an individual does not identify (Oxford Dictionaries, 2014).
homogeneity, Japanese people show higher anxiety when in intercultural interaction than people from other Western countries (Peltokorpi, 2007).

Researchers have identified a relationship between Japanese cultural identity and language, and in-group/out-group boundaries (Hall & Gudykunst, 1986; Peltokorpi, 2007). Samovar and Porter (1991) explain that everyone interpret messages through their own cultural frames of reference. Therefore it is likely that, at least initially, expatriates will engage in behaviour that will increase their status as out-group members. Expatriates from Western low-context cultures, for example, are more likely to misinterpret their Japanese colleagues’ context-specific messages, which might lead to reduced interaction due to increased anxiety on the part of the Japanese colleagues.

Morgan and Morgan (1991) explain that trust, coupled with loyalty, friendship and mutual obligations, are especially important in Japan and that these factors are far more important than price or performance in the eyes of Japanese buyers. Japanese managers “place a high priority on developing and maintaining intimate partnerships with other firms” (Lohtia et al., 2006:1010). In high-context cultures like Japan, close relationships are also crucial for effective communication (Lohtia et al., 2005). Lohtia et al. (2005) emphasises that for foreign companies wanting to conduct successful business with Japanese business partners, it is important to invest in creating a trusting relationship by working to gain a higher degree of cultural sensitivity, which means increasing the firms awareness of differences between domestic and foreign market business practices, as well as the ability to adapt to and manage those differences (LaBahn & Harich, 1997). In the context of sending expatriates, Porter and Tansky (1999) state that expatriate managers who do not adapt to the new culture, and thus retains a low cultural sensitivity, will start retracting from social interactions which will affect the successfulness of their job performance.

Gopal (2009) states that effective internal communication within an organisation is important to create a positive and harmonic working situation and create cohesion among employees. It is also important in order for the employees to exchange
information which is essential when conducting business. Effective external communication brings in orders and goodwill for the company, ensuring its continued existence. Marketing research has also shown that organisations that communicate more effectively also sell better because problems such as time delays, wrong orders and unnecessary communication can be reduced (Gopal, 2009).

2.7 Previous studies on expatriates in Japan

Previous studies have shown that nine out of ten expatriates in Japan were less successful in their work there than they were in their home country (Harari & Zeira, 1978) and that 80% of managerial expatriates were considered failures by the headquarters (Adams & Kobayashi, 1969). Tung (1987) describes a case where an American firm sends a high performing manager to Japan to work as the head of their Japanese marketing department. After the expatriate had worked in Japan for 18 months the company had lost 98% of their existing market share. The problem was later identified to be mainly the expatriate’s lack of cultural competence and ability to adapt to Japan.

In a study, Froese and Peltokorpi (2013) showed that expatriates sent to Japan by their company (organisational expatriates) were more satisfied with their job than self-initiated expatriates but this was also largely connected to the fact that the organisational expatriates often had foreign supervisors which eased communication. Self-initiated expatriates however were more successful in adapting to the Japanese culture and were more motivated to move abroad and learn Japanese (Peltokorpi, 2008). Froese and Peltokorpi (2013) suggest that companies preparing to send expatriates abroad should pick expatriates with Japanese proficiency and/or experience of working in that country to get the best results from the expatriate.

Peltokorpi (2007), in his study, exemplifies a situation that arose as a result of the expatriate’s limited knowledge of the local language and culture and his consequent lack of interaction with local employees. The outcome was that two

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8 Self-initiated expatriate: “Any person who is hired on a contractual basis and not transferred overseas by the parent organization” (Peltokorpi, 2008).

9 Expatriate: “A person who lives outside their native country” (Oxford Dictionaries, 2014).
parallel communication networks emerged because of the limited communication between local employees and the expatriate. One network was tied to the expatriate president that had been appointed by the company headquarters, while the other was tied to the local managers whom in reality ran the operations of the firm.

This example also demonstrates the drawbacks of relying on an interpreting party to deliver or receive messages. Both verbal and non-verbal messages are filtered through the interpreter and depending on their level of understanding of the subject it can lead to costly misunderstandings. As a case in Peltokorpi’s (2007) study showed, the interpreting party can also use their linguistic skills to gain informal power within the organization by controlling information.

2.8 Proficiency

To be able to assess second-language proficiency one can use the International Second Language Proficiency Ratings (ISLPR) scale developed by Elaine Wylie and David Ingram (Fantini, 2012b). The scale can be used by the learner themselves by reflecting over their own usage of the language (ISLPR, 2011a). The original scale has 12 levels numbered from 0-5 with sublevels marked by a plus (+) or minus (-).

To assess the respondents language proficiency in this thesis we will be using the following scale which is based on the ISLPR scale. The scale will be sent to the respondents along with the interview questions so that they can give us a detailed view of what level of Japanese language proficiency they possess.
Table 2.1: *Language Proficiency Scale*. Developed from the ISLPR scale (ISLPR, 2011b).

<table>
<thead>
<tr>
<th>Level</th>
<th>Proficiency</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Zero Proficiency</td>
<td>Unable to communicate in the language.</td>
</tr>
<tr>
<td>1</td>
<td>Basic Transactional Proficiency</td>
<td>Able to satisfy basic everyday transactional needs.</td>
</tr>
<tr>
<td>2</td>
<td>Basic Social Proficiency</td>
<td>Able to satisfy basic everyday social- and routine needs and basic knowledge in uncomplicated words connected to work life.</td>
</tr>
<tr>
<td>3</td>
<td>Basic Business Proficiency</td>
<td>Able to perform effectively in most formal and informal everyday situations as well as knowledge of common terms related to one’s own line of work.</td>
</tr>
<tr>
<td>4</td>
<td>Business Proficiency</td>
<td>Able to perform very well in most formal and informal everyday situations as well as being competent in communicating in most situations in one’s work.</td>
</tr>
<tr>
<td>5</td>
<td>Native-like Proficiency</td>
<td>Proficiency equivalent to that of a native speaker.</td>
</tr>
</tbody>
</table>

2.9 Conceptual framework

The literature review has shown that host-country language proficiency affects intercultural communication. In cross-cultural adaptation language is a key to understanding the host culture and thus being able to adapt to it. It also facilitates sensitivity to the nonverbal messages present in high context cultures such as Japan. Additionally, language proficiency also affects the amount of miscommunication and pragmatic errors occurring in any given situation. Further, a connection between level of language proficiency and the amount of interactions with host country members can be found. It has also been concluded to be a requirement for gaining access to information about the host country culture and ‘way of doing things’, as well as staying informed of about what is happening within the company and aspects that might affect it. Language proficiency also enables accurate communication, which has an effect on trust building. Language proficiency should have, as has been suggested through this literature review, an effect on how successful intercultural communication is. Intercultural communication, in turn has an effect on the outcome...
of business operations in the host country. Our conceptual framework shows how the themes identified in the literature review are linked together.

Firstly, this model demonstrates how language proficiency affects different aspects of intercultural communication. The identified aspects are cross-cultural adaptation, high/low context, miscommunication, interaction and access to information, and trust. These in turn have an effect on the business operations of expatriates in Japan.
3 Methodology

The following chapter will explain the structure of the study conducted, what data has been gathered, what methods was used and why these methods were chosen. Firstly, our choice of an abductive research approach will be presented and motivated, followed by the chosen qualitative research methods and the techniques used for data collection as well as what types of data was gathered. Finally, the operationalization and method of analysis will be presented followed by a discussion of the quality and criticism of the study.

3.1 Introduction

The basic purpose of research is not simply to amass data but to discover answers to questions by applying systematic procedures (Berg, 2004). Hence, we use this chapter to explain how we have chosen to conduct this study and why we believe that it is the most appropriate method to gain the answers to our research question: How does Japanese language proficiency affect the ability of Swedish expatriates’ to manage business operations in Japan? By reading this chapter another researcher will be able to conduct the same study or criticize the conclusions of this study based on how it was conducted.

3.2 Abductive approach

The research approach denotes the study’s approach to the relationship between theory and empirical research (Bryman & Bell, 2011). Here the role of the theoretical material in relation to the research is explained. The two forms of research approach, widely recognised by researchers, are the inductive and deductive approach. A third approach, though the terminology regarding the concept is unsettled and it is not recognised by all textbooks, is the abductive approach (Walton, 2004).

The most common when conducting qualitative research is to have an inductive approach (Bryman & Bell, 2011; Merriam, 2009). The inductive approach has its starting point in the gathering of empirical data from a number of cases and then assumes that a pattern which have been observed in all of these is generally valid (Alvesson & Sköldberg, 2009; Bryman & Bell, 2011). To sum this up, the inductive
approach derives a general truth or rule from a collection of separate cases. The risk in this approach is that it makes an assumption based on a mechanical or ‘shallow’ link between the cases without taking into account the underlying situation of each separate case (Alvesson & Sköldberg, 2009).

In contrast, when taking a *deductive* approach the researcher proceeds from a basis of what is already ‘known’ about the research topic; a ‘general truth’ (Alvesson & Sköldberg, 2009). This ‘truth’ is then assumed to be a rule that holds true for every single case that is studied. The rule is tested by the gathering of empirical evidence and the more attempts of disproving this rule withstands, the more reliable it is. Alvesson and Sköldberg (2009) argues that there is a lack of an explanatory element to the deductive approach and likens it to a parent telling their child that a butterfly has wings because all butterflies have wings.

The third, largely unrecognised, approach is the abductive one. The abductive approach is similar to the inductive in that it starts from an empirical basis, but it is accepting of theoretical preconceptions like the deductive (Alvesson & Sköldberg, 2009). The studies of previous theory in literature may very well be conducted before, or in combination with, the analysis of the empirical data. This flexible form of research process allows the researcher to reinterpret the empirical data and the previous research (theory) in the light of each other. The role of theory in the abductive approach is as a “[…] source of inspiration for the discovery of patterns that bring understanding” (Alvesson & Sköldberg, 2009:4). Dubois and Gadde (2002:559) state that “the abductive approach is fruitful if the researcher’s objective is to discover new things”.

