

International Research Workshop

Language and international human resource management^{*}

Invited Speaker: Markus Pudelko (Tübingen University)^{**}

Discussant: Tomoki Sekiguchi (Osaka University)

Chair: Norihiko Takeuchi (Waseda University)

Takeuchi First of all, I'd like to say welcome to the JAAS workshop and welcome to Waseda University. Please allow me to introduce myself as the Chair of this workshop and the former Director of the JAAS International Exchange Committee. I am Norihiko Takeuchi from the Waseda Business School at Waseda University. I'd like to express my deep appreciation to all of you who have come to this extremely interesting session despite the lateness of this Sunday afternoon. Today we are going to hold a fascinating workshop entitled "Language and International Human Resource Management." The issue is particularly important not only for researchers but also for practitioners, as the world economy is becoming increasingly globalized. The language barrier is a particularly important issue, especially as this barrier has been an obstacle to Japanese multinational corporations and the foreign corporations operating in Japan.

Today, we are very lucky to have a renowned guest speaker, Professor Markus Pudelko, who is a professor at the University of Tübingen in Germany. He is now temporarily serving at the Waseda Institute for Advanced Studies as a visiting professor. Taking the opportunity, I

organized this workshop together with Professor Tomoki Sekiguchi. He is a professor at the Graduate School of Economics in Osaka University. Later on, he will comment on Professor Pudelko's speech.

Let me introduce Professor Pudelko in more detail. Markus, please come over to the podium here. He is currently a professor in the Department of International Business at Tübingen University, one of the oldest and most prestigious universities in Germany and Europe. He is also Vice Dean of the Faculty of Economics and Social Sciences in that university. He earned his Master's Degree in Business Studies from Cologne University in Germany and his Master's Degree in Economics from the Sorbonne University, France. He has another master's degree, Master of International Business, from the CEMS in Europe. He received his PhD from Cologne University in Germany. Before he joined Tübingen University he worked for the University of Edinburgh Business School for eight years. He has to his name many international publications on such topics as headquarter-subsidiary relationships in multinational corporations (MNCs), cross-cultural management in general and Japanese human resource management in particular.

Professor Pudelko has several times won the Best Paper Award from reputed journals and academic societies like the Academy of Manage-

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^{**}He also served as a Visiting Senior Researcher of the Waseda Institute of Advanced Studies (WIAS), Waseda University, at the time of this workshop.

ment. He was a recipient of the Ulrich-Lake Award for Excellence in HRM Scholarship by the US journal, *Human Resource Management*.

Now, we move on to the speech. He will give a talk on the “Impact of the Language Barrier on International Business” for one hour. Let me pass my microphone to the professor. Please give him a big round of applause.

Pudelko Good afternoon and thank you very much for coming. In particular, given the nice weather outside and the start of the Golden Week, as there might have been also other options. So even more, thank you very much for being here. Before starting my talk, I would really like to use this opportunity to whole-heartedly thank Takeuchi-sensei, for not just organizing this talk and giving me the opportunity to talk to you now, but in particular for being such a fantastic host here at Waseda University. Without him being my host I would not have had the opportunity to spend an entire month doing research here at Waseda. So, Takeuchi-sensei has really been a great host to me. We had frequent encounters. Yesterday I actually learnt a new word which I think summarizes that quite well “nominication”, and yesterday we had another opportunity to practice.

Of course, I would also like to thank my discussant Sekiguchi-sensei, who came here from Osaka University. We know each other for a long time, so thank you very much that you came here to do this talk. Sekiguchi-sensei is also very well known in the area of International Human Resource Management, and has also recently published a paper on the topic that I will be talking about, the impact of language on international business, specifically international human resource management, a very interesting publication. It has not been published yet, but it's available online. I have already read it

before it was online, because I had asked your co-author to send it to me beforehand. It's about employee commitment and the impact that knowing a second language, English in this case, has on employees such as in Japanese corporations to increase or decrease the commitment. And, the finding in my understanding is that the higher the language skills, and the more human resource management does to promote language skills, the higher the commitment. So these are important findings, and I am looking forward to this article being printed.

First of all, I would like to show some other research articles I'm working on in order to show you this breadth of different topics one can work on within the international human resource management linked to language studies. May I just ask if there is anybody here who has already done research on language studies? No? No one, okay then maybe in that case it's hopefully even more helpful to show you some kind of different topics, and then to summarize some findings for you that will be published in a book chapter. It's not a big topic in research yet but it hopefully provides some kind of positioning of where language studies in terms of international business are actually located.

