

# The experience of cultural differences in asymmetric power relations: Japanese – Dutch encounters

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## Abstract

In this paper we integrate findings from interviews and an ethnographic case study to explore issues of culture and identity in Japanese-Dutch work relations in two different contexts: a Japanese firm in the Netherlands and Dutch firms in Japan. It is suggested that cultural identities do not carry a pre-given meaning that people passively enact, as is sometimes assumed (e.g. Hofstede 1991), but rather become infused with meaning in organizational actors’ interpretations and interactions that are embedded in specific social contexts, grounding the study theoretically in studies on the symbolic construction of cultural boundaries (e.g. Barth 1969; Cohen 1985; Jenkins 1997). The research contribution this paper makes is threefold. First, it illustrates how intercultural differences are constructed in people’s ongoing ‘identity work’ (Sveningsson and Alvesson 2003) in different organizational settings. Second, it suggests that claims of cultural identity partly diverge from cultural differences predicted by Hofstede’s research, underlining the need for a contextual approach to studying intercultural interactions. Third, it highlights the particular relevance of a power-sensitive understanding of claims of cultural difference by revealing small, but significant differences in the experience of cultural differences that are intimately related to the specific power-constellation in an organizational setting.

**Keywords:** boundary construction ▪ intercultural communication ▪ Japan ▪ the Netherlands

## Introduction

Studies of local and ethnic communities show how cultural identities and distinctiveness are symbolically constructed in everyday life by heeding traditions, performing rituals, passing on legends and lore, telling stories about a common ancestry, casting the ‘other’ as ‘strange’, etc. (e.g. Cohen, 1985; Elias and Scotson, 1965; Eriksen, 1993; Jenkins, 1997; Roessingh, 2001). Rather than treating culture as a historically based ‘given’, these studies focus on the processes of social categorization and distinction drawing (Barth, 1969) and the symbolic construction of community (Cohen, 1985). It is assumed that culture, within the bounds of institutional

conditions and constraints (Eriksen, 1993), can be invented or invoked by culture members in order, for instance, to present an identity, establish a truth, enhance status and self-esteem, or defend an interest. Cultural identities should thus not be understood as coherent, stable entities, but rather as shifting social constructs that are dependent on specific interests that are at stake at a certain moment in a certain situation. An ironic illustration of shifting identifications and the strategic use of culture to oppose management is given by Koot (1997; cf. McCreedy 1996), who describes how employees of a Shell oil refinery on the Dutch Caribbean island Curaçao were keen to express their affinity with Latino-culture when in the 1960s and 1970s the management of the Shell plant was Dutch, while the same Curaçaoan workers started to dissociate themselves from Latino-culture, calling upon their Dutch roots and praising the old Shell culture, when the refinery was rented out to a Venezuelan company in the 1980s. The situational and strategic use of culture and ethnicity can often be found in multinational companies, where management often remains firmly rooted in the parent country's culture (Mintzberg, 1993; Ruigrok and van Tulder, 1995: 175; Schneider and Barsoux, 1997: 223) and becomes challenged by the nationals of the host culture (e.g. Ailon-Souday and Kunda, 2003; Dahler-Larssen, 1997; Graham, 1993; Van Marrewijk, 2004).

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

If we want to capture the actual complexity of everyday intercultural encounters in organizations, there is a need for detailed empirical research on daily practices in cross-cultural corporations (Redding, 1994: 11; Schneider and Barsoux, 1997). This research should take account of both context and action (Bate, 1997; Collins, 1998; Pettigrew, 1985), conceiving of culture and identity as existing in a specific setting, shaped by and shaping social processes. In this article, an account of local responses within global enterprises demonstrates how national identities are accentuated by organizational actors as a psychological and political strategy in intercultural relations. Specifically, it draws upon ethnographic field data, collected by the second author during a half year-long study of the European head office in the Netherlands of Rajio cooperation (a pseudonym), a Japanese firm in consumer electronics (see also Byun and Ybema, 2005; Ybema and Byun 2006), and 33 interviews with both Japanese and Dutch managers working for subsidiaries of Dutch multinationals in Japan. This way, Dutch-Japanese encounters are explored in two different social contexts that are each other's mirror image: Japanese management–Dutch staff (in the Netherlands) and Dutch management–Japanese workforce (in Japan).

First, evidence will be offered in support of the claim that a national culture (or, rather, its ascribed qualities) constitutes a symbolic resource that is actively and creatively used by organizational actors to construct a sense of identity and to create cultural distance in a political struggle (Ailon-Souday and Kunda, 2003; Koot, 1997; Wong, 1999). Second, in apparent opposition to this first line of reasoning, the impact of context rather than agency will be underscored, suggesting that the emphasis placed on human agency in processes of ethnicization should be counterbalanced by acknowledging the embeddedness of interactions and interpretations within historical processes, longstanding traditions and organizational structures that constitute the 'unacknowledged conditions' and 'unintended consequences' of human action (Giddens, 1979; cf. Berger and Luckmann, 1991; Chanlat, 1994; Layder, 1993). Ethnographic studies of transnational enterprises have shown the significance of specific historical relations between cultural partners and of managerial regimes for processes of identification, indicating that, in these cases, 'cultural distance' in Hofstede's dimensions is an insufficient indicator of success in intercultural cooperation (Koot, 1997; Olie, 1994; Van Marrewijk, 1999). We will develop this argument in this article, also acknowledging the cultural context both as a source of, and as a resource for, action.