![Diagram](image)

*Figure 3.1: Systematic combining [Abductive model] (Dubois & Gadde, 2011:555).*
Based on the main point of departure for this study, which is the empirical basis described in the beginning of the problem discussion - the cultural and linguistic issues experienced by employees of multinational firms - we have chosen to adopt an abductive approach to our research. Also, the restricting rules on the research process as well as the lack of depth that Alvesson and Sköldberg (2009) describes as existing in both the inductive and deductive approaches, makes them less suitable to the aims that this thesis has set out to achieve.

3.3 Qualitative research methods

By research methods we mean the general orientation of research conduction (Bryman & Bell, 2011). While there are differing opinions on whether or not it is appropriate to distinguish quantitative from qualitative methods, the general distinction is that while quantitative research aims to measure the extent of a phenomenon, the qualitative research aims to make sense of it by examining the meaning people give them (Kumar, 2014).

It is appropriate to use qualitative methods when researching a topic that needs to be explored in order to gain detailed and complex understanding of the issue (Creswell, 2013). Qualitative procedures provide a means to access facts that cannot be easily measured and thereby give a more ‘correct’ understanding of people and the meaning and structure they attribute to the world around them. If the focus of the study is to discover, understand and explain the situations, attitudes and experiences of a group of people; qualitative research methods are best suited to accomplish this (Kumar, 2014). Thus, the aim of the study, to a large extent, determines the orientation of the research conduction.

The aim of this thesis is to explore and understand the effects of host country language proficiency on intercultural communication between Swedish expatriates in Japan and their Japanese co-workers and how this in turn affects their management of business operations in Japan. This requires an in-depth study of the expatriates’ experiences in order to identify social, cultural and linguistic variables which can be analysed to answer the research question. To achieve this aim we have concluded that the flexible and comprehensive nature of qualitative methods are the most
appropriate for our study. Quantitative methods would not allow for the flexibility and depth necessary for the purpose of this study.

3.4 Research design

What classifies as research design, or research strategy, has been defined in different ways by different authors. Therefore, to clarify, when we explain our research design we are adhering to Bryman and Bell’s (2011:40) definition: “A research design provides a framework for the collection and analysis of data” and it reflects the priority of the research process. Like Bryman and Bell (2011) and Merriam (2009), we make a distinction between the research design and data collecting techniques such as interviews, survey research, focus group discussion and observation. The five research designs given are: case study, experimental, cross-sectional, longitudinal and comparative design (Bryman & Bell, 2011).

When the research is qualitative in nature certain research designs are more appropriate than others and a suitable design must be selected in order for the study to generate the right empirical evidence to answer the research question (Ghauri & Gronhaug, 2010). When conducting a study that seeks to explore ‘how’ a phenomenon works, Yin (2014) suggests a case study research design. He further explains that this is the most suitable design if you want to understand a contemporary, real-world phenomenon and assume that the contextual conditions of that phenomenon will be important to gain that understanding. This design generates an in-depth analysis with a rich and holistic description of a complex phenomenon, illuminating meaning of, as well as the interaction between, different factors of that phenomenon (Merriam, 2009).

Since we intended to explore ‘how’ a contemporary phenomenon works, and the aim was to generate in-depth understanding, a case study design was the most suitable. Context was also highly pertinent to the phenomenon we chose to research, which supports the conclusion that a case study design was appropriate. However, when deciding on a case study design it is useful to define what type of case study, and how many, to conduct.
3.4.1 Case study design

One way of differentiating types of case studies is through the researchers’ interest and objective: *intrinsic* or *instrumental* (Stake, 2005). An *intrinsic* case study indicates that the researcher considers a single particular case to hold an inherent interest in itself. This type of case study does not focus on understanding a larger phenomenon outside of the single case. In contrast, the *instrumental* case study aims “[...] mainly to provide insight into an issue or to redraw generalization. The case is of secondary interest, it plays a supportive role, and it facilitates our understanding of something else” (Stake, 2005:437).

Similar to how the interest and objective of the research determines what type of case study conducted, they also influence how many cases should be studied (Ghauri & Grønhaug, 2010). As the explanation implies, an intrinsic case study is a *single-case* design, studying only one case. The instrumental case study, however, implies a *multiple-case* design. Stake (2006:5-6) explains that:

> “In multicase study research, the single case is of interest because it belongs to a particular collection of cases. The individual cases share a common characteristic or condition. The cases in the collection are somehow categorically bound together. They may be members of a group or examples of a phenomenon”.

Yin (2014) points out that a multiple-case study design may be preferable as the produced evidence is supported by several cases and generalizations are therefore considered more solid than those of the single-case design.

Based on the objective of our research a multiple-case study was appropriate, and by Stake’s definition our cases are instrumental in nature as each case is only of interest in their role as supporting sources of evidence for the ‘bigger picture’. The ‘bigger picture’ in this thesis is host-country language proficiency in intercultural business communication. Our cases are all Swedish expatriates in Japan, thus following Merriam’s (2009:40) definition of a case as being, for example, “a single person who is a case example of some phenomenon [or] a group”.

The number of cases studied was mainly determined by accessibility, but we estimated that we would need to study at least three cases in order to reach some
level of *data saturation*. We also determined that for each case to generate ‘thick’ data we would include no more than six cases as anymore would limit our ability to study them in-depth.

### 3.4.2 Purposive sampling

Before any data can be gathered, the cases which are to be studied must be selected. The two basic types of sampling are *probability* and *non-probability* sampling. *Probability* sampling, of which *random* sampling is the most well known example, is a basis for statistical generalisation. This is not the goal of qualitative research and therefore not a justifiable choice for this type of study (Merriam, 2009). For qualitative research, which aims to understand ‘what occurs’ rather than ‘how often’, Merriam (2009) recommends *non-probability* sampling, the most common of which is *purposive* sampling. Using purposive sampling allows the researcher to choose cases that are representative of the phenomenon that the researcher is interested in (Silverman, 2010).

Based on these definitions and recommendations we adopted a non-probability, purposive sampling strategy when finding and selecting respondents for the primary data collection. Meaning that we developed criteria based on the research question and limited the sampling to participants whom the defined criteria applied to (Silverman, 2010). The criteria which were developed are the following:

1. be a citizen of Sweden with a Swedish cultural background and mother tongue;
2. have experience as an expatriate working at a firm/organisation in Japan;
3. be in a position within the firm that demands communication with Japanese co-workers and/or business partners, and
4. have some degree of knowledge of the Japanese language.

We will have the respondents assess their own language proficiency with the use of the established Language Proficiency Scale (figure 2.1).
3.4.2.1 Respondents

Based on the above mentioned criteria the following respondents were found and selected:

1. **Magnus Nervé**: Nervé is currently working as the Asia-Pacific area manager at Haglöfs. He estimates his level of Japanese to be equivalent to level 4 on the Language Proficiency Scale.

2. **Örjan Pettersson**: Pettersson is currently working as the president of Thule Japan KK and Asia-Pacific sales manager for Thule. He estimates his own Japanese proficiency to be equivalent to level 5 on the Language Proficiency Scale.

3. **Anonymous respondent X**: Has worked for both Japanese and foreign companies while living in Japan. His positions in the companies varies from director of technology to CEO. He estimates his level of Japanese to have been the equivalent to level 3 on the Language Proficiency Scale upon leaving Japan.

3.5 Data collection

3.5.1 Primary data

Primary data refers to the data directly collected, first hand, by the researchers themselves (Bryman & Bell, 2011). According to Silverman (2001), when using qualitative research methods the techniques for collecting data are primarily: interviews, observations and document analysis, though participation or experimentation are also suggested techniques. Bryman and Bell (2011:68) suggest that when conducting qualitative case study it is appropriate to use techniques such as intensive study by ethnography or qualitative interviewing of single cases. The cases may be organizations, groups of employees in an organization or individuals of a particular category, e.g. female managers.

For this study we have decided on interviews as the main source for empirical evidence. This decision is supported by Yin’s (2014) statement that interviews are one of the most important sources of case study evidence. Based on the practical limitations for this study and the preferences of the participants, the decision was
made to gather primary data through email correspondence. Meho (2006) writes about the opportunities and challenges of online interviews, which is usually conducted via emails, and how they can be conducted effectively. He points out that knowledge about email interviews is particularly useful to those who study people that are not easily accessible or geographically far apart. This study falls into that category as we decided to exclude face-to-face interviews due to the significant geographical distance between us and the participants, the majority of which were located in Japan. Meho (2006) states that the quality of the material gained through online interviews is much the same as other more traditional methods and supports this statement by referring to several studies that have come to the same conclusion. He describes online interviewing as a quick and inexpensive way to gain access to otherwise inaccessible sources of information and a viable alternative to face-to-face or telephone interviews that can generate high-quality data.

3.5.2 Secondary data

The secondary data, which has been used in the introduction chapter and the literature review, has been collected from books and scientific articles written on the topic of intercultural communication. Other sources used to gather secondary data have been official websites, especially regarding the collection of information on countries and language proficiency.

3.5.3 Design and structure of interviews

In-depth online interviewing, unlike online survey research, is semi-structured in nature (Meho, 2006). The semi-structured form allows the respondents to develop their thoughts, and enable more unanticipated data to come to light. The structured interview, or online survey, while easier to analyse because of the standardised form of questions and answers, is more quantitative in nature and too limiting in terms of the information produced to be useful in this study (Denscombe, 2009). Another benefit to online interviewing, particularly via email, is that the respondents are not directly influenced by the interviewer and is given time to consider and formulate their response (Meho, 2006).
The initial correspondence with our respondents entailed basic questions about their background and experiences in the area we have chosen to study. This was done in order to confirm their suitability as interview participants for this particular topic and gain understanding of their individual circumstances, but also to establish a level of trust between us and the respondents and assure them of our professionalism. The interview guide containing our interview questions was written in Swedish for the convenience of our respondents, but has been translated into English before being attached as an appendix to this paper (see Appendix A). The questions were sent to our respondents along with instructions for how we wished for them to be answered and a deadline for response was given. The online email interview has a distinct advantage over the traditional verbal forms of interview concerning the transcription of the response as they are self-transcribing in the sense that upon receiving a response it is already in written form (Kvale & Brinkmann, 2009).