Let's have a look. Some of these papers I'm currently working on explain a little bit what these topics are really about. The first one is about a new innovative approach towards business studies and focuses on a neuroscientific approach. And the storyline is that if we are speaking in a different language, and that might even be a language that we know very well like English, we have a high degree of cognitive load, which can maybe even be described as a cognitive overload. This keeps us from thinking about other issues that we usually need to consider, for example if we are stressed we might

refer to stereotypes more easily. We know that we should avoid them and are usually able to do so, but if we are cognitively so busy dealing with a different language, we fall back into stereotypes more easily and that is something we should of course all be aware of.

The next article is about the role of expatriates and inpatriates in the field of knowledge transfer. We can see that if you have home nationals at the headquarters that speak the same language, then there is a better transfer of knowledge between headquarters and the subsidiaries. However, within the subsidiaries there might be difficulties to communicate. In particular, for Japanese corporations that is of special importance, because Japanese corporations have a large number of expatriates working in subsidiaries. And according to my own research in different papers, I have shown that they very much deal with communication with headquarters where Japanese is the corporate language and the locals do not speak that language and, therefore, are excluded from the knowledge transfer process.

The third paper I would like to refer to is on trust, in particular the impact of language barriers on trust. The very fact that you can speak with let's say other Japanese in your work place will probably prompt you to be more likely to trust those with whom you can speak Japanese. Whereas on the other side, with people with whom you have to speak in a foreign language, these language differences can cause misunderstandings, so you might end up trusting these people less. And, of course, that is a major concern for multinational corporations, for the work in multinational teams, the headquarters-subsidiary relations, and so on.

The last two articles on that slide show examples for our more descriptive papers that

are based on the biggest study on language differences in international business so far, a study that I did with Anne-Wil Harzing. She was the main author who received the funding for that project, and she invited me to join her. I collected most of the data and travelled to Japan, Korea, China, and many European countries. Overall we have collected data in 13 countries and focused on the subsidiary level. The title [Foreign Language] is maybe a bit strange, so we included five European languages in that title to picture, in a way, the confusion that we sometimes experience when dealing with all these different languages.

One article, on the challenges in international survey research, has actually not really anything to do with the language studies itself. But we tried to summarize our experiences of collecting data in such a major study, and give some advice on how to do such a major survey research. For instance, when we went to China, we wanted to have people filling out a questionnaire online, but we were confounded by the fact that the Chinese government blocked our website. What do you do in these instances?

What else do we have here? For example, two Best Paper Proceedings of papers that are in their longer version still a work in progress, and marked in red here in this book chapter I just mentioned. I marked them red because that is the chapter that I will be talking about a bit more in detail after giving this overview.

So, let me move on to talk a bit about this book chapter that I mentioned, where we in a way position language studies in international business, and compare it in particular to cross cultural management. Starting out with the paradigm we use when talking about international business research, I would argue that the very early studies in international business have

actually been explorative, qualitative, very much context driven. However, this development has come to an end before it actually would have become a trend. Instead it was replaced by a more economically driven, strategic and quantitative hypothesis testing research, probably to establish itself as a new area by emulating these hard disciplines that were perceived to be more scientific. At some point a new kind of thinking evoked, understanding that we cannot just neglect personal issues, but need to bring in psychology to bring human behavior to the center of attention, instead of pure economic issues. I would argue that these developments then provided a fertile ground for cross-cultural management to start around the 1980s. A big part of that was due to the rise of the Japanese economy when Westerners were completely puzzled that it was possible for Japan to do things differently compared to their own recipes, and still be very successful at the same time. Therefore, cross-cultural issues did play a major role.

So, when cross cultural management started out based on psychology, it was still based on the economically-driven quantitative research focusing on reducing the way of comparing culture to cultural values. Like, for example, studying this very complex construct of culture by focusing on just four or five different scores for one culture. Therefore, we labeled that as a reductionist culture specific orthodoxy. The idea was to use cultural differences, or cultural distance, and other concepts as an independent variable to just one score, and then explain all kind of different dependent variables based on that one score. It can almost be described as an obsession with these cultural values which caused a kind of counter-movement that was elaborating on the concept of context instead. I'm trying to understand the context of different nationalities

and the interactions of people within organizations and, doing so, following a more qualitative in-depth approach. Therefore, this reductionist culture-specific paradigm got challenged, and now we have a differentiation or an oppositional comparison between these two different paradigms. The reductionist culture is what we call the differentiated culture-specific one. But is culture reduced to some scores, or is its complexity more in focus? Is that a comparison of values or a description of their actions? Is the perspective itself more static or dynamic? Is it deductive versus inductive? Theory testing or quantitative analysis versus qualitative theory generation? Or confirmation versus exploration? And finally do we use just a specific or do we try to get an abstract from a specific context or focus on all these different contexts? Finally, how does language now fit into this picture?