We will begin our discussion of intercultural interactions focusing specifically on Dutch-Japanese work relations in a Japanese subsidiary in the Netherlands. The situation at Rajio is one of cultural polarization between a Dutch shop floor and Japanese management, and could therefore be typical of the intercultural processes occurring in asymmetrical power relations. An inequality in terms of political influence, rewards and advancement opportunities is often a structural characteristic of cross-cultural cooperation within multinational enterprises. It certainly seems to be a distinctive mark of the structure of many Japanese multinationals, where strong central controls remain the dominant model of organization (Gong, 2003; Kopp, 1994; Lehrer and Asakawa 2003) (although, in the last decade or so, a more moderate degree is gaining popularity in Japanese firms, see Clegg and Kono, 2002). Western subsidiaries of Japanese firms are generally tightly integrated into the head office strategy (Whitley et al., 2001, in Morgan, 2002). Since the situation studied within Rajio thus represented a very specific situation in terms of the distribution of power and resources between Dutch and Japanese, we extended our research to study Japanese staff under Dutch rule within Japan that, we argued, would allow us for making a comparison with 'the reverse situation'. We therefore conducted a series of 33 interviews with Dutch and Japanese managers working in Dutch multinationals in Japan to answer the question whether similar or dissimilar processes could be found in each situation and, thus, in what way the experience of cultural differences is context-bound.

On the basis of the results of this comparison we argue in favour of a power-sensitive account of intercultural encounters in organizational settings. In addition to a cultural explanation, a social-political reading is invaluable to fully understand intercultural interactions in organizational settings (Alvesson, 2002; Tennekes, 1994), as power and politics are inherent to organizational processes (Hardy and Clegg, 1996) and to processes of inclusion and exclusion in particular (Elias and Scotson, 1965; Eriksen, 1993). Therefore, it seems relevant to find out the conditions under which particular cultural characteristics become emotionally charged and politically laden in intercultural interactions. As the distribution of power and resources among the Japanese and the Dutch in the two social contexts studied constitute a reverse division of roles (the Dutch dominating in a Japanese setting or the Japanese dominating in a Dutch setting) the comparison allows us to conclude that the unequal power relation between Japanese and Dutch staff is indeed an essential attribute of the situation that has a profound impact on the salience of specific cultural differences. The redefinition of symbolic boundaries and the discursive construction of cultural distance is a means by which, on the one hand, the more-powerful try to sustain or strengthen their position and, on the other hand, the less-powerful attempt to renegotiate or challenge their subordination. Apparently, cultural boundary talk provides a tacit resource to be drawn on in everyday organizational politics, in order to present an identity, establish a truth, or defend an interest.

## Research design

Exploring members' subjective experiences and perceptions of intercultural encounters is about human affairs and calls for a study through the eyes of specific respondents (Yin, 1994: 85). It was essential to conduct the research with methods that help to provide depth and detail and to remain sensitive to situation and context, such as in-depth interviews, participant observations, and documentary analysis (Silverman 2003). In the first part of the research the primary focus was on intercultural interactions between Japanese and Dutch in Japanese firms within the Netherlands (see also Byun & Ybema 2005; Ybema & Byun 2006). An exploration of the literature on Japanese and Dutch culture, earlier research in Japanese organizations in the Netherlands, and six in-depth interviews with selected informants (an expert from an intercultural training centre in The Hague, two Dutch and one Japanese informant from Rajio Europe, one Japanese and two Dutch employees from the European head office of other Japanese multinationals in the Netherlands) aided the selection of a number of issues (in keeping with Sackmann's (1991) advice to focus on concrete issues in studying culture): working attitude; the relationship between superior and subordinate; decision-making; and language and communication style. A questionnaire was administered to check the selected topics for their specific relevance at Rajio Europe, which was checked again in observations and interviews.

In an ethnographic research within Rajio Europe formal interviews, field observations and document analysis. Field observations of daily work activities and the monthly management team meeting, as well as participation in informal settings, such as lunchtime in the company cafeteria, coffee breaks, the after-work drinks on Friday, farewell parties, the Easter lunch and the family day on board of two tall ships on the IJsselmeer (a lake) all gave a sense of the actual interactions and 'lived experience' of organizational members. Interviews were conducted with ten Japanese expatriates (all three directors, six middle managers and one shop-floor technician) and ten Dutch staff members (three middle managers and seven shop-floor employees) (see figure 1). A standardized open-ended interview was chosen as the main interview strategy 'to minimize the variation in the questions posed to interviewees' (Patton, 1990: 281). Interview transcriptions were coded and categorized, using the topics selected in the preliminary research, focusing our analysis on the perceptions of national cultural distances and inter-group experiences.

This part of the research indicated that intercultural interactions depend on the specific social-political context within which these interactions occur and the situated power relations between organization members of different nationalities. It demonstrated that established insights into national cultures offer an insufficient explanation of the idiosyncrasies of the observed interactions. The cultural polarization taking place between Japanese management and Dutch staff at Rajio Europe was stimulated, not only by cultural differences between the two national groups, but also by asymmetrical power relations. Inequality in terms of political influence, rewards, and advancement opportunities play a pivotal role in redefining symbolic boundaries and in the discursive construction of cultural distance between Japanese and Dutch. Cultural distance is used as a means to negotiate the power positions: more powerful actors try to sustain or strengthen their position while the less powerful attempt to renegotiate or challenge their subordination.

In the second part of the research, we wanted to study a situation of reversed power asymmetries in order to further investigate the impact of cultural distance and power relations in intercultural interactions. A case study of intercultural interactions between Dutch managers and Japanese staff in a Dutch subsidiary in Japan should help to get a more detailed understanding of the interrelations between culture distance and power imbalance in multinational companies. During the preparation it became clear, however, that our original plan to conduct a mirroring case-study was unrealistic, because Dutch multinationals operating in Japan dispatched only a very limited number of expatriates. In contrast with many subsidiaries of Japanese multinationals (cf. Wong, 1999), Dutch multinationals in Japan tend to commonly practice a decentralized and localized organizational structure or 'polycentric approach' (Fung, 1995) in foreign subsidiaries. As a result, there were often only a few expatriates in Dutch subsidiaries in Japan and they were not necessarily from the Netherlands.