3.6 Operationalization

Jacob and Furgerson (2012) write that it is important to have done a proper literature review before writing the questions for an interview. Having done a literature review means that you know what has already been written on the subject and thus know what still needs to be answered. Potter (2013) writes that you cannot do empirical research without operationalizing your concepts since they are abstract terms with no link to the real world. Kvale (1996) explains that an interview guide for semistructured interviews should contain an outline with concepts that will be covered as well as questions for those topics. In our conceptual framework we identified the concepts that this study covers and created interview questions (see Appendix A) based on these concepts.
3. Methodology

Table 3.1: *Operationalization*. Own table.

<table>
<thead>
<tr>
<th>Concepts</th>
<th>Interview questions</th>
<th>Reasoning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Language proficiency</td>
<td>1-3</td>
<td>To be able to determine our respondents Japanese language proficiency we asked them to assess their own skills based on the developed Language proficiency scale. We also asked them to explain how much they use Japanese in their work as well as what level of Japanese they had when they first arrived in Japan.</td>
</tr>
<tr>
<td>Cross-cultural adaptation</td>
<td>9-10</td>
<td>To be able to answer if Japanese language proficiency affects how and to what speed expatriates adapt to a new culture we asked our respondents a question about whether or not they think their knowledge have helped them adapt to their work place’s culture.</td>
</tr>
<tr>
<td>High/low context</td>
<td>4</td>
<td>To understand if the respondents are aware of the difference between the Sweden’s low context communication and Japan’s high context communication we asked them if they perceive any differences between the way communication takes form in the two countries.</td>
</tr>
<tr>
<td>Miscommunication</td>
<td>5-6</td>
<td>We asked the respondents two questions regarding what kind of miscommunication issues they face in their work. One question is aimed at when they first arrived in Japan and their current situation to be able to see if an increasing proficiency level reduces or affects what miscommunication they face.</td>
</tr>
<tr>
<td>Interaction</td>
<td>7-8</td>
<td>To understand how the respondents interact with their Japanese co-workers we asked them about how their increasing knowledge in Japanese has changed how their co-workers interact with them as well as if they think that their interactions would be different if they did not know Japanese.</td>
</tr>
<tr>
<td>Access to information</td>
<td>12-13</td>
<td>To answer whether or not language proficiency helps expatriates to get access to information within a company we asked our respondents whether or not they feel like they can keep up-to-date on what is going on in the company thanks to their Japanese knowledge. We also asked in what way they think Japanese knowledge eases/hinders their work.</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>To open up the discussion about expatriate skills and thus be able to put the effects of language proficiency in comparison to other types of knowledge/traits we asked about what kind of knowledge/traits new expatriates should possess if they are to be successful in Japan.</td>
</tr>
<tr>
<td>Business operations</td>
<td>14-16</td>
<td>To understand how language proficiency can have an effect on their ability to manage business operations in Japan we asked questions concerning regarding business impacts focusing on relations between co-workers and business partners. We also asked if they are of the opinion that their language proficiency has helped them in creating these relationships. Finally, we asked if their adaptation to the Japanese way of doing business has affected their work.</td>
</tr>
</tbody>
</table>
3.7 Method of data analysis

The key characteristic of qualitative data analysis is defined by Ghauri and Grønhaug (2010) as the process of breaking down a complex whole into manageable components and thus facilitating understanding of the data. Ghauri and Grønhaug (2010) suggest that researchers begin the analysis with *data reduction* by generating categories and identifying themes. This is done by codifying the data and in this way allowing patterns to emerge in the interview material (Fejes & Thornberg, 2009). Yin (2014) states that this pattern matching is appropriate for explanatory research. Moore et al. (2012) write that it is ideal for data collection and analysis to occur simultaneously.

We have followed Snyder's (2012) suggestion and used a *cumulative analysis* approach to the data, which means that we began the analysis of our empirical material while still in the process of gathering it. This has allowed us to act on new findings and adjust our literature review and follow up with interview questions accordingly. We have coded our empirical findings and then categorised them after the themes introduced in the literature review, as suggested by Fejes and Thornberg (2009). After doing so we compared the findings from our cases with each other as well as with the literature to determine the differences and similarities. The method of comparing our cases to the literature is described by Silverman (2010) as giving a firmer basis for the generalisations we make. This comparative method allows for more validity to claims that may otherwise have been based on a single unique case. Finally, we discussed the results of the analysis and attempted to explain what implications could be drawn from the results.

3.8 Quality of research

3.8.1 Validity

A *valid* study is one where the data has been collected and interpreted correctly so that the conclusions accurately reflects the reality that has been studied (Yin, 2011). Merriam (2009:213) writes that since reality cannot be grasped validity must be measured through the research’s credibility: “[…] are the findings *credible* given the data presented?”. 
Maxwell (2013) writes that the most important way of ruling out misinterpretation of the data collected is to get respondent validation, to have them check and make sure that the researchers have interpreted them correctly. Patton (2002) classifies this as one type of triangulation. He describes triangulation as the act of combining several data collecting methods to strengthen a study’s credibility as using only one method is very vulnerable to errors. Patton (2002) refers to what Maxwell calls respondent validation as review by inquiry participants. Another type of triangulation is triangulating analysts which means that two or more persons analyse the data collected separately and then compare their findings to minimise the risk of one person’s bias being reflected in the study (Patton, 2002).

In this thesis we have used both methods to increase the validity of the research. The respondents have gotten the chance to give feedback to ensure that no misunderstandings or misinterpretations have occurred. This is also a way to show that the thesis has been done ethically (see subchapter 3.9.1). We have also separately interpreted the data collected from our participants and then compared our findings to make sure that the interpretations we have made can be considered valid.

3.8.2 Reliability

Reliability is a way of measuring whether or not your instrument of research is able to produce consistent measurements every time it is used (Kumar, 2014). Denscombe (2010:298) explains that it is very hard to judge qualitative research after that definition as it is almost impossible to replicate a social setting as “time inevitably changes things”. According to Kumar (2014), in qualitative research the reliability of a study is therefore measured in how dependable and confirmable it is. Enerstvedt (1989:153) defines reliability as “the accuracy of operations in the practical and logical procedures”. To prove that a study is reliable you therefore should state your methods clearly so that the reader can follow how you got your results and also how you came to your conclusions based on those results (Denscombe, 2010).

To prove the reliability of this study we have clearly stated our methodology for this thesis so that it is easy for the reader to understand how we have gotten our results.
from our respondents. We also have the raw data gathered from the respondents documented in case it will be needed. A positive aspect of doing e-mail interviewing is that there is no loss of raw data and no transcription is needed which eliminates the risk of transcription manipulation (Hamilton & Bowers, 2006). Further, the interview guide has been provided (see Appendix A) to make it available for examination.

3.9 Limitations and criticism

It is commonly argued that generalisation is not meaningful for qualitative research (Braun & Clarke, 2013). However, another view is that qualitative research is generalizable, just not in the same way as quantitative research (Braun & Clarke, 2013). Yin (2011) states that there are two different types of generalisation, statistical and analytical. Statistical generalisation looks at a sample and a generalisation is then done about a population based on the results found (Yin, 2009). However, this method does not suit qualitative research as “no small number of data collection units, much less a single unit, can adequately represent the larger population of units [...]” (Yin, 2011:99). Analytical generalisation, however, seeks “to develop and then discuss how [the] findings might have implications for an improved understanding of particular concepts [...]” (Yin, 2011:100). That is, the findings of the study should show whether or not the empirical results support or challenges theory, and how it does so (Yin, 2011). In this thesis we will be using the analytical generalisation to see how our findings can help with understanding how language proficiency effects intercultural communication.

The interviews were done in Swedish as the respondents and the authors of this thesis all have Swedish as their mother tongue. Since the interview questions were written in Swedish and the responses collected also were in Swedish, a translation to English was necessary for the thesis. This means that some nuances of meaning can be lost in translation but we have taken precautions against this by using respondent validation to strengthen the quality of the empirical data.

Dervin (2012) writes that culture is too often seen as something unchangeable and as something that is representative of all its members. Maude (2011) states that culture cannot be categorised into groups by geographic location or any other classification
system. Levine et al. (2007) explain that this is because of the fact that nations can have multiple cultures and constitute of people from many different cultural groups. In this study we however argue that since Japan’s population consists of 98.5% Japanese people (The World Factbook) it is reasonable to classify the geographic area of Japan and its homogeneous people as having one culture. What is called Japanese culture in this thesis is thus representative of 98.5% of Japan’s population.

We are aware of the issue of letting our respondents evaluate their own level of proficiency. However, due to time restrictions and that we do not have the qualifications needed to test our respondents’ proficiency nor do they have the time to take a test to strengthen their own evaluation, we had to settle for another solution. In the end we let them evaluate their own knowledge based on the Language Proficiency Guide we have established for this thesis. We are aware that this might have some effects on how reliable the conclusions we have made based on their language proficiency are.