So far, I have talked about international business and moving in more specifically towards cross-cultural management. But what about language studies now? Language studies originated from this second paradigm that I mentioned: the differentiated culture specific one and, therefore, it's much more qualitative and much more explorative compared to the quantitative theory testing in research. This stream of research is relatively new and I would argue that of course it's always artificial to try to define a specific date to describe when a new research area emerges but I would say it clearly came out later than the year 2000. Rebecca Piekkari certainly did a lot of her Ph.D. work based on language issues at a Finnish corporation. Since then a series of special issues have already been published with the last one about to come out shortly.

So, the question is now to which degree this new language area emerges into a new para-

digm within the paradigm of the differentiated culture-specific one that I mentioned already in the context of cross cultural management? Again, so far these studies have been very much focused on dynamic interaction processes, focusing mainly on the micro level and OB-driven, just as the differentiated cross-culture-specific paradigm of cross-cultural management. However, the concern we have with this movement towards an establishment of a new paradigm is that, first of all, we are very reluctant to see any kind of orthodoxy, which then is likely to exclude other approaches. Secondly, by establishing language studies with this differentiated, culture-specific paradigm, the debate moves away from what in cross-cultural management or in international business studies is still seen as a minority, because the majority of cross cultural management, and the majority of international business studies, are clearly still on the opposing side following the more qualitative paradigm. If language studies are now detaching themselves by always using different methodologies, the danger is that the entire field becomes insular, and there will only be little overlap between these various studies.

Just to summarize what I just mentioned in international business, we started out with a culture-free, and a more economically driven approach, which eventually became the more dominant paradigm. Later we had the culture-inclusive paradigm where we did include culture in a more reductionist way, however, still reducing it to just a few value scores again. From there, we then experienced the counter movement from which the differentiated culture-specific paradigm evolved which within cross-cultural management is still the among the minority. However, within language studies it is now the more dominant research paradigm.

To conclude I would like to mention some suggestions for further research within language studies. My appeal here is to use different research methods—not just focusing on qualitative research for instance, but also quantitative methods. Our study, for example, is one of those few language studies that use a quantitative approach so far. We should draw more disciplines together, such that an inter-disciplinary approach on linguistics could be one example for further discussion. Furthermore, we could refer to more innovative disciplines like neuroscience, such that we should for example use all levels of analysis, from the organization itself to the relationships within organization and head-quarter-subsidaries, or language issues within teams or within even the individual, as mentioned before. The new approach on research should be focusing on cognition on the individual base. We are in need of that. We should also extend our studies to more countries and languages. So far, the data collection has been very much focused on Scandinavia, because lots of researchers and language studies work out of Europe and here specifically Scandinavia. That is now one of the few areas where the Americans don't dominate the field, probably because they are not as sensitive to language issues with English being the lingua franca anyway?

Scandinavian languages and Japanese are two very important language groups or languages that have been used a lot in our area so far, and I would suggest that we should expand our focus to other languages and carefully justify why we used each language, and not just our home language even though that might be more convenient. Finally, we should also distinguish a bit more on the content of language and culture overall. And with that, I would like to conclude the second part of my talk which was meant to

show where language studies are positioned within international business. Thank you for your attention.

Takeuchi Thank you very much, Markus, for the very impressive talk. Now I'd like to invite comments from Professor Tomoki Sekiguchi from the Graduate School of Economics at Osaka University. He is another expert in the area of language barrier issues in MNCs and he has just been published in the *Journal of World Business*, elaborating further on that issue. He will now give a 15-minute commentary on Markus Pudelko's speech.

Sekiguchi Thank you Takeuchi-sensei for the introduction and also thank you very much Professor Markus Pudelko for your speech. To me it was a very impressive presentation about language issues in international business and HRM. I was just overwhelmed by how productive Professor Pudelko is especially in recent years, producing such a great number of publications on language issues. Professor Pudelko and his colleagues are definitely dominating in this area. But I believe that the field of language studies still has many issues that should be investigated in the future.