In order to enlarge the number of Dutch respondents and ensure everyday Japanese-Dutch encounters of respondents, we therefore had to discard the possibility of finding a single case study that would mirror the situation in the Rajio case. Instead, we managed to involve different subsidiaries of Dutch multinationals (and

Dutch managers of one British) multinational in Japan where the presence of both nationalities and their possible interactions were evident: Akzo Nobel, ASM, DSM, KLM, KPN Mobile, Nippon Lever (Unilever), Philips, Rabo Bank, Shell and Vodafone. These organizations varied significantly in size (from 6 employees to more than 1000 employees), types of operation (sales office, production, research, services, etc.), industry, market, and local organizations' history in Japan (chosen strategy for, and time period of, entrance in the Japanese market). Rather than compare these various settings, we wanted to collect a broad set of data on organizational members' perceptions and experience of cultural differences and its influence on organizational life within Dutch multinational companies in Japan.

All interviews were conducted in English and only one Japanese interviewee needed the assistance of an interpreter. Sixteen Dutch expatriates and seventeen Japanese staff members were interviewed. As shown in figure 1, all Dutch interviewees were in managerial positions except for one technician. The majority of Japanese interviewees held positions at middle management level. It was natural for Dutch expatriates to have daily interactions with their Japanese colleagues, but not all Japanese employees of Dutch subsidiaries were experiencing daily interactions with their expatriate colleagues (depending on the function and position of a Japanese staff member and the size of a company played an important role). For this research we have chosen to use only the interview material of the fourteen Japanese who had experience in intercultural communication with the Dutch expatriates or Dutch colleagues from the head office.

Figure 1 Nationality and positions of interviewees

		Top management	Middle management	Employee	Total
In the Netherlands	Japanese	3	6	1	10
	Dutch	-	3	7	10
In Japan	Japanese	3	9	5	17
	Dutch	10	5	1	16
Total		16	23	14	53

All interviews were recorded and transcribed and subsequently analysed by coding and categorizing statements about national culture differences, using the same topics as in our earlier study in the Netherlands (working attitudes, language competency, communication style, decision-making processes, and superior-subordinate relationship). Finally, the ways in which Japanese and Dutch respondents in Japan perceived and presented cultural differences were systematically compared with the study of Dutch-Japanese interrelations in the Netherlands. To get a more focused analysis we concentrated on four issues (work attitude, communication, superior-subordinate relationship, and decision-making) that will be described in subsequent sections, preceded by a summarizing analysis that illustrates and develops our argumentation in this paper.

## Work attitude

A first cultural difference, experienced by both Japanese and Dutch working in either Japan or the Netherlands, concerns the work ethos. Consistent with literature on the subject, our respondents report that Japanese culture demands loyalty and devotion to work, group, organization, and superiors (Befu, 1986) and impose a moral imperative to subordinate personal interests to group goals (Moeran, 1986). Curiously, the hard-working attitude of the Japanese is appreciated quite differently by those working in Dutch companies in Japan and those working in a Japanese subsidiary in the Netherlands. Japanese managers at Rajio Europe are easily annoyed by Dutch unwillingness to stay overtime or do extra work, 'selfishly' prioritising their private lives. Japanese employees working under a Dutch managerial regime in Japan, on the other hand, do not complain about the working attitude of their expatriate colleagues and show some appreciation for the Dutch style of balance-seeking between professional and private life. Among the Dutch we find the mirror image of this pattern. For Dutch staff

members at Rajio the Japanese ‘over-devotion’ to their work is proof of an inefficient working style that they find hard to understand. They like to point out that it is accepted and appreciated in Dutch society that discretion is left to the individual and value is placed on a private life and a family orientation, rather than demanding full dedication to the group (cf. Vossestein, 1997). In contrast, however, Dutch expatriate managers praise and appreciate the hard working attitude of their Japanese subordinates, while pushing them to do less overtime. So, although the difference in work ethos is acknowledged in both social contexts, the appreciation (or ‘depreciation’) of this difference depends on the specific position in the organizational hierarchy, and the particular problems, perspective and political interests that go with that position.

#### Japanese firm in the Netherlands

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

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

The difference in working attitude may be self-evident to the Dutch, but their ‘nine to five-mentality’ is not much appreciated by their Japanese colleagues. A Japanese technician from the IT department:

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

To explain their own work ethos the Japanese point to the intrinsic value of work: ‘We understand that it is Dutch culture to enjoy life, but for us it is more important to accomplish something that will give meaning to life *through* our work’. Commenting on the Dutch work ethic they stress the importance of moral commitment:

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

Japanese irritation is aroused by seemingly small but symbolically meaningful issues, such as their observation that Dutch colleagues bother other people by chatting loudly at work in the middle of the corridor, preferably about off-the-job rather than work-related issues. A disgruntled Japanese manager of the financial department noticed that the summer holiday schedules are already a topic in January and February, while the company’s Christmas party ‘becomes a topic already in August’. These are taken as instances of Dutch indolence and self-centered individualism.

The Dutch complaint about a lack of responsibilities and opportunities within Rajio Europe is met with ambivalence. Some Japanese argue that the Dutch are nagging about it, while at the same time they are not willing to do extracurricular work that could give them new responsibilities. One Japanese manager asserts that the Dutch do not work on something if it is not included in the job description, even if it is important for the success of the company. In his view they misuse the job description to focus on the activities and duties

described therein and to protect themselves against extra work. Yet, despite Japanese irritations about the level of commitment and the lack of initiative from the side of the Dutch employees, most Japanese admit that the Dutch are disadvantaged within the company: ‘The company offers more incentives for Japanese people’; ‘Most of the important positions are taken by Japanese and less responsibility is given to the locals.’

So, the Japanese and non-Japanese have a different position within Rajio Europe. The Japanese feel compelled to live up to high standards, because an inherent part of being ‘a selected group of people from Rajio’ (as a Japanese manager put it) is bearing responsibility and working hard. Even if they want to work in the Dutch way, they feel they cannot, because, in the end, career opportunities within Rajio will depend on the evaluation of their work as an expat. So, the Japanese also assume that both cultural habits and inequalities underlie a typical difference in working attitude.