We have argued for the advantages of email interviews in subchapter 3.5.3 and also briefly mentioned it while discussing this thesis’ reliability. However, email interviews also have some disadvantages. Tracy (2013) states that one disadvantage is the lack of non-verbal data, e.g. facial expressions, tone of voice and laughter. The lack of a two-way communication makes the chances higher for misinterpretation and misunderstandings (Meho, 2006). Another disadvantage is participant attrition (Tracy, 2013). Participants are more likely to drop-out in the middle of the interview process due to various reasons such as finding it to be too time consuming or inconsistent computer use (Tracy, 2013). A third disadvantage is the lack of spontaneous reactions (Hamilton & Bowers, 2006). A fourth disadvantage would be that respondents in email interviews have a tendency to not describe things fully (Gillham, 2005). In this study we have tried to limit these disadvantages by, as stated in the validity subchapter, letting the respondents give feedback to minimise misinterpretation. Further more we have sent follow up questions when needed to get more detailed answers. Also, as Hamilton and Bowers (2006) state, it is more important to have respondents that are committed to answering than whether or not the information gathering was done via email or face-to-face interview. However, we
have had respondents who have not answered our emails after agreeing to an interview. Thankfully we have been able to find enough respondents to be able to finish this thesis.

### 3.9.1 Ethical considerations

Silverman (2010:153-154) lists a few general principles for ethical research and it’s research subjects:

1. “voluntary participation and the right to withdraw”
2. “protection of the research participants”
3. “assessment of potential benefits and risks to participants”
4. “obtaining informed consent”
5. “not doing harm”

Ghauri and Grønhaug (2010) further elaborate on ethical principles stating that researchers have a responsibility to conduct their research in a honest way. This they prove that they have done by pointing out the research’s strengths and weaknesses and it’s reliability. Another issue that they point out as important is confidentiality. If the respondent has asked to be anonymous the researcher must do it’s absolute best to insure that the respondent in no way can be identified through reading the research (Ghauri and Grønhaug, 2010). Further, another important factor is to report the research results objectively and honestly. The results should not be manipulated so it fits the researcher’s purpose or distort it so that it does not reflect reality (Ghauri and Grønhaug, 2010).

In this thesis the research subjects have been informed of the purpose of the study and have all voluntarily agreed to participate. They have also been given the opportunity to remain anonymous if so wanted. To ensure that no sensitive information about the respondents is published, we have sent the results written in chapter 4 back to them for approval before the thesis was published. Further, the shortcomings of this thesis have been presented in the previous section and the reliability of the thesis has been discussed in subchapter 3.8.2.
4 Empirical findings

In this chapter we will present the empirical findings of our study. We start the chapter by introducing our respondents and their working experience in Japan as well as their level of Japanese language proficiency. This is followed by a comparative presentation, based on the experiences of our respondents, of how language affects the identified aspects of intercultural communication and what the consequences are of that influence.

4.1 Respondents

Our respondents are or have been working as managers or CEOs in Japan. The companies they worked for are in majority Swedish companies that have established presence on the Japanese market but some have worked in Japanese companies as well. The length of their time as expatriates in Japan varies from 6 to 18 years. They have all, to some degree, studied Japanese at university level before their working career started. All interviews were conducted through emails during the period 5th of April 2014 and 23rd of May 2014.

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Level upon arrival (0-5)</th>
<th>Current/latest level (0-5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magnus Nervé</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Örjan Pettersson</td>
<td>2-3</td>
<td>5</td>
</tr>
<tr>
<td>Respondent X</td>
<td>0-1</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 4.1: Respondent proficiency levels. Own table.

Magnus Nervé

Magnus Nervé is 42 years old and has been working in Japan for 16 years and is currently residing in Tokyo. He studied international industrial economy at Linköping University with Japanese as an additional language. He later took his MBA [Master of Business Administration] in International Business at Miami University. He is currently working for Haglöfs, the biggest supplier of outdoor equipment in Scandinavia, as a manager for the Asia-Pacific region. Before his job at Haglöfs he was working for, among others, Reebok and IKEA.
Nervé ranks himself at level 4 on the Language Proficiency Scale and describes that all communication at his office is in Japanese. He does communicate in other languages at work but that is only when communicating with people outside Japan. When he first arrived in Japan he estimates that his Japanese level was “somewhere around level 2”.

Örjan Pettersson

Örjan Pettersson is 45 years old and has been working in Japan for 18 years and is currently living in Tokyo. He has a Master degree in East Asian Studies with majors in Japanese and political science. He is currently the president at Thule Japan KK as well as the Asia-Pacific sales manager for Thule. Before his job there he has worked for companies such as Aichi Sangyo and Optima Batteries.

Pettersson estimates himself to be at level 5 on the Language Proficiency Scale. In his work almost all of the communication takes place in Japanese. With Japanese customers and with the people at his office he only communicates in Japanese. The only time he does not use Japanese is when sending out information about products to customers in the entire Asia-Pacific region. When arriving in Japan he estimates that his Japanese proficiency level was between level 2 and 3.

Anonymous respondent X

Respondent X has worked a total of 6 years in Japan as an expatriate but is currently living in another Asian country. He is a trained professional engineer, lawyer and professional negotiator. Before moving to Japan he took the highest university level classes in Japanese language that were available in Sweden at the time. In Japan Respondent X worked for both foreign and local companies with different tasks and responsibilities that varied from being, for example, a board member, director of technology and CEO.

Respondent X estimates that his Japanese language proficiency was at level 3 on the Language Proficiency Scale when he left for Japan the first time. He used Japanese for mostly ‘social talk’ e.g. social conversation among the staff in the workplace corridors and after business hours, but English was mixed in while working due to
the jargon in his line of work being mostly English terms with no Japanese equivalent. While he had taken classes in Japanese before going to Japan he felt that those did not really help when he first started working there and thus mean that his practical level of Japanese was in reality between level 0 and 1. Upon leaving Japan Respondent X estimates that his practical level of Japanese was at level 3.

4.2 Cross-cultural adaptation

Nervé is of the opinion that his Japanese language skills has been the major key to being able to adapt to the Japanese business culture. Since Japan's way of doing business is different in many ways from other countries it would have been difficult to understand aspects such as: how decisions are made and implemented within the company and how to handle customers, without a certain degree of language proficiency. Nervé states that his ability to adapt has affected the outcome of his work very positively but he also adds that it is important to not adapt to everything, sometimes expatriates gets hired just because they bring in a ‘new perspective’ that Japanese companies cannot come up with themselves since they are used to working in a certain way.

Pettersson believes that his knowledge in Japanese has helped him to adapt to the Japanese way of doing business. He also states that knowing Japanese helps him to understand how business is done in Japan so that he can communicate that to the HQ which in turn helps with formulating plans that are doable in Japan. He points out that it also helps him explain to others why he does not want to adapt to certain aspects of the business culture in the country.

Respondent X explains that his Japanese language proficiency was vital to be able to adapt to the Japanese culture, not only since the language is a method of communication but also because the language, written and spoken, is an integral part of the culture. He also emphasizes how fundamental it is to gain an understanding of written Japanese because it influences how you work with the language and how you express yourself in speech. Respondent X says that his ability to adapt to the Japanese way of doing business was what made it at all possible to work in Japan.
4.3 High/low context

Nervé points out that it is widely assumed that the Japanese are not as straightforward as westerners in their communication, but he does not agree with that preconception. He says that this view is based on American literature and that Americans are much more straightforward in their communication than other western countries. Nervé has the view that the Japanese normally find Swedes to be slower and not very direct, while Swedes generally perceive the Japanese as being very direct in their communication.

Pettersson states that the biggest difference between the Swedish and the Japanese way of communicating is that in the area of business, the communication in Japan is significantly more formal. He also says that when using the Japanese language the communication cannot always be as direct in Japanese as it could have been if he had used English to communicate.

Respondent X finds that in order for the communication between business partners to work smoothly in Japan it is necessary to ‘think Japanese’. You have to know how communication is conducted in Japan, how you act and work, including your body language. Japanese listen less to words and language than westerners, but they are more interpreting actions and conduct. It is not necessary to speak Japanese to do so, but you must adopt a Japanese way of communicating if you want to get your message across properly, and be respected.

Respondent X states that Japan has more levels (six) of formality and that Sweden in comparison only has one. Furthermore, in Japan men and women use different words and expressions (in literature often referred to as male- and female language). A high percentage of the messages communicated are also non-verbal. In a study that Respondent X conducted at a University in Japan it was found that 93% of communication was non-verbal. One reason Japanese prefer meetings rather than written or telephone communications. Finally, in Sweden a discussion begins with the individuals expressing their personal opinions and then working towards a consensus within the group, while in Japan you think as part of the group rather than an individual within it.
4.4 Miscommunication

Nervé states that the biggest obstacle he encountered during the beginning of his time in Japan, was the general level of English proficiency in the country, which was and still is very low, much lower than e.g. South Korea and China. This makes it difficult to get close to Japan as a country if you don’t speak Japanese.

Nervé states that he does not experience any significant problems in communication today. He does point out that, in his experience, the Japanese have a tendency to play the ‘gaijin-card’ [foreigner-card] if they run out of real arguments. Nervé explains that despite having a high proficiency of Japanese and 17 years of living in the country, he still encounters comments pointing out that he is not Japanese and therefore ‘does not really understand how we do things here’. This does not happen very often however, and when it does it is only because they feel that they cannot win a discussion with real arguments.

Pettersson expresses that the biggest issues in communication he experienced during the beginning of his time in Japan concerned professional jargon and the usage of more formal forms of kango. The consequences of this was that it became necessary for Pettersson to look up and learn a lot of new words. Today, however, any communication problems that arise are likely to be due to hierarchical placement how to use the different levels of politeness in the language according to these placements.

Respondent X states that the initial impression when coming to Japan was that none of the Japanese that he had been taught in Sweden was usable in real-life. He explains that, in Sweden at that time, Japanese was largely being taught by direct word-for-word translation. This didn’t allow the students to master the ability to understand and use the language within the context of Japan’s culture and social norms. For this reason he arrived in Japan able to “speak Swedish with Japanese words and grammar”. The consequences of this he describes to be:

10 Kango is also referred to as the Sino-Japanese vocabulary and are words that have their roots in the Chinese language (Liu, 2012).
misunderstandings, hurt feelings, anger, disagreements, conflict and several humorous comments. Respondent X did not perceive that any new problems in communication emerged during the later period of his time in Japan but emphasize the struggle behind expanding and maintaining the language which he states is an issue even for the native speakers. The written language as well as certain aspects of the spoken language are quickly forgotten if they are not used regularly.