My role here is to facilitate our understanding especially connecting between research of language studies in IB and the practical issues that are particularly related to the Japanese context. Basically, I want to start with the big picture why language is important both in research and practice. I think that many Japanese companies already have established their business overseas, and a lot of profit and sales depend on how well the company is doing in the foreign market. In that sense many Japanese companies already are so-called multinational organizations. Multinational corporations are almost equivalent to multilingual organizations because within the

MNCs there are lot of languages being spoken and regulations are required. Therefore the language policy of a company and the languages that are actually used within the company is a very critical factor for the success of MNCs. It is because language is used in communication within and between organizations and is crucial for the knowledge sharing and the knowledge transfer among others. Furthermore, the influence of the lingua franca is important because non-native speakers will try to use English to communicate with each other.

On one hand, we have to select and use several specific different languages and adopt in a certain way depending on the situation. Language is important because multiple languages that are used within one organization complicate international communication processes. That may prohibit effective knowledge transfer, communication or operation within a company. This kind of trend will put some motivation on the companies to use an official common language. This is why, nowadays some Japanese companies started to announce that their official language is English, and they force their employees to study the language, in order to be promoted to higher positions.

On the other hand, we still have some reasons that describe why various local languages are important, especially in sales or marketing or the field of customer relationship. For example, if your company is doing business in China, the ability to speak Chinese is very important. If the company is in Europe, German, French or other languages are very important to communicate with customers, and also communicate with business partners. These kinds of things will motivate companies and encourage them to learn local languages, especially when expats are sent to local subsidiaries.

Certain language barriers actually occur within MNCs, and they might cause lots of problems, for example when language proficiency and power are always resented. In the case of Japanese companies, the dominant corporate language is Japanese, because Japanese people dominate the companies. They tend to send their Japanese employees to subsidiaries overseas to fill top management positions in order to control the operation of business in a local context. That might create an ethnocentric staffing policy and that also creates a glass ceiling, meaning that local employees won't be promoted to top management positions in foreign subsidiaries.

Also, the process of social inclusion and exclusion will occur in MNCs. For example, even in headquarters in Japan, they are trying to recruit and hire international people in order to increase internationalization within the domestic context. However, when working together probably Japanese people who are fluent in Japanese may exclude people who are less fluent in Japanese because of several psychological or practical reasons. That might create a "fault line", and divide employees between a core group and the peripheral one within the same headquarters or within the same companies.

From a more micro level point of view, as Professor Pudelko already presented, there might be a lot of intolerance caused by language barriers especially in teams that consist of a lot of different nationalities or multicultural teams. For example, native speakers and nonnative speakers obviously have another level of fluency level or knowledge of foreign languages. Also, the language barriers might cause some emotional and also psychological effects. Some people feel angry or some fear conflicts that occur between team members because of the language barriers.

Also, those who are less fluent in the language that is used in the team might lose their status because they may feel that they cannot contribute a lot to the team. The other members of the team may also think that the person who is less fluent in a language may not be very helpful.

This kind of language barrier may create faultlines meaning that the group cannot have a shared mental model as Professor Pudelko explained. The group will be divided into several sub-groups speaking the same languages like Japanese people may get together and create some groups and also Chinese people get together, being intimate with each other even in a multicultural or multinational group. And trust among members might be harmed because social identity might also deteriorate.

How can we solve these kinds of problems caused by language barriers, especially within MNCs or within multinational or multicultural teams? I will give some examples of possible solutions based on the literature and current research. The first one is to make the most of bridge individuals or translators. You know the company can hire bilingual employees, multilingual employees that play a critical role in bridging or intermediating between the people who speak different languages. But it is important to think about whether being bilingual or multilingual is the same as being bicultural or multicultural. Even though you can speak several languages, it doesn't mean that you can understand cultural differences. As Professor Pudelko explained, the issue is not only related to language but also the culture itself. That may cause some problems.

Another solution might be to introduce external translator or interpreters to help within a team. Leadership or managerial support might be also important to control the empathetic

atmosphere or emotions especially for those who are less competent in language in order to promote the psychological safety such that the non-native speakers or those who are not fluent in the language can speak up in a meeting or work equally in teams and to allow multiple languages being spoken at the same time. And, if there is any problem, you can switch the languages. For instance I'll start with English but if there are some problems in understanding we can speak Japanese by switching back and forth when it's appropriate.

At the corporate level, some Japanese companies can set official corporate languages to encourage their employees to learn or practice such languages, where especially English might be of most importance. As I told you it is not only the language issues but also the cultural issues. A company can offer training to practice not only languages but also cross-cultural understanding. That might create a better atmosphere so that different people speaking different languages can work better together.