### Dutch firms in Japan

In contrast with the Dutch staff at Rajio, Dutch expatriates in Japan – working long hours themselves – admire the hard working attitude of their Japanese employees and praise the devotion Japanese show to their work. The Japanese take less days off per year than the 20 days they are entitled to (working for a Dutch firm) and usually work 10 to 12 hours a day, willing to sacrifice evenings and weekends if necessary. ‘They don’t even ask for compensation,’ a Dutch manager said surprised. The Dutch do not understand why the Japanese ‘don’t care about private life’ and several Dutch companies in Japan either informally encouraged or issued formal regulation for the on-time departure from the office for their Japanese employees. A Dutch manager:

In our company there is a strong push from the top management to avoid long working hours and managers are encouraged to leave on time so that their subordinates can go home. Normally they are waiting for the bosses to go home here in Japan. This is exactly opposite to the Netherlands. In the Netherlands, bosses often find out their subordinates are already gone. Ha! Ha!

Although some Dutch interviewees occasionally evince some doubts about the efficiency of Japanese employees that supposedly required compensation through making longer working hours, they generally admire their hard working attitude.

Arguably, the Dutch interviewees’ managerial position explains their appreciation of Japanese staff, as a Dutch managing director readily admits:

I like that the people are working very hard. If you have to run an organization and you have hard working people you can only like it. I really prefer to work with Japanese rather than with Dutch.

Sometimes, Dutch managers’ admiration for the Japanese even goes together with complaints about the Dutch work ethos, that, according to one manager, is built on the belief that ‘weekdays are terrible and Friday evenings – or Friday afternoon! – life starts’.

Japanese employees from the subsidiaries of Dutch multinationals in Japan all agreed that working for a Dutch company was ‘different’. A young Japanese who had moved from a Japanese trading company to a Dutch subsidiary recounted his half-a-year observation:

My colleagues here are different from my old job. For them, private time and working time is very clearly divided. And they don’t do very long overtime. In Japanese companies, overtime is our culture. Overtime is not only [meant] for work, but we talk and do some social activities during work.

The Japanese usually did not adopt the Dutch style that, they assured, was ‘unrealistic’ in the Japanese context. A Japanese customer or partner often expected that they could still reach the suppliers or partners at 8 or 9 o’clock in the evening and colleagues would interpret punctual leaving of the office and insisting on your rights to holidays as ‘inconsiderate’ and ‘individualistic’ behavior that was evidence of ‘a lack of collegiality’. A young Japanese salesman insists: ‘You don’t do overtime only for your work, but also to help your colleagues, your boss... You cannot let your team down for your private time.’ Some of the Japanese interviewees appreciate the incitement of the head offices and their Dutch managers to seek a better balance between work and private life

differently; others experience it as rather contradictory to increasing workloads. Nevertheless, the majority of Japanese interviewees believes and appreciates that their working hours are better balanced than those of their compatriots working in traditional Japanese companies. We may thus conclude that there is a striking difference among both our Dutch and our Japanese respondents that is closely linked to the social context that they work in.

## **Communication**

Cultural differences between Japanese and Dutch in work relations are also constructed in relation to issues of communication. In line with the literature, our respondents point out that Japanese culture members are expected to show courtesy and cautiousness in communication and to pick up the unspoken wishes of others (Befu, 1986; Moeran, 1986), while clarity in communication, a certain degree of directness, and constructive criticism, are usually valued in Dutch society (Vossestein, 1997). Again, however, our findings also suggest that the experience of cultural difference depends on each organizational actor's position within the organizational hierarchy. While Dutch superiors, for instance, feel they are kept in the dark about their Japanese subordinates' wishes and intentions, struggling to get support for their initiatives, Dutch subordinates are even more sensitive to political aspects and the exclusion effects of being kept in the dark by their Japanese superiors. While a Dutch managing director, for instance, is pleased to be treated with courtesy by Japanese employees, Dutch shopfloor workers and middle managers stress how they are courtly locked out of formal and informal communication circuits. Rather than recounting instances of Japanese prudence or politeness, they rather point at what is usually called the 'strong insider-outsider awareness' in Japanese society that creates a barrier for outsiders who can never cross the line (Miyamoto, 1994: 129) or gain access to insider information (Yoshimura and Anderson, 1997). A Dutch controller suggests Japanese are 'indirect' only with outsiders, not with insiders. Japanese management and staff, on the other hand, create cultural distance and sustain social barriers by depicting their Dutch colleagues as rather inconsiderate, imprudent, and unreliable.

### Japanese firm in the Netherlands

Dutch staff members within Rajio maintain that Japanese communication circuits are closed and hard-to-penetrate, excluding foreigners. Contacts with head office, for instance, are controlled completely by Japanese managers, probably, the Dutch think, to preserve their power base. A Dutch manager with good relationships with Japanese top managers, heard through the grapevine about a meeting meant only for the Japanese managers to discuss the company's strategies. It had been scheduled in the evening to be sure that all Dutch personnel would have left the office. What annoyed the Dutch manager most was that they did not even bother to inform the Dutch personnel about the results of the meeting.

The Japanese interviewees agree that the Dutch have a more direct and open communication style. Some Japanese managers appreciate that this style tends to improve the clarity of communications. One Japanese manager, for instance, said that, initially, he found it difficult to deal with Dutch people who did not accept his elaborate 'maybe's' and 'probably's' as an answer, but he came to realize that clear 'yes'- or 'no'-answers make life at the office easier for everybody, including himself. There are, however, several Japanese managers (not always the older ones) who believe that the openness and directness of the Dutch demonstrates a lack of political sensitivity, too little consideration for others, and an incapacity for deep thinking, expressed in remarks like 'they [the Dutch] would not bother even if it embarrasses somebody, they will just say it very, very directly'. Moreover, the Dutch make promises as easily as they break them. One Japanese manager told that he was pleasantly surprised with the immediate 'yes'-answer from his Dutch colleague when, for the first time, he asked for a favour in the Netherlands. A few days later he was surprised again when he came to realize that this Dutch colleague could not even remember the request. Japanese people, he claimed, prefer to give a negative answer in words, but try to come up with positive results in action.