4.5 Interaction

Nervé finds that the attitude, treatment and reception he experiences from co-workers and business partners has definitely changed with his increased proficiency in the Japanese language and culture. He states that communication flows much more efficiently and neither co-workers nor business partners differentiate between himself and his Japanese colleagues. He also believes that without knowledge of the Japanese language the social relations to co-workers and business partners would be affected. The casual conversation about what people did during the weekend, what is good on TV tonight, jokes, food, weather and other such topics, would not happen and as a consequence, relationships would be more stiff and formal.

Pettersson has also experienced that his increased understanding of Japan and proficiency in Japanese has influenced the interaction between himself and Japanese co-workers and business partners. While he does not think that this is a problem with his co-workers, he perceives that some clients/companies may feel a bit threatened by his insight. However, overall, his understanding and knowledge is a positive thing as it allows him to arrive at the heart of a discussion much quicker and ‘get down to business’ much earlier than what would otherwise have been possible. As for the social facet of working in Japan, Pettersson believes that an understanding of the Japanese language allows for more direct contact with co-workers and clients which in turn improves the understanding of Japanese society and working life. He thinks that without Japanese proficiency he would have missed out on a lot of these aspects.

Respondent X believes that his increased proficiency in Japanese and deeper understanding of the culture has lead to easier communication and a significantly increased level of respect and cooperation. It has also generated a more harmonious
working environment and more and better results. His increased proficiency in the language and associated personal conduct has also made it a lot easier to manage the activities within the firm.

The social relations at work would have looked very different and most likely be non-existent if he had not held an understanding of Japanese, according to Respondent X. He states that during his time in Japan he witnessed several examples of when a lacking understanding of the language affected relationships at work and what the outcome of those incidences could be. One such example, is a Swedish CEO who worked in Japan for over 10 years but never learned the Japanese language and did not make an effort to understand the culture. This Swedish CEO, Respondent X explains, managed the company by using threats and intimidation and did not respect his employees whom in turn made fun of him behind his back and called him ‘the emperor’ referring to the way Japanese emperors speak a different language and live separately from their people. The outcome of the situation was that the company was run by the local sales manager and the Swedish CEO did not lead the organization any more than a ship’s figurehead leads the ship. In the end, the owner of the company was informed about the state of affairs and the CEO was fired. Respondent X points out that social relationships and trust are fundamental for anything to work in Japan, both within and outside the work place. Knowledge of the language helps a lot to understand these factors and work with them.

Respondent X found Japanese language skills to be a crucial piece of the puzzle of important things to know in Japan. He points out that to have deep knowledge of and understand Japan’s history is crucial as well, since much of today’s work has its roots in the country’s history. The more pieces of the puzzle you possess the clearer the picture gets, and with a bit of tact you can see the correct way to act for communication to be successful in Japan. Knowing the language is a vital part of communicating but knowing when and how to use it properly is just as important or even more so. If you do not use the tools of the language correctly (e.g. level of politeness, structure, timing and choice of expressions and words coupled with actions and body language) you will offend your business partners which might cause bigger harm to the relationship than if you had spoken English. “You don’t do
Losing the Translator

4. Empirical findings

business with someone you don’t trust or feel an aversion to. The consequence; no deal” (Respondent X, 16/5).

Respondent X gives two classical example of a situation where a lack of understanding of the culture, and all that it entails, lead to insulting behaviour and unsuccessful communication. The first example is of a Swedish CEO that visited a Japanese company with the purpose of developing business. He casually tossed his business card in front of the Japanese owner, who showed no reaction. The owner later issued an internal memo forbidding any employer in his company to have any dealings with the Swedish company. In Japan you hand over your business card using both hands, turned so the receiver can read the text, while you state your name with an introductory standard phrase. (First time to meet you, my name is “X”, take care of our new relationship – in a very free translation. This is similar to the western expression “How are you”. You are not looking for a medical report, but to make the other party comfortable that you care.) To throw the card on the table is a degrading insult.

The next example, he explains, is a personal early experience. Respondent X was in his late 20’s, and was working for a Swedish company when they had a very senior visitor from Japan. Respondent X and his colleagues did everything for the visitor, sightseeing, dinners, entertainment, etc. And put in a lot of effort to make it a good visit for him. They then heard that after returning to Japan he complained that he had been badly treated and not treated respectfully. The reason was, he had not met any of the company seniors. “The problem was, we had no ‘seniors’, and everyone was under 40 about. Age is crucial and highly respected in Japan, If you don’t have anyone senior, over 60 or 70, hire one and make him the chairman” (Respondent X, 16/5)

He believes that this also explains why Swedish companies so often fail in Japan and Asia, they do not respect and even know of central and crucial needs. The board of the Swedish company sends a representative in their 40s who ‘speaks Japanese’, when in fact a 70 year old who does not speak Japanese would have been the better choice. If the 70 year old in addition had at least 5 years experience from living in
Japan as any Japanese do, functioning in Japan, a good understanding of the Japanese written and spoken language, culture and history, it would have been very good. Respondent X summarises the issue in simple terms: the Swedish management and the Swedish board select and send someone they like, not someone the Japanese community likes.

4.6 Access to information

Nervé has found it to be essential to be able to speak Japanese in order to be able to keep up with what is going on at the office. When working in Japan as an expatriate he believes that being able to speak Japanese is only a positive thing. It facilitates the building of relationships with co-workers and customers and to be able to join the social communication that takes place at the office. He does however say that sometimes it is better to pretend not to be able to speak Japanese as to get a strategic position.

Nervé says that having Japanese language proficiency makes it easier to build relationships with co-workers and business partners, mostly because the language allows you to follow the casual conversation at the office and thereby already be in sync with them about what to prioritise. The Japanese usually start out with minus-aspects, such as quality, delivery times and documentation errors, before moving on to plus-aspects like sales and customer relationships. Without the language it becomes easy to believe that your co-workers are only working on solving problems even though that is not actually the case.

Pettersson says that since his office is so small they need to have close relationship in order to work together, which is made easier by being able to communicate in Japanese. Since his job also requires him to let his office know what is going on in the company as a whole it is necessary that he is able to communicate that properly. Pettersson states that knowing Japanese helps him to efficiently gather information and share it with co-workers, customers and the HQ. As he is both a sales manager and a CEO it is to him very important to be able to meet with customers, other CEOs, clients and co-workers in private, which would not be possible without his knowledge in Japanese.
Respondent X says that knowing the language was fundamental for him to be able to understand what was going on at the office. In his opinion it is much more important to understand the language than being able to speak it. If you want to have any say in what is being planned and decided upon you must be able to understand what your co-workers are saying.

4.7 Trust

Nervé feels that the fact that he and his co-workers and business partners share a common language and have the ability to perceive and express the nuances of that language creates a deeper trust between them. Nervé states that for the communication between him and his co-workers and business partner to work the most important factor is that they trust each other, that can be done by using an interpreter but he feels that it is easier to build that trust due to the fact that he can speak Japanese.

Nervé states that trust is immensely important in working relationships in Japan, both between co-workers and business partners. He points out that Written contracts are usually only summaries of the main points of a cooperation, such as prices and return policies. Verbal agreements and the consistent giving-and-taking of a relationship are what decides how you work with customers as well as within the office. Only a high level of trust can make this work. On the other hand, a low level of trust makes it difficult to get a customer to give us and our products a chance since they might feel uncertain about whether we will live up to the unwritten agreements.

Respondent X states that language did not just make it easier to build good relationships with co-workers and business partners, it was fundamental to make relationships work and to get things done. He goes on to explain that everything is very personal in Japan both between business partners and co-workers. “The work does not end at 5PM, you socialise even in private, co-workers and business partners together” (Respondent X, 16/5). The hierarchical barriers that are always present at work come down and together you seek common goals and direction.
Respondent X explains that trust is very important in Japan, both between co-workers and business partners. “You have to act in a way that creates trust [...]” (Respondent X, 16/5). He states that it’s not a question about logic, it’s a question about intuition. “It’s easy things like not putting your spoon into your table companion’s soup to taste it. Not because it makes that big of a difference logically, but because it creates discomfort and uncertainty [...]” (Respondent X, 16/5). Respondent X says that his ability to adapt to the Japanese way of doing business was what made it at all possible to work in Japan.

4.8 Important abilities for expatriates

Nervé is not necessarily of the opinion that language proficiency is the most important skill an expatriate needs to be successful in their work in Japan. Nervé says that the most important skill they need depends on what type of work they are expected to do in Japan.

Situation a) A very skilled expatriate is sent to Japan to ease and facilitate communication between the headquarters (HQ) and the Japanese subsidiary. In this situation the most important thing for the expatriate is to have great relationships within the HQ, in order to quickly follow up on happenings within the company, and also to be knowledgeable about how business is conducted in Japan, in order to prioritize correctly. Situation b) An expatriate is sent to Japan to take a certain position in the company, e.g. sales manager. In this case, except for being knowledgeable within their line of work, they should also have Japanese language skills. If they don’t the company will continue on as usual, leaving the expatriate unable to do the work he was sent there to do.

Pettersson does not find Japanese language proficiency to be the most important skill a future expatriate should have. Pettersson instead suggests that being knowledgeable about the Japanese culture, their own field of work and to have an interest in Japanese history and culture is more important.