IT technology is also amazing. If you visit Google Translation you know the machine can speak language more fluently than us. We can use such kind of technology especially in the future to help us work together even though there still might be some major language barriers. These are just examples of the possible solutions with which we can solve some of the problems caused by language barriers. I'd like to ask you to think about what would be other solutions or what we could do to come up with new solutions and do research in order to test whether it is really effective or not. That concludes my commentary. Thank you very much.

Takeuchi Thanks very much, Sekiguchi-sensei. I believe his comments have helped translate the scholarly knowledge into a more practi-

cal one. He raised important issues regarding what might be the best solutions for language barrier issues in MNCs. Before asking all of you for questions, let me first ask Markus: Would you like to reply to any of the comments?

Pudelko Well, I think that the portfolio of solutions that you already described is exhaustive. Spontaneously I would not think about any further solution. To me the question of how to implement that is rather more interesting because of course each of these solutions again bring negative impacts with them. So, you mentioned that it might be good to refer back to Japanese language and then go back to English, code switching, as you used the term. Now, if you do that research has shown that code switching is used particularly in emotional thoughts or situations when the others were excluded and didn't know what they were talking about and that can raise negative effects. However, I would still agree that it may make sense in certain situations but it is then important, as you also mentioned, that in the end someone is summarizing what has been said so that the others are not feeling excluded. This was just an example for all the disadvantages these other solution mechanisms carry with them. So the question is not about finding a new one but using a multitude of these solution mechanisms whilst being aware of the negative sides and counteracting them if possible as well.

Takeuchi Thanks, Markus. Now let's move on to the Q&A session with all of you. Please identify yourself; comments in Japanese work fine.

Male Participant I have no question but I have another solution here. In fact it's exactly what we are now doing. I think first of all I want to also share my experience. My senior team members are very much diversified - four Japa-

nese executives and four non-Japanese executives; Turkish, British, Swedish and [Unclear] so the background is totally different. And all of them speak English but we have lots of difficulties and misunderstandings that occur. Actually, our senior meeting is always sort of chaotic. So, what we are now doing is that we do a lot of team building activities and sometimes as you mentioned nomination. Therefore I really feel how we gradually get to know each other better, and also our English communication is now becoming smoother than before. I think this type of team building or maybe some informal communication can enhance our communication in general. That's my opinion. Thank you.

Sekiguchi There is cross-cultural research showing that countries can be different in terms of the level of context such as high context or low context. The context here means that you can share the same meanings. So, if you have a lot of nomination, especially in Japan, this is the way we can share the same context. Even in Western countries where context is low probably it is possible that we can create some context within teams. I think your plan is very important and makes sense in order to increase the efficiency of communication between teams.

Male Participant Thank you very much for the good lectures to the professors. I'm just asking—the English wording of 'trust me' you said is based on the cultural difference, so the meaning would be different or impression would be different. I'm asking whether it is the case as Premiere Hatoyama said to the President Obama in the speech 'trust me' – so it is about what can I say proper or seems ridiculous to me? What do you think of that? How do you evaluate? That is my question.

Pudelko So, I must admit I'm not aware of that quote you just mentioned.

Male Participant 'Trust me' is saying that some political [agreement would be implemented].

Pudelko Yeah I understand the context now but I would not even think that this is that problematic. I would think if you said that sounds a bit ridiculous to you, I think it sounds maybe in the Japanese context more ridiculous than it sounds in American context in which it was meant—so as he addressed in an American I would not even say that it was that inappropriate because this direct emotional approach that the Japanese Prime Minister used is for the Americans quite usual. So, I would think that there was a kind of code switching from the Japanese to American, and maybe it was even a clever move which for Japanese seems ridiculous, again but not for Americans. Just to add to that, let's say another expression that Americans often use and also German use but to us would sound a bit over the top is this constant "I love you, I love you all!". For example if someone is getting an Oscar, he loves everyone. That would be another example where Americans show a lot more emotion especially through such statements. Something you would not do in German, but maybe then I would do it in our languages. Actually, when Boris Becker who was a famous tennis player, got an award in Germany and said in German "Ich liebe Dich" or "I love you" the press was full of making fun of him, because he used these words that he used in English all the time, but now in his own language. And it just sounded somewhat ridiculous.