### Dutch firm in Japan

Also in the eyes of the Dutch expatriates in Japan, Japanese employees did not express their thoughts and opinions openly or directly and ‘obscured’ rather than clarified their position in discussions. For the Dutch, it was hard and time-consuming to find out about disagreements or objections of Japanese employees. This is a tiresome process, according to a Dutch middle manager, who, together with the Dutch general manager, suggested to ‘change a few things in the evaluation’ in a management team meeting:

The Japanese managers said ‘yes’ to our suggestions. But later you find out that they have not implemented any single thing... This is very frustrating. I think it is another cultural thing. A Dutch person will immediately say: No, I don’t agree with you. And maybe people do not reach an agreement. But at least you don’t need to wait six months to find out that they do not actually agree with you.

Japanese colleagues, according to the Dutch, were also ‘indirect’ with customers, especially when problems arose. Instead of directly informing the clients about the problem, as the Dutch claimed they would do, the Japanese would postpone this moment as long as they could, eventually creating a bigger problem. For some Dutch expatriates this proved why their presence was absolutely necessary.

A Dutch controller doubted the observations often heard among foreigners about unclear and indirect communications of the Japanese, claiming these were only partially true. At the time of the interview he was undergoing a negotiation process with the union and he noticed that the demand for transparency with full-fledged explanations was much higher than he had experienced in the Netherlands:

These meetings are not always polite and indirect. They sometimes [say] terrible things, the things that normally people would never expect Japanese people to say.... But I realized that if you ‘live inside’ these kinds of things happen.

In contrast with the majority of Dutch interviewees who were in favour of the Dutch style of communication, Dutch top managers are more positive. One Dutch managing director muttered about the blunt directness of his compatriots.

I think that it is more difficult for me to go back and get used to the Dutch culture. When I am back in the Netherlands for my vacation, I get so irritated. Sometimes people are so insensitive about other people’s feelings. They believe that it is their right to say what is in their mind, even if it can be rude or hurt someone’s feeling. It doesn’t matter... In that respect I am more Japanese. I want to avoid such actions.

Japanese interviewees affirmed that their communication style was indirect and not always as open, clear and sharp as the style of Dutch expatriates and members of the head office. According to a Japanese manager the Dutch create clarity through expressions like ‘I want this’ or ‘I don’t want that’. Indeed, despite occasional miscommunications, alienation from the information flow (experienced by Dutch employees at Rajio) was not mentioned. But, the Japanese cautiously point out that being ‘very clear’ can be ‘rather rude’ at the same time, hurting, for instance, a Japanese customer’s feelings. Japanese people, on the other hand, choose more subtle ways, according to our Japanese respondents. Building a good business relationship in Japan requires ‘proper’ communication, built on mutual trust and personal relationships and the exercise of prudence, to avoid breaking promises or falling short of others’ expectations, typically saying, for instance: ‘Give me time to think about it’ (Japanese middle manager). The Dutch, on the other hand, make easy promises and, during meetings, express ‘strong and honest opinions’ and have ‘hot discussions’, ‘as if they are afraid of not saying anything’.

For a Dutch[man] or an American, no plan is the worst thing. Even if you are not sure about accomplishing them, you just have to say: Yes we can. No direct response means that you are incapable. Whether you can accomplish the plan or not is a separate issue for later...

‘In Japan’, another Japanese manager said, ‘listening... is as important as speaking out. We prefer to wait until the chairman or leader asks you to speak out... I do both to survive in this company.’

## **The superior-subordinate relationship**

A third issue that tends to evoke images of cultural differences between Dutch and Japanese concerns the issue of hierarchy in work relations. Although Hofstede's (1991) results suggest that cultural distance of the power-distance dimension is rather minimal, some organizational scholars claim that an emphasis on hierarchy, in combination with in-group harmony and consensus, is typical of Japanese culture (Befu, 1986; Moeran, 1986), while egalitarianism would lie at the heart of Dutch culture (Vossestein, 1997). The Dutch as well as the Japanese in both Japan and the Netherlands also indicate that hierarchy is deeply embedded in organizational life in Japan, but they have divergent interpretations of the value of egalitarianism in Dutch culture. Japanese managers at Rajio bear out that Japanese values prescribe that people should act in accordance with their relative position within the group and maintain consensus if one wants to become an accepted member of a group. Consequently, they become irritated with 'improper' behavior of Dutch subordinates towards a senior or a superior. Dutch subordinates at Rajio, on the other hand, do not understand the 'submissive' attitude of Japanese individuals towards their superiors and their 'compulsion' to seek approval or advice from one or more superiors and to consult colleagues before a decision is made. Annoyed at being excluded by their Japanese bosses, they accentuate their own 'Dutch' egalitarian values to oppose the Japanese regime and claim Japanese management tries to preserve the status quo by emphasizing Japanese values of hierarchy and consensus. Dutch managers in Japan, however, hardly mention the supposed egalitarianism of Dutch culture and do not perceive the hierarchic attitude of their Japanese subordinates as a hindrance for their work or their functioning. The Japanese employees acknowledge being encouraged by their approachable Dutch superiors to be more assertive, but, as will become clear in the subsequent section, they experience the Dutch way of decision-making as being 'top-down', rather than egalitarian.

### Japanese firm in the Netherlands

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

As an exception to the rule, one Dutchman, who saw himself not as being typically Dutch, mentioned that he did not see any difference: 'Even in a Dutch company there are managers who act like "the boss".' Most Dutch staff members contrast Japanese culture with their own 'egalitarian' attitude. A young Dutch engineer whose one month-training at the Japanese head office had made him more aware of Japanese culture than most other Dutch colleagues at Rajio Europe, made a remark about a conflict he had with the newly appointed Japanese vice president.

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

An interruption by the Japanese managing director smoothed the situation and the vice-president altered his attitude toward the Dutch subordinates afterwards.