For future expatriates Respondent X suggests that a high level of knowledge and insight into the way the Japanese society works is more essential than language itself,
to be able to adapt to how business is done, and thus succeed as an expatriate in the country. However, he states that learning “how to think and function Japanese” is something that must be learned by doing, by experience, not theoretical studies offshore. In addition to this, being knowledgeable and experienced in your own field of work, professional skills and competence, helps an expatriate to be respected as a professional. The most important aspect, however, is the ability to function within the group, team, and to do so in a Japanese way. Language proficiency becomes a secondary skill and simply a part of the job but, indeed, an important part.
5 Analysis

*In this chapter we present our analysis, in which we connect the empirical findings to the theoretical framework and discuss the theoretical and managerial implications. We compare the similarities and differences, between previous research and our empirical data, that have appeared during the course of this study.*

5.1 Cross-cultural adaptation

Kim (2012) states that language is one of the most important factors in cross-cultural adaptation. This implies that expatriates with language proficiency should experience that their language skills has affected their adaptation process positively. All three respondents agree upon the fact that their language proficiency has helped them to adapt to the Japanese way of doing business. Nerve called his language proficiency “the major key” to adaptation, Pettersson said it “helped” and Respondent X said it was “vital”.

The most important type of host communication competence appears to be what Kim (2012) refers to as cognitive competence, that is the knowledge of the host language. Respondent X also mentions that it is important to understand how communication works and to adapt to that even if you are not speaking Japanese. This could be connected to Kim’s (2012) operational competence which concerns the ability to express messages in line with what is considered as the correct way of communicating in the host country. Pettersson also states that his ability to speak Japanese has helped him to interact with co-workers and that the interactions with them has led to a better understanding of the Japanese society and working life. This process is what Kim (2012) refers to as acculturation.

Our findings concerning cross-cultural adaptation are in line with theory, showing that language proficiency has a positive effect on cross-cultural adaptation, more specifically in this case, on adaptation to the Japanese working culture.

Shi and Franklin (2014) found that the expatriates who were able to adapt well to the host country also have a better level of performance. Their research also showed that
host country language proficiency contributed to better adaptation to the host country and better job performance. Nervé said that his Japanese language proficiency was “the major key” to his ability to adapt to the Japanese way of doing business, and in turn his ability to adapt had a “very positive” effect on his work. Respondent X said that his ability to adapt was what made it at all possible to work in Japan. Pettersson gave the example that his adaptation and understanding made it possible for him to share that knowledge with the HQ which helped them formulate business plans that were doable in Japan. We can therefore reason that our findings support Shi and Franklin’s (2014) findings that language proficiency, as stated previously, has a positive effect on adaptation and adaptation in turn has a positive, or even enabling, effect on work performance.

5.2 High/low context

According to Hall’s (1981) description of high context cultures, our study should show that Japanese people communicate in a very indirect way. This would mean that expatriates from Sweden should perceive their Japanese business partners as very indirect in their communication. We, however, got very different answers to the question about communication differences between Japan and Sweden. Nervé mentions that he feels that the Japanese are not as indirect as literature has made them out to be, and in his experience, contrary to our presumption, Japanese people view Swedes as very indirect. However, Respondent X is of a different opinion saying that much of the information is conveyed through non-verbal communication. Pettersson does not mention anything relating to high/low context when talking about differences between the Swedish and Japanese communication style, however he does note that it is harder to be direct when delivering messages in Japanese than it would be if he could speak English at work.

We have a few guesses about why Nervé’s statement seems to go against Hall’s (1981) theory. Our first guess concerns language proficiency. It is possible that Nervé’s higher competences in the Japanese language could affect how he interprets the Japanese way of communicating. Samovar and Porter (1991) state that everyone interpret messages through their own cultural frame of reference. Since Nervé has been living in Japan for 16 years it is possible that he might have adapted enough to
the Japanese culture that he now interprets messages differently than a new expatriate, or a non-speaker of Japanese might. A deeper understanding of how Japanese communication works might lead to Nervé unconsciously interpreting the non-verbal information along with the verbalised information, which in turn might lead to him interpreting the message as more direct than someone with a lower level of or no proficiency might. Another guess is that the generalisation of countries into types of communication might not hold true in all situations and cases. It might be so that business Japanese is much more straightforward than business Swedish or that the people Nervé has been in contact with have had styles of communication that does not match the ‘typical Japanese/Swede’.

Whether or not language proficiency affects how our expatriates perceive communication in Japanese to be high context cannot properly be determined from our study as our findings are ambiguous. While Nervé indicates that communication in Japan is not high-context in comparison to the Swedish style of communication, Respondent X states the opposite. Pettersson’s answer might be interpreted to strengthen Respondent X’s statement but it is important to note that English might be even more low context than Swedish. Pettersson might not be of the same opinion regarding Swedish and Japanese and we are therefore cautious of using it to strengthen any conclusion on this topic.

5.3 Miscommunication

Gumperz and Tannen (1979, referenced in Gass & Varonis, 1991) stated that the more a non-native speaker and a native speaker know about each other’s culture and language, the less likely it is for miscommunication to occur. We can therefore speculate that this would mean that expatriates with language proficiency should experience less miscommunication issues than those without language proficiency.

Nervé when first arriving in Japan faced difficulties because of the low level of English proficiency in the country. He states that this makes it difficult to ‘come close’ to the country without knowing Japanese. Today, however, he does not experience any significant difficulties when communicating. Pettersson experienced difficulties regarding the professional jargon when he first arrived in Japan, while
today he does not experience communication issues that often, and if he does the problems are often due to the hierarchical position of himself and the person he wishes to communicate with. When Respondent X first came to Japan he encountered a number of difficulties due to miscommunication stemming from his low proficiency in practical Japanese but he did not encounter any new problems as his stay continued.

The empirical material supports the theory that the amount of miscommunication lessens when you know more about the other party’s culture. Both Nervé and Pettersson experience a lesser amount of communication issues today than they did when they first arrived in Japan. At a proficiency level at 4 and 5 respectively they should not encounter much difficulties due to e.g. a lack of vocabulary. Respondent X stated that he did not encounter any other problems in the later stages of his stay, which points to that as his proficiency in Japanese increased, the number of communication issues were reduced. We can deduce that language proficiency has the positive effect of reducing miscommunication between a non-native and native speaker of a language, making communication more effective.

Less miscommunication should mean more accurate communication occurs at the expatriates’ working place. Accurate communication in turn has a positive effect on trust building (Thomas et al., 2008). Further more, uncertainty in communication, caused by communication difficulties, result in a decrease of trust (Peltokorpi, 2007). Japan in particular shows a high level of anxiety when communicating with non-natives (Peltokorpi, 2007), which also points to that the expatriates’ language proficiency equals in both less miscommunication and less uncertainty and thus should result in more trust. Trust’s effect on business will be further discussed in subchapter 5.5.

5.3.1 Effective internal and external communication

On the topic of effective internal communication, Gopal (2009) writes that communication among co-workers is important for the promotion of a positive and harmonic environment within the organisation and brings a feeling of cohesion to the employees. Effective communication also generates a good working environment,
increasing the flow of information and raising the level of organisational efficiency and effectiveness (Gopal, 2009). Respondent X described that his increased proficiency in Japanese, in combination with a deeper understanding of the culture, has lead to easier communication and increased respect and cooperation.

Gopal (2009) also explains that effective *external communication* brings in orders and goodwill for a company, ensuring its continued existence. Marketing research has also shown that organisations that communicate more effectively also sell better because problems such as time delays, wrong orders and unnecessary communication can be reduced (Gopal, 2009). All respondents have reported better communication as an effect of language proficiency and Pettersson explained that his increased Japanese proficiency allows him to ‘get down to business’ much earlier in the interaction process.

5.4 Interaction and access to information

5.4.1 Language proficiency and interaction

Language proficiency influences the extent to which expatriates interact with host-country members, according to Peltokorpi (2008). A lower level of language proficiency leads to isolation from host-country co-workers, limiting interaction and consequently access to information, resulting in low control over the organisation (Peltokorpi, 2007). In contrast to this negative picture, Charles and Marschan-Piekkari (2002) found that expatriates with a higher level of proficiency in the host-country language had more interaction and thus better access to information and thereby more power.

Respondent X says that if not for his skills in the Japanese language there would most likely not have existed any social relationships at work. He states that language did not just make it easier to build good relationships with co-workers and business partners, it was fundamental to make relationships work and to get things done. His experience supports previous research claiming that lacking host-country language skills leads to isolation for the expatriate. As does Nervé’s statement that without his language skills social relationships at the workplace would be stiff and formal.
Pettersson also states that his Japanese language proficiency has facilitated more contact with co-workers and clients.

5.4.2 Access to information

Respondent X says that understanding the language was fundamental for him to be able to understand what was going on at the office. He points out that understanding what your co-workers are saying is necessary if you want to have any say in what is being planned and decided upon in the organisation. Nervé’s experience is in line with Respondent X’s. He is of the opinion that it is essential to speak Japanese in order to stay informed about what is going on at the office. Nervé explains that being able to understand what your colleagues are saying allows you to stay in sync regarding priorities. Additionally, Pettersson states that knowing Japanese helps him to efficiently gather information and share it with co-workers, clients and the company HQ. In addition to his previous statement, Respondent X provides an example of a situation where a Swedish expatriate CEO’s lack of cultural and linguistic understanding, as well as respect for local employees and the Japanese way of doing things, resulted in the expatriate being completely isolated from, not only his co-workers, but also the actual running of the organisations. This was instead taken over by the local sales manager.

Respondent X’s example is concurrent with Peltokorpi’s (2007) findings that point to a lack of language skills in expatriates, and the consequent limited interaction with host-country members, resulting in decreased organisational control and power. The example also matches perfectly with the example from Peltokorpi’s (2007) findings, described in subchapter 2.5. Although the attitudes of the respective CEOs from Respondent X’s example and Peltokorpi’s findings appear to be slightly different in terms of willingness to make the effort towards cooperation, the scenarios described are strikingly similar.

Furthermore, all of the respondents replied that language proficiency has been fundamental for staying informed about what goes on at their workplace, though Respondent X states that understanding the language is more important than speaking it. We can therefore conclude that our study has produced results that
concur with previous studies: language proficiency facilitates both interaction with local employees and business partners, as well as access to information. This, in turn, provides more influence over plans and decision within the organisation.