Female Participant Okay, I will try to ask in English. Thank you very much for your lecture. I just want to share my experience because I started to work for a new company a month ago, and there are a lot of Japanese, but even so I still feel some cultural differences because it's

a new company, and then a different culture. There are also many kinds of languages I don't understand because that's a specific kind of internal language, mainly internal words that are used only in this organization. Well, that language is actually very common amongst the organization, but not familiar to me yet. However, nobody I know describes to me what these words mean so I definitely need to learn the new words? And then also the assumption like we all are Japanese, so we are able to understand a lot of things but sometimes this same assumption makes things a lot more difficult for us to understand so I think it is not only the cultural differences or the language differences. Thank you.

Sekiguchi This experience is deeply embedded in the culture itself. No culture can be put only into language differences. You probably know that in Japanese companies there are lot of things that are not written down, but you have to learn what it means or what this word stands for. But there are probably also some companies that are more formal in teaching you. So, what this means is that the company can give you more manuals, but some other companies use a more informal way to teach you like through nomination. I think companies have to make an effort to teach their own culture and their roots, but also the newcomers need to make some effort to learn as fast as possible by using a more political way or practical way to ask. So I think this topic is very important both for management and employees.

Pudelko Just as a quick add-on—I completely agree with everything you said that within the Japanese culture as a much higher context culture things are not that explicit and, therefore, in Japanese corporations this training that you mentioned is quite intense. And, given the fact

that in Japanese corporations traditionally there is not a high degree of turnover, so the first years are practically spent on passing on that code in a way that this corporation has always used, and outsiders actually would have many difficulties to understand that code. Whereas in America as an example for the other extreme, the talk is very direct so there is no need to decode things. However, it also needs to be direct because people are not as homogenous as Japanese, therefore, one has to be explicit. And then, in addition you have this job hopping in America, so you can't spend years on learning a code in that context. Again this underlines the fact that culture plays a role on top of language and they are both completely intertwined.

Male Participant I have been in a Japanese and multinational environment in management positions for 33 years and a lot of what was said today of course was ringing bells the whole afternoon. And I'm very grateful for the speech and the substance which is coming in to settle these problems in a more logical way, rather than just continuing with the sentimentalism which is very often coming up in these meetings. We were half-half expatriates and Japanese executives. My first impression or conclusion that I would also want to mention is that it's very difficult to separate language from culture. You need to understand the culture to be able to get the right conclusion out of the words that are said. That was my first main point.

And, the second point as I already said is that we thought that our Japanese executives were much more going into the relation type of business promotion, whereas, our foreign executives were more in the logical or on the technical side and involved individually. Of course it's necessary in order to sell a good product in Japan you have to give a very good technical explanation

and that is much more important than prices and all the rest. In that sense we had lots of bad experiences with translators and foreign interpreters. There is a famous proverb in Italian which describes interpreters as traitors because no Japanese translator would ever translate what the expatriates wanted to say. So, our ultimate conclusion was that the expatriates had to learn Japanese to a pretty intensive level. And the company was even paying all the expenses.

The other thing was that the Japanese executive (and that's what many of the big Japanese trading companies of course are doing) is to send their Japanese executives abroad to get an understanding of the cultures abroad, and then bring that knowledge back to Japan. It's not a question it's just a comment. Thank you very much.

Pudelko Well, I can completely understand your comments and also the frustrations that you voiced in this process. Coming back to the issue of culture and language which is indeed the core, I wouldn't really turn it around and say that culture is also important compared to language. At least in research, the understanding was the opposite way. Since the 1980s we understand that culture also matters. In this Western or specifically American dominated management research, as an outcome of the rise of the Japanese economy, it was very difficult for the old style Western management theory to actually

understand that culture matters. But the more interesting aspect was that language was ignored for so long. It has just recently been taken into account maybe some 10 years ago. I would just like to mention maybe two aspects to explain that. The first aspect is that the language was always seen as just a part of culture so, therefore, when we talk about culture, language is just an aspect of that so that we don't need to specifically talk about language. The other aspect is that while there was the recognition that, yes, language is a problem and that language matters, the solution appeared to be so clear. Well, if you are Japanese and you don't speak German and I'm German and I don't speak Japanese then let's just use English. The lingua franca was the solution, but all the research that we are talking about now shows that even when we speak English we still have these common problems, which again you are right, are linked then back to culture. Thank you.

Takeuchi Now it's almost time to finish the discussion, and thank you very much again for joining this session. This has been hugely successful and I hope that today's speech and the discussions will have helped you understand the language issue in more detail. Some of the ideas we've discussed might help you solve problems in your dealings with multinational corporations in the future, or help you in your academic field. Thank you very much.