It is basic etiquette in Japanese culture to show respect for seniors and superiors and the promotion system in Japanese companies is often based on one's seniority, as is also the case at Rajio Europe. Even though

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

### Dutch firms in Japan

When Dutch expatriates in Japan comment on the attitude of their Japanese colleagues they too point out that a strong respect for hierarchy is a prominent characteristic of Japanese culture. A Dutch senior manager: 'For Japanese, the boss is the boss. Whenever the boss says: right, it is right. And if he says: left, it is left.' This is said, however, without anger or frustration, as a plain observation. In contrast with the Dutch at Rajio, Japanese hierarchy is not met with Dutch irritation in Dutch firms in Japan, although one senior manager did have somewhat mixed feelings: 'Here, sometimes I feel like I am treated as a king by my Japanese people. It's a nice feeling but I don't want that and I feel a bit awkward with such situations.' Others also stressed that the hierarchic attitude slowed down decision-making and hampered a free exchange of ideas and opinions. Japanese subordinates would ask permission of superiors even for trivial matters, which is strange from a Dutch point of view: 'We don't go to our boss easily, because then it looks like that you cannot solve a problem [on] your own, which means that you are incapable.'

A large majority of the Japanese interviewees also believed that Dutch subsidiaries were less hierarchic than traditional (native) Japanese companies. A Japanese manager recounts how all personnel in a large Japanese corporation he worked for wore uniforms with an affixed nametag, each in a different colour, 'so everybody could immediately see what your position was in the company'. While the hierarchic distance in traditional Japanese firms would make it practically impossible to have direct contact with top management for those in lower positions, Dutch top management was more approachable. Several of them mentioned the visits of Dutch CEOs from head office that left an impression of being 'open and easy going' towards all organizational members. Some young Japanese interviewees working under Dutch superiors also appreciate the 'less hierarchic' attitude of their bosses:

My direct boss is a Dutch and I can tell him my honest opinion and I sometimes have a fight with him and it is okay when it is over. But I can't do that with Japanese managers. You should not openly disagree with [a] Japanese boss... And Japanese bosses usually don't listen to the opinion of subordinates because they don't want to lose face and seniority.

The cultural difference could be dealt with most effectively, according to several Japanese employees, by deploying different strategies. One junior manager explained, for instance, that the meetings with the expatriate president were the best opportunity to express his opinion to his Japanese superior who would hardly listen to it otherwise. Many who dealt with the situation, however, held mixed feelings as well. While being glad with the opportunity to speak out, they were not used to it and often felt pressured to speak out at the same time.

## **Decision-making**

The picture of 'hierarchical' Japanese culture versus 'egalitarian' Dutch culture becomes more complicated when we look at images of Japanese and Dutch decision-making styles (cf. Noorderhaven, Benders and Keizer, forthcoming). Dutch employees working under a Japanese regime in the Netherlands depict Japanese decision-making as highly inefficient and inflexible, and not aimed at reaching consensus at all. Japanese management counters Dutch criticism by asserting that the Dutch are short-term focused and simply not well prepared in their way of making decisions. In contrast with the negativism and agitation within Rajio, neither the Dutch nor the

Japanese working in Dutch firms in Japan, while acknowledging a difference in decision-making styles, saw this as a major obstacle in their intercultural cooperation. The images do reveal some underlying discontent however. Like their compatriots within Rajio, the Dutch in Japan who hold middle or lower hierarchical positions within the organization complain about the obscurity of Japanese informal decision-making, while the Japanese criticize the decision-making style of the Dutch that they, contrary to the Dutch self-image of egalitarianism, re-label as being 'top-down'. Clearly, our respondents offer some contradicting images of both Dutch and Japanese culture by claiming that Japanese decision-making is not 'consensus-based' or 'harmony-heeding' and re-casting the Dutch 'egalitarian' style as in fact hierarchy-based decision-making. Both Japanese and Dutch society are said to be consensus-oriented, but what is seen to represent consensus and whether it should be reached through informal processes or open discussions, for instance, appears to be understood quite differently (cf. Noorderhaven et al., forthcoming).

#### Japanese firm in the Netherlands

The Dutch think the Japanese style of decision-making is *not* a 'consensus-based' process. It is considered as a practice of asking permission of one's superior, who has to ask his superior, and, when the highest in rank finally has decided, 'the rest just agrees to share the responsibility'. All Dutch members complain that the Japanese 'always need to check with somebody' and are just too afraid to accept the responsibility of a decision taken without the agreement of a supervisor. It is time-consuming and hinders the process of reacting to threats and opportunities. The Dutch often tell stories of slow decision-making or bad decisions made, often recounting how Japanese managers went back to the head office in Japan to discuss and decide policies concerning the European market.

Clearly, the underlying frustration of Dutch employees is that the Japanese managers and the head office left little room for the Dutch to participate in or to influence the decision-making process. The consequence, according to the Dutch, is widespread discontent:

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

This issue is one of the most important problems that the Dutch at Rajio experience in their working relationship with Japanese management.

The Japanese recognize the differences in the Dutch and Japanese style of decision-making. Most of the Japanese acknowledge that their style is time-consuming and one of them even called it 'a waste of time' ('it is even worse at the head office'), but most of them also emphasize the necessity to take time to reach a decision:

We don't like to make decisions without considering alternatives or possible problems. We need to study a subject from several different angles. This way we can be prepared for hidden difficulties when we carry out the decision.

Decisions should also be well documented, one Japanese manager explained, because they will be reported to a superior and the superior should be able to report in full detail to his superior if necessary.

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

Sometimes Dutch people complain about some strategic decisions or policy from the head office. I can understand that they have a hard time to understand. I sometimes also think that it does not make sense, but it is company policy and we have to just follow it. Plus I am Japanese, what can I do?

Although the Japanese see the imperfections of the Japanese style of decision-making, they do not think the Dutch style of decision-making is perfect. They tend to think that the Dutch are too short-term oriented, base their decisions on 'very little information', and easily back off when faced with problems, while 'we Japanese will consider all possibilities' beforehand and 'don't just give up when we are confronted with difficulties': 'Compared to us, they [the Dutch] lack the endurance to pull through in difficult times.' The Japanese agree that the Dutch are physically strong, but mentally weak.