5.4.3 Social communication

The issue of access to information is closely related to personal relationships and social/informal communication, and even more so in Japan (Lohtia et al., 2005). As Peltokorpi’s (2007) study found: it is important to use informal communication to reach consensus with local managers since verbal agreements during official meetings do not always indicate the commitment to an idea. Nervé says that being able to speak Japanese facilitates more informal communication and makes it easier to build relationships with customers and co-workers. Pettersson states that, both as sales manager and CEO, it is an advantage to be able to meet with other CEOs as well as clients and co-workers in private, which is possible due to his knowledge of the language. Respondent X explains that everything is very personal in Japan both between business partners and co-workers. From his narrative we can deduce that socialising, both at the office and outside it, is important for building good relationships with co-workers and business partners. Respondent X also concludes that social relationships and trust are fundamental for anything to work in Japan, both internally and externally.

Froese and Peltokorpi (2011) explain that part of the limitation in interaction that happens when an expatriate does not speak the host-country language, stems from the fact that people prefer to communicate in their native tongue and thus do so socially. This social isolation affects the expatriates ability to gain access to information that is shared informally among employees within the work space as well as outside it (Peltokorpi, 2007). Nervé says that with his increased proficiency in the Japanese language communication flows a lot more efficiently and co-workers and business partners do not differentiate between him and his Japanese colleagues. Through his increased language skills Nervé has been categorised, in Peltokorpi’s (2007) words, in the ‘in-group’, which ought to lead to increased interaction.
We can conclude that social interaction with local co-workers and business partners is important for expatriates in Japan, and interaction is affected by Japanese language skills. We can also deduce that informal interaction is an important tool of communication in Japan, both for decision-making and in order to gain access to information.

5.5 Trust

5.5.1 Trust and relationships

Peltokorpi (2007) found that a lack of a common language hampers the creation of trusting relationships between expatriates and their Japanese co-workers. This implies that expatriates with a proficiency in the host-country language should have an easier time of creating trustful relationships. Nervé’s experiences appear to support this reasoning since he states that sharing a language, and having the ability to perceive and express the nuances of that language, creates a deep trust between himself and his co-workers and business partners.

Nervé’s experience is further supported by Thomas et al. (2008) who writes that accuracy of the information being communicated plays an important role in trust building. Respondent X, cautions against using the Japanese language rashly and points out that if used incorrectly, with the wrong choice of words, timing or body language, it might do more harm than good to the relationship, causing a business partner to distrust or feel an aversion to the expatriate.

From the above we can deduce that the argument derived from Peltokorpi’s findings, that sharing a common language eases the process of building trusting relationships, is accurate to the extent that ‘correct’ usage of a common language appears to achieve this but incorrect usage has the opposite affect, within a working/business context in Japan. Also, since close relationships are crucial for effective communication in high-context cultures like Japan, (Lohtia et al., 2005) trust building ought to be very important when conducting business in Japan.
5.5.2 Effective internal and external communication

Nervé explains that he perceives trust to be the most important factor for communication to be effective between himself and his co-workers and business partners. As Gopal (2009) points out, effective communication has many positive effects on an organisation, such as more harmonious working environment and an increased sharing of information which is important for successful conduction of business. Respondent X makes a similar connection to Nervé and Gopal (2009) as he describes that his increased proficiency in Japanese, in combination with a deeper understanding of the culture, has lead to easier communication and a more harmonious working environment, producing more and better results. He also describes that his knowledge has made it easier to manage the activities within the firm. Additionally, Pettersson points out the importance of having close relationships with co-workers in order to work well together.

We can conclude that while trust, as Nervé explains, is built upon effective communication, it also plays a part in generating effective communication, creating an upward spiralling effect. Effective communication, as has already been stated, generates a good working environment, increasing the flow of information and raising the level of organisational efficiency and effectiveness.

Trust has been identified as a fundamental element in order to achieve successful business relationships in any context (Döscher, 2014; Kingshott, 2006) and trust has proven to have a positive impact on alliance performance (Rekha et al., 2006). This is particularly true in Japan where managers “place a high priority on developing and maintaining intimate partnerships with other firms” (Lohtia et al., 2006:1010). Peltokorpi (2007:72) states that uncertainty in communication increases anxiety and decreases trust. The degree of uncertainty in communication is directly related to the level of language skills, according to Gudykunst and Nishida (2001). From the above we may deduce that Japanese language proficiency be considered an important part of creating trusting relationships with business partners.

Respondent X agrees that trust is an important part of a successful business relationship in the sense that you do not do business with someone you do not trust.
or feel an aversion to. As previously stated, Nervé considers trust to be the most important factor for communication to be effective between himself and his business partners. We can conclude that trusting relationships are especially important in Japanese business and Japanese language proficiency in expatriates is one step towards achieving this. We can also conclude that trust is an important part of creating effective communication both internally and externally.

5.6 Important abilities for expatriates

None of our respondents said that Japanese language proficiency was the most important skill that a future expatriate in Japan should have. Nervé did include Japanese language proficiency as one of the more important skill if an expatriate is sent to fulfil a role in Japan but otherwise the respondents agreed on that knowledge about how to do business in Japan was more important. Also, knowledge or an interest in Japanese culture and the ability to adapt to that was also mentioned by both Pettersson and Respondent X. Language proficiency seem to play a lesser role in the success of a expatriate than those factors, although it has been shown throughout this thesis that language proficiency, if nothing else, has a positive effect on trust building both within the organisation and with business partners.
### 5.7 Summary of analysis

Table 5.1: *Identified effects of language proficiency on expatriates’ ability to manage business operations. Own table.*

<table>
<thead>
<tr>
<th>Cross-cultural adaptation</th>
<th>High/low context</th>
<th>Miscommunication</th>
<th>Interaction and access to information</th>
<th>Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Effect on adaptation:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>- Facilitates understanding of and adaptation to the Japanese business culture</td>
<td></td>
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<td></td>
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<tr>
<td><strong>Effect on high/low context:</strong></td>
<td>inconclusive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Effect on miscommunication:</strong></td>
<td>positive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Less miscommunication and more accurate/effective communication leading to decreased uncertainty</td>
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<td></td>
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<tr>
<td><strong>Effect on interaction:</strong></td>
<td>positive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Facilitates increased interaction and social relationships with co-workers and business partners</td>
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<td></td>
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<tr>
<td>- Thus increased access to information, formally and informally</td>
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<tr>
<td><strong>Effect on access to information:</strong></td>
<td>positive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Facilitates gathering and sharing of information</td>
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<tr>
<td>- Essential in order to stay informed</td>
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<tr>
<td>- Understanding language may be more important than speaking</td>
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<tr>
<td><strong>Effect on trust:</strong></td>
<td>positive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Effective communication builds trust</td>
<td></td>
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<td></td>
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<tr>
<td>- Increased trust due to shared language and ability to express and perceive the same nuances.</td>
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<td></td>
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<tr>
<td>- Badly used communication tools (language, expressions) can decrease trust</td>
<td></td>
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</tbody>
</table>

**Effect of adaptation on business:** positive  
- Vital for work  
- Can together with HQ formulate plans that are doable in Japan

**Effect of lessened miscommunication on business:** positive  
- Positive effect on trust building (see Trust*)  
- Generates effective internal and external communication; positive working environment, increased flow of information and cohesion; raising the level of organisational efficiency and effectiveness  
- Increased respect and cooperation.

**Effect of good social relationships on business:** positive  
- Good relationships are fundamental to get things done  
- Informal communication (tool) to reach consensus

**Effect of increased access to information on business:** positive  
- Higher influence over plans and decision within the organisation  
- Ability to sync priorities within the organisation  
- Easier to manage activities within the firm.

**Effect of increased trust on business:** positive  
- Trust is fundamental for successful business relationships  
- Generates effective internal and external communication: positive working environment and increased flow of information. Positive impact on alliance performance.
6 Conclusions

In this chapter we sum up the theoretical and managerial implications that we have discussed in the analysis, and the answer to our research question is presented. Practical recommendations are given, theoretical contributions are concluded and suggestions for further research are made.

6.1 Answering the research question

Globalisation has made companies go abroad in order to find new markets and opportunities. When working in a foreign market the difficulty of language barriers and lack of cultural understanding becomes apparent. Literature and previous studies indicate that language proficiency should minimise these difficulties and in turn make it easier for companies and their expatriates to do business. Our study has therefore aimed to answer the following main research question (RQ): How does Japanese language proficiency affect the ability of Swedish expatriates’ to manage business operations in Japan?. To answer this question we will first answer the following sub-questions: (1) How does Japanese language proficiency affect intercultural communication between Swedish expatriates and their Japanese co-workers and business partners in Japan? and (2) How does intercultural communication affect the expatriates’ ability to manage business operations in Japan?

(1) The first sub-question deals with what effect language proficiency has on intercultural communication. The literature helped us identify 5 aspects of intercultural communication that language proficiency can be connected to. These were cross-cultural adaptation, high/low context, miscommunication, interaction and access to information, and trust. Our empirical findings showed that language proficiency has a very positive effect on adaptation in that it helps the expatriates to understand how business is done in Japan and in turn they are able to adapt to the proper way of conducting business. The effects of language proficiency on high/low context was inconclusive since the expatriates did not share an opinion about how high or low context Japanese is. Language proficiency has the positive effect of lessening the amount of miscommunication that takes place in the company which
implies that increased accurate, and thus effective, communication is taking place. Accurate communication, in turn, has a positive effect on trust-building as it decreases uncertainty. Our findings also show that the expatriates’ language proficiency led to increasing social interactions with colleagues and business partners, within and outside the work place. This, in turn, lead to better relationships and increased access to important information, which allowed the expatriates to both stay informed about what was going on in the organisation and share this knowledge with HQ as well as local colleagues. Finally, language proficiency has a positive effect on trust-building which is essential to be able to do business in Japan.

(2) Our second sub-question aimed to look at how the identified aspects of intercultural communication affects the expatriates’ ability to manage business operations. Our empirical findings showed that the ability to adapt had a positive or even a vital enabling effect on the expatriates’ ability to manage business operations. An example was that one of our expatriates was able to share this understanding of the Japanese business culture with the HQ and they could therefore together formulate business plans that were doable in Japan. A lessening of miscommunication led to more accurate and effective communication which was found to result in increased flow of information and cohesion among the employees as well as raising the level of organisational efficiency and effectiveness. As a positive effect due to the decreased uncertainty was the increased trust in the expatriate’s relationships. Good social relationships was shown to be vital to do business in Japan and that informal communication at work helped create consensus. Increased access to information helped the expatriates to have influence over decisions and plans in the organisation and also manage activities within the firm. As trustful relationships are essential to do business in Japan the increased level of trust stemming from language proficiency created successful relations with business partners and also helped the expatriates to gain respect. Trust also generated effective internal communication in terms of a harmonic working environment and access to information.
Our main research question aims to explore how Japanese language proficiency has affected expatriates’ ability to manage business operations in Japan. The literature demonstrates a connection between level of host-country language proficiency and the expatriate’s ability to manage business operations in the host country. Our empirical study proved this connection to be true in all but one of the explored aspects (high/low context), which remains inconclusive.

The empirical data showed how language proficiency in the form of successful communication, created through the specific aspects, is related to how strong relationships the expatriates can create with their co-workers and business partners. As business relations and social relations are valued highly in Japan we can conclude that expatriates with language proficiency should find it easier to create deeper trust in these relations than expatriates with no language proficiency.

Overall the effects of language proficiency on expatriates’ ability to manage business operations have been proven to be positive, having the outcomes that are stated above. We should however note that the comparison this thesis has made only in regards to levels of language proficiency and not between language proficiency and other abilities that enables expatriates to be successful in Japan. The question of alternative competences showed that the studied expatriates did not find language skills to be the most important ability but rather an additional skill that might push the results of the expatriate’s business operations to go from good to great. The conclusions of this study are that language proficiency has a positive effect on intercultural communication and consequently on the expatriates’ ability to manage business operations, mainly in the form of trustful relationships, effective communication and access to information.

6.2 Implications and recommendations

6.2.1 Theoretical implications

Studies that focus on language proficiency as an aspect that affects business has so far been nearly non-existent in business research. Our thesis’s aim has been to start filling this research gap by looking at language proficiency’s effect on intercultural communication in business situations in Japan. We have found that language
proficiency has helped the expatriates to adapt to the Japanese way of doing business. Language proficiency also lessens the amount of miscommunication that takes place between non-natives and natives of a language. Furthermore, it facilitates social interactions and gathering of information. Finally, language proficiency has a positive effect on trust-building. These findings support previous research done on intercultural communication that has been presented in the literature review.

Additionally, this thesis has made a connection between language proficiency and the expatriates’ ability to manage business operations. The findings show that language proficiency has a positive effect on both internal operations creating an harmonious environment in the organisation, and on external operations which creates better relationships with business partners in Japan. This thesis biggest contribution is that it starts filling the gap of research that focuses on language proficiency’s outcome on intercultural communication and managing of business operations. We hope that this small contribution can inspire further research on the topic. We give more specific suggestions on further research on this topic in sub-chapter 6.3.

6.2.2 Practical implications and recommendations

It has been argued that host-country language proficiency is not a must when conducting business abroad, since, as Haghirian (2011) states as an often used argument, ‘Everyone speaks some English anyway’. There are expatriates without Japanese language proficiency working in Japan today showing that is fully possible to do so. However, expatriates who do not speak Japanese might not know what the positive effects of knowing the language would be either. This study has shown that language proficiency can affect how successful business operations are externally as well as internally. Language proficiency facilitates the creation of trust which is vital in business relationships in Japan. While this study has deduced that it is more important to understand how business is conducted in Japan than to speak the language, it is important to note that language proficiency can help create that understanding. Our findings also showed that it is helpful in creating good social relationships with your Japanese co-workers. This implies that it is positive to have
Japanese language proficiency as it helps to create a harmonious environment within an organisation.

We recommend companies that are considering sending expatriates to Japan to, first and foremost, make sure that the expatriates attends a course on how business is conducted there. Respondent X’s story about the Swedish CEO’s complete failure to understand the Japanese working culture and the following failure to complete the work they were sent there to do is a good example of what a lack of understanding can cause. Our respondents also stated that it is positive for expatriates to have an interest in Japanese culture and history as well to be able to understand why Japan works the way it does. If possible we also recommend companies to let their future expatriates take language classes. If so only to be able to show the Japanese coworkers and customers that they are willing to make an effort to improve the communication between them and in turn, their relationships. A good support network for the expatriate to adapt quicker.

6.3 Suggestions for future research

Our study has shown that language proficiency to some degree affect intercultural communication, and in turn business, positively. To strengthen the findings in our study future research could be done as an observational study to see how these results take form. A quantitative study could also be done to measure the effects’ impact in numbers. We think that strengthening our findings with future research is meaningful since language proficiency has been shown to have a positive effect on expatriates’ performance at work. Globalisation increases the need for companies to extend their business to other markets and any factor that can contribute to the success of foreign business investments should be beneficial to investigate further.

It would also be interesting to do a similar study between other countries to see if the findings hold true in different cultural contexts. It would also be interesting to do this study out of a Japanese perspective to see if the view of the Japanese party corresponds with the experiences of our respondents. The study can also be done on expatriates who are working in a Japanese company to see if the fact that our respondents are/have been working for Swedish companies somehow affected the
findings. Finally, a similar study done on female expatriates would also be interesting considering the fact that women and men use different speech patterns in Japan. The gender of our expatriates may somehow have affected our findings and it would be interesting to discover what aspects might have been affected by this.
References

Interview participants

3. Anonymous respondent X, former director of technology and CEO in Japan, current location withheld according to respondent’s wishes, email interview, from 2014-04-05 to 2014-05-23.

Books


Losing the Translator

References


**Articles**


References


References


Online resources


Figures and tables

Figure 2.1 The process of cross-cultural adaptation (Kim, 2012:235).

Table 2.1 Language Proficiency Scale (developed from ISLPR, 2011b).

Figure 2.2 Conceptual Framework (Own figure).

Figure 3.1 Systematic combining [Abductive model] (Dubois & Gadde, 2011:555).

Table 3.1 Operationalization (Own table).

Table 4.1 Respondent Proficiency Levels (Own table).

Table 5.1: Identified effects of language proficiency on business operations. (Own table).
Appendix A

Interview guide - Swedish expatriates with Japanese proficiency

Background information

- Do you wish to be anonymous and/or for other mentioned names of people/companies to be anonymous?
- Introduce yourself. Name, age, education, current place of residence etc.
- For how long have you lived in Japan?
- Career in Japan: What companies have you worked for and what positions have you held?
- What level of Japanese proficiency do you perceive yourself to have?

Language proficiency

1. Describe you level of Japanese with the using the Language Proficiency Scale as well as your own words and examples.

2. To what extent do you use Japanese in your work today and when do NOT use Japanese?

3. When you first arrived in Japan, what knowledge did you have of the Japanese language? Describe in the same way as question 1.

High/low context

4. What do you perceive are the differences between how people communicate in Sweden and how they communicate in Japan?
Miscommunication

5. What communication issues did you encounter during the beginning of your time in Japan? What were the consequences of these issues?

6. Do you experience other communication issues today?

Interaction

7. Do you find that the attitude/treatment/reception from your co-workers and/or business partners has changed along with your increased proficiency in Japanese language and culture? In what way?

8. In what way do you think that your Japanese language skills has affected your ability to socialise with co-workers/business partners? Would your social relationships at work have been different if you did NOT speak Japanese?

Cross cultural adaptation

9. What are the most crucial factors for successful communication between you and your Japanese co-workers/business partners?

10. In what do you feel that the language has affected your ability to adapt to the Japanese (working) culture?

11. What knowledge/skills do you consider to be important for fresh Swedish expatriates in Japan to possess? (E.g. language skills, read up on culture, knowledgeable in one’s own field of work etc.)

Access to information

12. In what way does your language skills affect your ability to stay informed about what is going on at your workplace?

13. Do you feel that being knowledgeable in the Japanese language eases/hinders your work in Japan? In what way?
**Language Proficiency Scale**

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Zero Proficiency</td>
<td>Unable to communicate in the language.</td>
</tr>
<tr>
<td>1</td>
<td>Basic Transactional Proficiency</td>
<td>Able to satisfy basic everyday transactional needs.</td>
</tr>
<tr>
<td>2</td>
<td>Basic Social Proficiency</td>
<td>Able to satisfy basic everyday social- and routine needs and basic knowledge in uncomplicated words connected to work life.</td>
</tr>
<tr>
<td>3</td>
<td>Basic Business Proficiency</td>
<td>Able to perform effectively in most formal and informal everyday situations as well as knowledge of common terms related to one’s own line of work.</td>
</tr>
<tr>
<td>4</td>
<td>Business Proficiency</td>
<td>Able to perform very well in most formal and informal everyday situations as well as being competent in communicating in most situations in one’s work.</td>
</tr>
<tr>
<td>5</td>
<td>Native-like Proficiency</td>
<td>Proficiency equivalent to that of a native speaker.</td>
</tr>
</tbody>
</table>

**Follow-up questions**

14. Do you experience that your Japanese language skills allow you to more easily build good relationships with:
   a) Co-workers? In what way?
   b) Business partners? In what way?

15. How important do you perceive that it is to have faith and trust in working life relationships in Japan?
   a) between co-workers?
   b) between business partners?
   In what way is it important? What do you experience as being the effects of having a low/high level of trust?

16. In what way do you experience that your ability to adapt to the Japanese working culture has affected your work? (E.g. understanding of certain aspects of work and what this has lead to.)