### Dutch firms in Japan

Rather than focusing on issues of top-down or bottom-up decision making, both the Dutch and the Japanese respondents in Japan first mentioned the careful and detailed preparation regarding all possible impediments as a distinctive cultural characteristic of the Japanese way of decision-making in comparison with the Dutch. All picture the Japanese' thorough search for alternative solutions for future obstacles as diametrically opposed to the Dutch quick decision-making style that prefers to solve problems when they are encountered in the process of implementation. It seems that Dutch decision making power makes this cultural difference more salient for both parties. Again, however, it is explained in political terms when, curious enough, the Japanese 'thorough preparation' is understood by some Dutch as 'informal politicking' and the Dutch inclination to change plans during implementation as a 'top-down process'. This is a complete reversal of the cultural difference that we described in the previous section (Dutch culture being 'egalitarian' and respect for hierarchy as being typical of Japanese culture).

The Japanese style is generally met with a rather neutral reception from the Dutch who do not regard it as a difficulty. 'I can't say which is a better way to work with, but I can say that it is definitely different' (Dutch managing director). There are also those who praise the Japanese style of decision-making for its thorough preparation and attention to details, acknowledging that this usually aids a smooth implementation of a decision made. They even tend to dis-praise the hasty, unprepared style of the Dutch that brings forth all kinds of unpleasant surprises during implementation. One managing director was proud to point out that his firm's cooperative corporate culture was not typically Dutch and very similar to the Japanese style of decision-making. Yet, on the other hand, some Dutch also comment that the Japanese style is time-consuming and decelerates the process of reaching final decisions and starting implementation. A Dutch technician, tired of Japanese colleagues trying to control all risks and never taking responsibility for themselves, even arrives at the conclusion that, with Japanese, 'it is necessary to centralize the decision-making process.'

Some expats are well aware of the backstage politics involved in Japanese frontstage obedience. Informal negotiations and networks, rather than formal meetings and open discussions are an inherent part of Japanese-style decision-making. The Dutch shop-floor technician draws a clear cultural contrast:

In the Netherlands the decision-making process is much clearer and more structured, and therefore, it is easier for the people involved to give their opinion and to discuss the issue. But here, there are all kinds of cliques and networks inside the company and they influence decisions. You can say that it is very closed and not clear where or how the decision is taken.

The influence of informal decision-making channels poses problems for Dutch expatriates, especially for those in lower, more dependent positions in the organizational hierarchy. They have a hard time figuring out the informal networks and the sensitivities surrounding these networks. One Dutch middle manager vented his frustration:

You don't even know the network... So you may think you have checked with everybody, but you just don't realize if you have missed anybody, or if it was the right person [you asked]. Finding the network and to whom you're supposed to talk to, is known internally, I mean by the Japanese people, but they don't always tell this to the *gaising* [foreigner].

Japanese employees of Dutch subsidiaries in Japan acknowledged that the Dutch way of decision-making is a quicker process compared to their own, but were annoyed by easy shifts made by the Dutch (particularly by head office) during the executions of the plans and decisions. Although two of them praised it as 'flexibility' that the Japanese would lack, the majority thought that quick changes in plans were signs of poor preparation and lack of endurance to pull through, which, in turn, made them doubt the quality of the decision and the decision maker. It certainly does not strike them as a style that aims at bottom-up participation. A senior Japanese manager:

In the Dutch style, the boss will say: I made a decision, so please implement it. Of course he will give some explanation why such a decision was necessary. But in Japan, the boss will talk to everybody in order to get their opinion about the decision before he makes it. And he will explain in details why the decision had to be made in a certain way. Plus he will never present it as: *I* made a decision; but he will say: *We* made a decision. (senior Japanese manager)

So, curious enough, a large number of Japanese interviewees regard the Dutch way of decision-making, not as an egalitarian, consensus-seeking style, but rather as a top-down process.

## Conclusion

This research demonstrates ethnic boundary work in an Asian company in Europe and in European companies in Asia. Throughout the research it was assumed that, while members of organizations act with intent and purpose, their practices are situated within wider social contexts that enable and constrain human action (Berger and Luckmann, 1991; Chanlat, 1994; Giddens, 1984; Layder, 1993). The research findings illustrate that context (the power relations between Japanese and Dutch in various organizational settings) and agency (the ongoing negotiation between the two parties involved) play a pivotal role in this process, as specific symbolic boundaries and cultural distance are discursively constructed to present an identity, to display emotion, or to gain or sustain power. In particular, the research highlights the relevance of a power-sensitive understanding of claims of cultural difference by revealing small, but significant differences in the experience of cultural differences that are intimately related to the specific power-constellation in an organizational setting.

It can thus be argued that, in order to understand cross-cultural interactions in organizational settings, a cultural view needs to be complemented by a political perspective. In a politicised context of transnational cooperation, culture is not only a *source of*, but also a symbolic *resource for* human action. Culture, understood as habitual ways of thinking, feeling and acting, may give rise to sometimes strikingly similar perceptions and presentations of cultural characteristics across different settings. Yet, at the same time, these cultural differences are also differently experienced and appreciated and, subsequently, differently constructed and rhetorically deployed by organizational members. Organizational actors may, for instance, play up or play down, praise or dispraise, or even ignore or invent, cultural differences between members of different nationalities within particular social contexts. Consequently, the ways in which cultural identities are experienced can be understood more fully by adopting a contextual approach and, more specifically, taking into account groups' positions in terms of power and resources and political processes of ethnicization.

To illustrate this point a comparison with the results of Hofstede's IBM research can be illuminating. The way Japanese and Dutch IBM employees characterized their national culture differed in particular on the masculinity and uncertainty avoidance dimension (Hofstede, 1991; Hofstede and Soeters, 2000). Differences in the work attitude between the two national groups found in this research indeed reflect a masculine-feminine divide between the two groups, while differences in decision-making styles are related to uncertainty avoidance. Curiously, however, the more salient cultural differences for both the Dutch and the Japanese are related to power distance and individualism, while in Hofstede's research the variance on these dimensions is relatively limited (individualism) or even rather small (power distance). The problem is probably that Hofstede focused on self-perceptions of national groups as seemingly objective descriptions, disconnected from a social context. He did not study direct interactions between members of different nationalities within an organization and thus

described characterisations of a collective self in relation to an undefined 'other', as if the self exists in a social vacuum. A description of the way people characterize their own culture without any reference to an outer party may not be very informative when cultures actually get constituted in everyday encounters in organizations. As a consequence, Hofstede's measurement of cultural distance is not only a poor indicator of success in intercultural cooperation (Koot, 1997; Olie, 1994; Van Marrewijk, 1999); it neither seems to be a very good indicator of cultural differences that are actually experienced as significant in intercultural interactions in a specific situation.

Arguably, the prominence of power distance as a marker of cultural distance between Japanese and Dutch found in this study is intimately related to the asymmetry of power relations between them. The Japanese as well as the Dutch tend to perceive or present cultural distinctions that serve to legitimise or de-legitimise the existing distribution of power, status and resources. The Japanese are keen to underline Japanese virtues, such as loyalty and devotion, perseverance and a long-term orientation, respect, and tactfulness. Despite occasional praise, Japanese at Rajio in particular also like to point to the imprudence and impoliteness of the Dutch, or their poor working attitude, which they see as proof of their ineptitude. Not only do they derive social status from these favourable comparisons but, in the case of Rajio, they also justify that Japanese hold all important positions, as a reward for being dedicated, working hard etc, and, in the case of Japanese working under a Dutch regime, it helps them explain why they should play a pivotal role in client relations or should be consulted in decision-making processes. To prevent the Dutch from undermining their position within the firm they keep a distance, build a language wall, demand dedication, and rely on hierarchical procedures or on backdoor decision-making. The Dutch on their part also like to make self-praising comparisons and to emphasize their cultural identity vis-à-vis the Japanese by portraying themselves as efficient workers, clear communicators, or flexible decision-makers. Although the Dutch (Dutch managers in Japan in particular) admit to admire certain cultural traits of the Japanese, such as their politeness, the major issues brought up by the Dutch reflect their superior or subordinated position within the organization; these are issues such as inefficient decision-making, filtering of information, and, in the case of Rajio, an overly hierarchic attitude, lack of managerial interest, unbalanced rewards etc.

To further illustrate why, and to inform how distinction drawing is context-specific it helps to focus on the differences in the experience and discursive construction of 'cultural difference' between Dutch management of subsidiaries of Dutch multinational companies in Japan on the one hand, and Dutch staff working under Japanese rule in a Japanese firm in the Netherlands on the other. The Dutch at Rajio find their efforts to build closer contacts with the Japanese unreciprocated, which fosters feelings of relative deprivation and resentment about 'unfair' treatment, a reluctance to work harder, and an inclination to resist rather than reciprocate Japanese efforts. From this position they like to portray egalitarianism and a consensus-orientation as 'typically Dutch' and describe top-down, inefficient and inflexible decision-making and a submissive attitude as typical of Japanese culture. Dutch top managers in Japan, on the other hand, do not mention Dutch egalitarianism, nor do they criticise Japanese submissiveness. We find a similar, and equally remarkable difference in the perception of cultural difference among Japanese superiors and subordinates. While Japanese subordinates in Dutch firms in Japan criticise Dutch managers' decision-making style as 'top-down', Japanese managers at Rajio acknowledge that Japanese culture is 'hierarchic' in comparison with Dutch egalitarianism (for a more elaborate version of this argument, see the introductions to the empirical sections) (see also Noorderhaven et al. forthcoming).

We do not want to suggest that the situation within Rajio is representative of Dutch-Japanese relations in foreign subsidiaries of Japanese firms, nor do we claim that the interviews with members of Dutch firms in Japan tell us everything about situations of Japanese working under Dutch rule. What's more, the two settings studied in the research are probably not a clear mirror image of each other, even though, for reasons of argumentation, we presented the settings of Dutch dominating in Japan and Japanese dominating in the Netherlands as situations that constitute a reverse division of hierarchic roles. In comparison with the Japanese subsidiary in the Netherlands (or, indeed, in other countries, see Wong, 1999), Dutch firms in Japan followed a more 'polycentric' strategy (Fung, 1995) of localisation. The number of Dutch expatriates in Dutch subsidiaries in Japan was, for instance, considerably smaller than the number of Japanese managers at Rajio Europe and relations between Dutch and Japanese within Rajio were, possibly as a result of that, much more polarised and antagonistic than in Dutch firms in Japan.

However, integrating findings from different intercultural contexts and comparing cultural ‘distinction drawing’ in these contexts did offer us an interesting opportunity to give an in-depth account of various, sometimes clearly contradicting ways in which cultural difference is constructed. It shows the power of context and the politics of constructing ‘cultural difference’. One contextual factor – the unequal power relation between the two national groups – and strategic agency – the use of cultural characteristics as a symbolic resource to protect or oppose the power asymmetry – appear to be particularly relevant for the analysis of intercultural relations, at least in situations where a structural inequality in terms of power, income and advancement opportunities plays an important role in buttressing the social boundary between parent country and host country nationals. Unbalanced power relations between ethnic groups tend to reinforce us/them-dichotomization in which ethnicity is often used as a source of power in the struggle against the other (Koot, 1997; Van Marrewijk 2004; Wong, 1999). The situations sketched in this paper are no exception.

Since this is an exploratory study, more research is clearly in order. As a means of appreciating more fully the role of situated action in constructing cultural identities in transnational organizations, there is a need to complement this study with studies of cross-cultural interactions within other social contexts. More specifically, there is a need for research that explores the use and impact of culture in both unbalanced and balanced power relations. Questions that arise directly from this research are, for example, whether similar or dissimilar processes can be found in a situation where the distribution of power and resources among the Japanese and the Dutch constitutes a more equal relationship, such as in mergers or joint ventures. If the experience of cultural differences is indeed situationally bound, it seems relevant to find out the conditions under which particular cultural characteristics become emotionally charged and politically laden in intercultural interactions.

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